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Foreign Relations of the United States

1947

Volume V

THE NEAR EAST AND AFRICA

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Foreign Relations of the United States 1947

Volume V

The Near East and Africa

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PREFACE

This volume was prepared under the direct supervision of S. Everett Gleason, Chief of the Foreign Relations Division, assisted by Rogers P. Churchill.

The documentation of United States interest in Communist and Nationalist activities in North Africa was compiled by former staff member John G. Reid. The remainder of the volume was the work of Herbert A. Fine.

The Publishing and Reproduction Services Division (Jerome H. Perlmutter, Chief) was responsible for the technical editing of this volume.

WILLIAM M. FRANKLIN
Director, Historical Office
Bureau of Public Affairs

PRINCIPLES FOR THE COMPILATION AND EDITING OF "FOREIGN RELATIONS"

The principles which guide the compilation and editing of *Foreign Relations* are stated in Department of State Regulation 2 FAM 1350 of June 15, 1961, a revision of the order approved on March 26, 1925, by Mr. Frank B. Kellogg, then Secretary of State. The text of the regulation, as further amended, is printed below:

1350 DOCUMENTARY RECORD OF AMERICAN DIPLOMACY

1351 *Scope of Documentation*

The publication *Foreign Relations of the United States* constitutes the official record of the foreign policy of the United States. These volumes include, subject to necessary security considerations, all documents needed to give a comprehensive record of the major foreign policy decisions within the range of the Department of State's responsibilities, together with appropriate materials concerning the facts which contributed to the formulation of policies. When further material is needed to supplement the documentation in the Department's files for a proper understanding of the relevant policies of the United States, such papers should be obtained from other Government agencies.

1352 *Editorial Preparation*

The basic documentary diplomatic record to be printed in *Foreign Relations of the United States* is edited by the Historical Office, Bureau of Public Affairs of the Department of State. The editing of the record is guided by the principles of historical objectivity. There may be no alteration of the text, no deletions without indicating where in the text the deletion is made, and no omission of facts which were of major importance in reaching a decision. Nothing may be omitted for the purpose of concealing or glossing over what might be regarded by some as a defect of policy. However, certain omissions of documents are permissible for the following reasons:

a. To avoid publication of matters which would tend to impede current diplomatic negotiations or other business.
b. To condense the record and avoid repetition of needless details.
c. To preserve the confidence reposed in the Department by individuals and by foreign governments.
d. To avoid giving needless offense to other nationalities or individuals.
e. To eliminate personal opinions presented in despatches and not acted upon by the Department. To this consideration there is one qualification—in connection with major decisions it is desirable, where possible, to show the alternatives presented to the Department before the decision was made.

1353 *Clearance*

To obtain appropriate clearances of material to be published in *Foreign Relations of the United States*, the Historical Office:

a. Refers to the appropriate policy offices of the Department and of other agencies of the Government such papers as appear to require policy clearance.
b. Refers to the appropriate foreign governments requests for permission to print as part of the diplomatic correspondence of the United States those previously unpublished documents which were originated by the foreign governments.

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LIST OF ABBREVIATIONS AND SYMBOLS

EDITOR'S NOTE—This list does not include standard abbreviations in common usage; unusual abbreviations of rare occurrence which are clarified at appropriate points; and those abbreviations and contractions which, although uncommon, are understandable from the context.

A- (plus number), airgram

A–A, Assistant Secretary of State for Political Affairs: Armour

AA/L, Legislative Liaison Section, Department of State

ACC, Allied Control Council (Austria)

A–K, Assistant Secretary of State for Occupied Areas: Hilldring

AHE, Arab Higher (Committee) Executive

AIOC, Anglo-Iranian Oil Company

AMAG, American Mission for Aid to Greece, at Athens; also, Amag, indicator for telegrams and despatches sent to the Department of State by the Mission

Amfoge, Allied Mission to Observe the Greek Elections

AP, Office of the Adviser on Petroleum Policy, Department of State

A–P, Assistant Secretary of State for Administration: Peurifoy

ARAMCO, Arabian American Oil Company

A–T, Assistant Secretary of State for Economic Affairs: Thorp

ATC, Air Transport Command

Azer, Azerbaijan

Balcom, indicator for telegrams sent by the Department of State to the United States Delegation on the United Nations Special Committee on the Balkans

BOAC, British Overseas Airways Corporation

BEM, British Economic Mission (in Greece)

BMM (or BMMG), British Military Mission (in Greece)

C/GT, presumably Coordinator, Greek-Turkey Aid Staff, Department of State; symbol superseded by U/GT

CEEC, Committee of European Economic Cooperation

CFM, Council of Foreign Ministers

CFP, *Compagnie Française des Petroles*

CIG, Central Intelligence Group, National Intelligence Authority

Combal, indicator for telegrams sent to the Department of State by the United States Delegation on the United Nations Special Committee on the Balkans

DABS, Democratic Army Broadcasting Station

Delga, indicator for telegrams sent to the Department of State by the United States Delegation at the United Nations General Assembly

Delsec, indicator for telegrams sent to the Department of State from the United States Delegation at meetings of the Council of Foreign Ministers

Deptel, Department's telegram

DO, Desk Officer

DP(s), displaced person(s)

DRN, Division of Research for Near East and Africa, Departmenr of State

EAM, *Ethnikon Apeleftherotikan Metopon* (National Liberation Front), a resistance group controlled by the Communist Party of Greece

ECOSOC, Economic and Social Council of the United Nations

ED, Division of Investment and Economic Development, Department of State

EE, Division of Eastern European Affairs, Department of State

ERP, European Recovery Program

EUR, Office of European Affairs, Department of State

FAO, Food and Agriculture Organization

FLC, Foreign Liquidation Commissioner, Department of State

FN, Division of Financial Affairs, Department of State

FonOff, Foreign Office

FRB, Federal Reserve Bank

FRBNY, Federal Reserve Bank of New York

FTA, Foreign Trade Administration (Greek)

GA, General Assembly of the United Nations

Gadel, indicator for telegrams sent by the Department of State to the United States Delegation at the United Nations General Assembly

Gama, indicator for telegrams sent by the Department of State to the American Mission for Aid to Greece, at Athens

GC, General Committee of the First Special Session of the General Assembly of the United Nations

GNA, Greek National Army

GS, Greater Syria

GTI, Division of Greek, Turkish, and Iranian Affairs, Department of State

ICAO, International Civil Aviation Organization

ICJ, International Court of Justice of the United Nations

IO, Reference and Documents Section, Bureau of International Organization Affairs, Department of State

IPC, Iraq Petroleum Company, Ltd.

IRO, International Refugee Organization

IS, Division of International Security Affairs, Department of State

IZL, Irgun Zvai Leumi

JA, Jewish Agency for Palestine

JCS, Joint Chiefs of Staff

JSM, Joint Staff Mission (British)

KKE, *Kommunistikon Komma Ellados,* the Communist Party of Greece

KLM, *Koninklijke Luchtvaart Maatschappij* (Royal Dutch Airlines)

Kosmos, indicator for telegrams sent to the Department of State by the Secretary of State during the Moscow session of the Council of Foreign Ministers on matters not under consideration by the Council

Le (or **LE**), Office of the Legal Adviser, Department of State

Legtel, Legation's telegram

LST, landing ship, tank

MA, Military Attaché

Martel, indicator for telegrams sent to the Department of State by the Secretary of State during the London session of the Council of Foreign Ministers

MD, Munitions Division, Department of State

MEI, Division of Middle Eastern and Indian Affairs, Department of State

Moskco, indicator for telegrams sent by the Department of State to the Secretary of State during the Moscow session of the Council of Foreign Ministers on matters not under consideration by the Council

NA, North Africa

NAC, National Advisory Council on International Monetary and Financial Matters

NDC, National Defense Corps (Greek)

NE, Division of Near Eastern Affairs, Department of State

NEA, Office of Near Eastern and African Affairs, Department of State

NGOs, non-governmental organizations

OA, Division of International Organization Affairs, Department of State

OFD, Office of Financial and Development Policy, Department of State

OFLC, Office of the Foreign Liquidation Commissioner, Department of State

OIE, Office of Information and Educational Exchange, Department of State

P&O, Plans and Operations Division, War Department

PA, Office of Public Affairs, Department of State

Patsu, indicator for telegrams sent by the Department of State to the American Mission for Aid to Turkey, at Ankara

PED, Petroleum Division, Department of State

POL, petroleum, oil, lubricants

PPA, Algerian Popular Party

reDeptel, regarding Department's telegram

RFC, Reconstruction Finance Corporation

RPF, *Rassemblement du peuple français* (General de Gaulle's political party)

S, Secretary of State

S/S, the Executive Secretariat, Department of State

S/S–PR, Protocol Staff, Executive Secretariat, Department of State

SA/E, Special Assistant to the Secretary of State for Research and Intelligence

SACMed, Supreme Allied Commander, Mediterranean

SAG, Saudi Arabian Government

SC, Security Council of the United Nations

SE, Division of Southern European Affairs, Department of State

Secdel, indicator for telegrams sent by the Department of State to the United States Delegation at meetings of the Council of Foreign Ministers

SNDC, Supreme National Defense Council (Greek)

SONJ, Standard Oil Company of New Jersey

SPA, Office of Special Political Affairs, Department of State

SWNCC, State-War-Navy Coordinating Committee

SYG, Secretary-General of the United Nations

TAPLINE, Trans-Arabian Pipe Line Company

TC, Trusteeship Council of the United Nations

Telmar, indicator for telegrams sent by the Department of State to the Secretary of State during the London session of the Council of Foreign Ministers

TRUSTCO, Trusteeship Council of the United Nations

TVA, Tennessee Valley Authority

U, Office of the Under Secretary of State

U–E, Office of the Under Secretary of State for Economic Affairs

U/GT, Coordinator for Aid to Greece and Turkey, in the Office of the Under Secretary of State

UGTT, *Union Generale des Travailleurs de Tunisie*

UNESCO, United Nations Educational, Scientific and Cultural Organization

UNGA, United Nations General Assembly

UNO, United Nations Organization

UNRRA, United Nations Relief and Rehabilitation Administration

UNSCOB, United Nations Special Committee on the Balkans

UNSCOP, United Nations Special Committee on Palestine

urdesp, your despatch

urtel, your telegram

USAGG, United States Army Group, Greece

USDel, United States Delegation

USFRP, United States Foreign Relief Program

USGADel, United States Delegation at the General Assembly of the United Nations

USIS, United States Information Service

Ustap, indicator for telegrams sent to the Department of State by the American Mission for Aid to Turkey

USUN, United States Mission at the United Nations

WE, Division of Western European Affairs, Department of State

WFTU, World Federation of Trade Unions

UNITED STATES ECONOMIC AND MILITARY AID TO GREECE AND TURKEY: [1] THE TRUMAN DOCTRINE

868.51/1–447

Memorandum of Conversation, by the Secretary of State [2]

[WASHINGTON,] January 4, 1947.

The British Ambassador [3] called at his request to see the Secretary.

He said his Government was a bit disturbed by a statement that Tsaldaris [4] had made to the press that he expected soon to receive American aid for financial relief. He said they were wondering whether the US did give Greece a loan in anticipation of action by Congress, or at least assurances of a loan.

The Secretary replied that we cannot stop Tsaldaris from making a statement he believes will be helpful to him at home. He stated there was no commitment at all and that it was made plain to him by everyone that it was an exceedingly difficult matter, and that the only way he could get a loan was through the Export-Import Bank. He wanted assistance between now and April 1st because he was disturbed by the immediate financial situation and was convinced nothing could be done as a result of the Economic Mission [5] until late spring. The Secretary stated further that the Department's economic people had talked with Tsaldaris to see if there were any way something could be worked out. The Secretary said he suggested to him on the day he left Washington that he should not make any statement which would lead his people to be optimistic and then later cause them disappointment. He said he regretted Tsaldaris had given the impression that any commitment was made.

The Ambassador inquired if a loan to Greece would have to be approved by Congress.

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[1] For previous documentation on these subjects, see *Foreign Relations*, 1946, vol. VII, pp. 88–288, *passim*, and pp. 899 ff.

[2] Drafted by Dorothy H. Morgret of Secretary Byrnes' office.

[3] Lord Inverchapel.

[4] Constantine Tsaldaris, Greek Prime Minister and Minister for Foreign Affairs; for an account of his visit to the United States in December 1946, see telegram 8, January 3, 1947, *Foreign Relations*, 1946, vol. VII, p. 286.

[5] For the appointment of Paul A. Porter as Chief of the American Economic Mission to Greece, see telegram 1569, December 12, 1946, to Athens, *ibid.*, p. 278. The Department of State, on January 9, 1947, released the membership and terms of reference of the Mission (Department of State *Bulletin*, January 19, 1947, p. 136).

The Secretary replied it would not, that the loan through the Export-Import Bank could be made out of funds they now have. He said Tsaldaris was informed that money for lending purposes was restricted by the language of the law and that the Directors of the Bank were disposed to view these applications for loans quite closely and to live within the language of the law.

The Secretary said Tsaldaris then asked for a loan by authority of Congress and stated that his Greek friends here had advised him such a loan would be approved by Congress. The Secretary told him his friends were no doubt being misled by a Congressman or Senator who feels kindly toward Greece, but who would have to stand with the majority of his party when the issue came to a vote.

761.67/1–847 : Telegram

The Ambassador in the Soviet Union (Smith) to the Secretary of State

TOP SECRET Moscow, January 8, 1947—3 p. m.

43. Deptinfotel 2917 [*2197*], December 31.[1] We are less inclined than Erkin[2] to feel that recent events in Azerbaijan and possibly Greece hold forth hope that USSR might show reasonable attitude toward Turkey.

We doubt that Soviet dislodgement from Azerbaijan indicates likelihood that Kremlin may abandon its search for strategic lodgement in Turkey.

We have no doubt that Kremlin will resume attempts to encroach on Iranian sovereignty and that it will continue attempts to encroach on Turkish sovereignty.

Soviet policy with respect to Turkey is motivated not only, as Erkin suggested, by considerations of security, but also by urge to gain independent access to Mediterranean and Arab world and by determination to sever British Empire jugular at Suez. To the Kremlin, Turkey represents both a corridor for attack on USSR and an obstacle to achievement of Soviet objectives. USSR will therefore not feel that it has either achieved security for its southwestern frontiers or made a solid advance on its course of Near Eastern aggression until it dominates Turkey.

In light of foregoing it is illusory to talk of a reasonable Soviet attitude or legitimate Soviet requests. Policy of subjugating (or in Soviet jargon "liberating") Turkey is grounded in Czarist history

[1] This telegram gave a summary of telegram 1293, December 30, 1946, from Ankara, *Foreign Relations*, 1946, vol. VII, p. 898.

[2] Feridun Cemal Erkin, Secretary General of the Turkish Foreign Office.

and reinforced by Communist conviction. Any manifestations of Soviet reasonable consideration for Turkish rights will be tactical maneuvers for immediate partial gains. Any inaction or apparent indifference will be a matter of timing, waiting for most favorable moment to move. If Soviet encroachment on Turkey seems to develop with devious deliberation it must be remembered that Soviet policy possesses certain glacial attributes, not least of which is persistence.

Confronted by this chill menace Turkey has little hope of independent survival unless it is assured of solid long term American and British support. It can seek that support through a regional agreement involving USA, UK, Turkey and USSR, as suggested by Erkin, or within framework of UN.

Without examining likelihood of USA being willing to commit itself to such a regional agreement, it is perhaps sufficient to say that it is probable USSR would participate in Turkish agreement with what it regards as its inevitable and greatest enemies—US and UK—only as a strategy, only on basis of providing USSR with an advantage in inevitable forthcoming conflict. And if USA and UK refused to grant that advantage, agreement would probably not be reached. It must be remembered that with respect to Turkey (as was not case in Azerbaijan showdown) USSR has initiative; that if it calculates no advantage will accrue from multilateral negotiations on straits or other Turkish problem it can refuse to participate and bide its time.

We are therefore inclined to conclude that Turkey can rely only—as must all of us menaced by Kremlin's predatory policy—on wider assurance of indivisible security of non-Soviet world guaranteed by UN. And UN can, of course, have courage and authority for this purpose only so long as USA retains its moral leadership—and its strength.

Department repeat to Ankara as Moscow's 2, London as 4.

SMITH

867.50A/1–1047 : Telegram

The Secretary of State to the Embassy in Turkey

SECRET WASHINGTON, January 10, 1947—7 p. m.

15. In seeking suitable methods of implementing our desire assist Turkey economically we had at one time considered possibility sending official mission to survey Turk economy and military, naval, air requirements. Such undertaking seems inadvisable at this juncture, however, since Turks would undoubtedly interpret our interest as forerunner extensive financial assistance which, in light Eximbank's present position, we might not be in position provide.

As alternative, suggestion might be made to Turks that they engage services experienced US firm of consulting engineers to carry out economic survey. Govt Iran just signed contract with Morrison–Knudsen construction firm which is sending consulting group Iran consisting seven or eight experts to study irrigation, dams, agriculture, transportation, power and fuel, industry, mining and communications, submitting detailed report within six months. Total cost $100,000. Report to have as specific object presentation carefully planned case for additional Eximbank or Int Bank loan.

If idea appeals suggest you discuss informally with FonOff. Thought should be put forward as your own rather than as coming from US Govt. Stress importance expert preparation request for loan and try to direct Turk attention to Int Bank which was organized for express purpose financing development. You might point out Int Bank has not yet committed resources and so has greater lending potential for Turkey. Early regularization Turk position Int Bank desirable.

BYRNES

868.00/1–1147 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

SECRET ATHENS, January 11, 1947—3 p. m.

30. At request of Prime Minister I am cabling in next following message essential parts of his reply to my letter of January 7 (mytel 23, January 8 [1]). Dept will note that he "now deplores" that internal Greek political questions were untouched during Washington talks, which I also feel unfortunate. Dept will likewise observe that he lays reluctance of opposition leaders to cooperate with him in formation of broadened government chiefly to "difficult economic and financial conditions of country" and that he expresses hope that prompt US aid will overcome this. I long ago informed Dept that belief in collapse of Tsaldaris as result lack of foreign support has been factor in creating offishness of opposition (mytel 1505, November 4, 1946 [2] and previous), but I see no reason to accept recent suggestion of British Foreign Office to Norton [3] that Prime Minister himself has been seeking [in] blackmailing fashion, to condition broadening of govt on prompt receipt of US aid. On contrary, his repeated efforts before

---

[1] Not printed; it reported that the letter, which gave the gist of Department's telegram 8 of January 3, had been sent to the Prime Minister and a copy to the King's political adviser (868.00/1–847).

[2] Not printed.

[3] Sir Clifford John Norton, British Ambassador in Greece.

going to US to secure collaboration of opposition (mytels 1658 of November 30, 1500 of November 2, 1478 of October 29, 1946 [4]) would appear to have been made quite loyally in keeping with our advice. This also view of British Chargé Lascelles to whom I read the above. British Ambassador departed this morning for London to attend conference of British representatives in this region called by Bevin [5] for January 13. Before his departure I communicated him substance not only of Deptel 8, January 3 but also of my subsequent conversation with King [6] and he agrees with me that in absence of more desirable solution (i.e. formation of wide coalition), best Allied tactics must be to keep pressing present government not only to continue broadening its membership as King suggests, but also to continue liberalizing its program (my airgram A–6 January 3 [7]) along line already laid down at our suggestion on dropping of Mavromichalis [8] and passing of amnesty laws. However, in view of powerful nature of forces making for division and eventual anarchy in this country we also believe that such persistent pressure on our part should be given least possible publicity and that every care should be taken as long as present government remains in power to prevent growth of disrupting impressions that it lacks Allied confidence and support.

MACVEAGH

[4] None printed.
[5] Ernest Bevin, British Secretary of State for Foreign Affairs.
[6] George II, King of the Hellenes. Telegram 23, January 8, from Athens, not printed, gave details of the conversation of Ambassador MacVeagh with the King (868.00/1–847).
[7] Not printed.
[8] Petros Mavromichalis, a member of the extreme right wing of the ruling Populist Party.

868.00/1–1147 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

SECRET ATHENS, January 11, 1947—4 p. m.

31. Mytel 30, of January 11. Following are essential parts PriMin's reply.

"1. As regards the financial question which I brought up in Washington, am particularly happy to see that what you say about the attitude of your government agrees in every respect with the impressions that I carried away from those friendly conversations. I was extremely pleased that the distinguished personalities with whom I conferred stressed the need for 'urgently' exploring all possibilities of rendering immediate as well as long-range economic assistance to Greece (official press release of the State Department [1] published in the

[1] Issued December 23, 1946; for text, see Department of State *Bulletin*, January 5, 1947, p. 29.

American Press of December 24 on my visit to Washington). Concerning immediate aid you specifically mention in your letter that 'it (your government) expressed the intention of requesting funds for the relief of Greece from Congress and that it promised to discuss with the Export-Import Bank the possibility of a suitable additional loan in the near future to bridge the gap.'

"From the above announcement it is evident that the American Government is proceeding already to the realization of the policy it has laid down concerning Greece. Moreover, I am fully in agreement with the view of your government that 'it would be unfortunate if the Greek public should be allowed to form any distorted impression of the commitments made'. Personally as you know on being asked I confined myself strictly within the scope of the above-mentioned official press release of the State Department.

"2. As far as the political problem is concerned I now deplore the fact that both Mr. Byrnes and the other Washington officials, with whom I had the pleasure of conversing, in no way touched upon the subject. In fact had that been the case I would have had the opportunity of expounding personally to them all the views that you have been good enough repeatedly to convey to them on my behalf, namely:

(*a*) My unremitting efforts within the limits set by the result of the elections of March thirty-first and the parliamentary order based on it to broaden the government in order to include all loyal political leaders and parliamentary parties; and

(*b*) The fact that the main obstacle to the success of these efforts of mine has always been the difficult economic and financial condition of the country. Only yesterday (January 7) the London *Times* in a leading article says: 'There is reluctance to take responsibility in a precarious economic situation'.

"This vicious circle will be broken as soon as a quick way is found 'to bridge the gap' pending the recommendations to be made by the Economic Mission under Ambassador Porter concerning long-range economic assistance.

"3. As regards the work of the Commission of the Security Council [2] which is expected to arrive here, we should indeed see to it as I suggested right from the beginning to Mr. Byrnes and Mr. Bevin in New York that the commission should 'secure stable conditions in this part of the world'.

"To obtain such a result my government will make every effort. And it was exactly to this end that it has already taken and will continue to take all necessary steps so that security measures may be applied as mildly as possible.

"I would only be too happy if my desperate requests for economic aid to Greece and for a timely increase of the Greek armed forces had been acceded to. Thus, if adequate and well equipped military forces had been put in the field, order would have been restored within a very

[2] The Commission of Investigation was established by the United Nations Security Council on December 19, 1946, to ascertain the facts concerning alleged violations of Greek borders by insurgent forces said to be using the territories of Yugoslavia, Albania and Bulgaria as operational bases; see telegram 983, December 19, 1946, and editor's note, *Foreign Relations*, 1946, vol. VII, pp. 284, 285.

short time so that no extraordinary security measures would be required while the leadership of the Communist Party of Greece would not have taken the liberty of openly undertaking the responsibility of the rebellion. Again, I would only be too pleased if what was not done months ago could be done now in order that we might be able to lift the security measures entirely for which the government regrets more than anybody else and in the enforcement of which in a country in which there has prevailed such a state of anarchy it is hardly possible for unpleasant excesses resulting from confusion not to take place.

"Rest in any way assured and kindly assure your government that agreeing whole-heartedly with paragraph three of your letter about the 'ultimate aim', I will in any case direct the policy of the Greek Government on this question in a spirit which will be as conciliatory and moderate as possible."

MACVEAGH

867.24/1–1747 : Telegram

The Ambassador in Turkey (Wilson) to the Secretary of State

TOP SECRET ANKARA, January 17, 1947—11 a. m.

38. For Henderson. Re letter from Acheson to me November 8 [1] suggesting I advise Turks USA reluctant furnish military equipment and they should submit requests to British. In my reply December 7 [2] I said thought it undesirable do this until we are in position inform Turks they will in fact obtain at least part their military requests from British, and also that USA will give some positive economic support in way of additional credits. Otherwise I felt our completely negative attitude would discourage Turks leading them to feel our support of Turkey's independence is mere matter of words.

I have accordingly said nothing to Turks on this point pending further word from Department. Meanwhile Colonel Roberts [3] has just returned to Ankara and will be obliged in next day or so to call on General Staff and answer inquiries re action in Washington on list items Turks desire. Under circumstances I have requested him reply to effect that he had put matter in mill, done what he could, and now it is on knees of gods, adding that with end of hostilities various problems of course have arisen re general question of furnishing military equipment. I have requested him do this because I continue feel would be most unwise turn Turks down flatly on this without being able indicate to them US able and willing give them at least some support either through military equipment or additional credit for economic purposes. It seems to me essential in our own interests not permit

[1] *Foreign Relations*, 1946, vol. VII, p. 916.
[2] *Ibid.*, p. 920.
[3] Frank N. Roberts, Military Attaché in Turkey.

deterioration Turk morale which might well ensue if they come to feel we have diplomatic policy only on paper without willingness or ability to implement it.[4]

If Department on full consideration still desires that statement originally proposed be made to Turks re our inability furnish equipment and that they should turn to British this can be of course done later and made to appear as result of further examination problem. In this connection, however, I venture to urge reconsideration our policy in this matter of supplying military equipment. In fact more I think about this more I have come to feel that if we are able furnish material to British for passing to Turks then it would be sounder policy frankly supply such equipment direct to Turkey. Morale aspect which is important as regards Turkey would be better served thereby and I am inclined to believe such policy would in fact produce more satisfactory results so far as USSR is concerned. I regret decision not send official mission (Deptel 15, January 10). I think Turks may have reservations re idea economic survey by private firm. They consider themselves fairly well advanced in economic experience and thinking certainly as compared with neighbors and may judge proposal bit infra dig. However, I think would in fact prove helpful if they hire such firm to prepare their case for credits and I shall find opportunity soon to mention idea as my personal suggestion.[5]

WILSON

[4] In telegram 27, January 20, the Department approved Ankara's line of action regarding Colonel Roberts and advised that thought was being given to the Ambassador's recommendation that arms policy toward Turkey be reconsidered (868.24/1–2047).

[5] In telegram 49, January 21, noon, from Ankara, Ambassador Wilson reported that he had made a "personal suggestion" along these lines to Mr. Erkin who replied that such assistance was not needed by Turkey (867.50A/1–2147).

761.67/12–3046 : Telegram

The Secretary of State to the Embassy in Turkey

TOP SECRET WASHINGTON, January 20, 1947—4 p. m.

26. Embtel 1293 Dec 30 [1] and 16 Jan 10.[2] We have been giving careful consideration to ideas outlined by Erkin. We are inclined to believe it would be definitely unwise just now to suggest regional agreement between US, UK, USSR and Turkey for defense of Straits in time of war. Our position thus far has been that Turkey is and should be primarily responsible for defense of Straits and that if Straits at any time should become object of attack or threat of attack by aggressor resulting situation would constitute threat to international security

[1] *Foreign Relations*, 1946, vol. VII, p. 898.

[2] Not printed.

and would clearly be matter for action on part of Security Council. In case Turkey should suggest regional agreement of type envisaged by Erkin Russians would be almost certain to hail suggestion as admission that system founded on Montreux Convention and United Nations does not provide adequate security for Straits and to insist that logical remedy is system resting on arrangement among Black Sea Powers rather than so-called regional arrangement among Great Powers.

They could also point out that regional defense system of Americas is limited geographically to American Republics.

Erkin apparently overlooks fact that if Soviets really have apprehensions regarding security of Straits their fears are most certain to be directed against US or Great Britain or coalition of powers acting under auspices of United Nations since without aid of US or Great Britain it is inconceivable that in near future any powers would have the strength to endeavor to penetrate or gain control of Straits. Suggestion therefore of regional pact including US and Great Britain would not satisfy Soviet Union since Soviet Union obviously would not believe such pact in certain circumstances would prevent US or Great Britain in time of war from making use of Straits to its disadvantage. It seems clear to us that Russians will not be content with any kind of arrangement with regard to Straits which will not enable them unilaterally to assume control of Straits whenever it seems advantageous to Soviet Union for them so to do.

If you agree with our views in this regard you may in your discretion inform Erkin that we do not believe that advancement of suggestion for regional arrangement similar to that outlined by him would serve any constructive purpose in allaying Russian pressure on Turkey. We are in accord with analysis of Moscow's 43 Jan 8 (rptd Ankara as Moscow's 2) and agree with conclusions last paragraph thereof.[3]

Sent Ankara; rptd Moscow, London.

BYRNES

[3] In telegram 68, January 29, 7 p.m., from Ankara, Ambassador Wilson reported that he had talked with Mr. Erkin along the lines expressed in this telegram and concluded that the idea was killed for the present (761.67/1–2947).

868.002/1–1847: Telegram

The Secretary of State to the Embassy in Greece

SECRET WASHINGTON, January 21, 1947—6 p. m.

69. Urtel 61 Jan 18.[1] We have noted Tsaldaris' complaint that we have been unspecific in recommendations for broadening Govt. Recom-

[1] Not printed.

mendations from US must of course be of general nature since we are not in position to make specific suggestions—nor would such suggestions be appropriate—as to what exact political complexion of Greek Govt should be or as to what personalities should be selected. Greek political leaders must themselves assume responsibility for formation of govt which will clearly command support of overwhelming majority Greek people. We continue to feel that American public opinion will not for any protracted period look with favor upon extension by US of support to a Greek govt which does not enjoy popular support of Greeks themselves.

In our opinion with exception of Communists who clearly are endeavoring to undermine territorial integrity and political independence of Greece, most Greeks are loyal and patriotic citizens. We feel that these loyal and patriotic citizens must endeavor so far as circumstances permit, to cooperate politically if Greece is to be saved from great danger which is threatening it. One of difficulties appears to be that international communists by penetrating into certain left-wing and other groups have succeeded in raising doubts as to loyalty and patriotism of these groups and in creating disunity and mutual distrust within these groups themselves. Many former adherents of liberal and center parties, alarmed at presence of communists or condonement of communism, seem to have gravitated towards extreme right while others shocked at reactionary attitude of rightists have gone over to groups controlled or contaminated by communists. As result political strength seems to have been passing from center and liberal groups into hands of totalitarian rightists or leftists. This dangerous situation might be remedied if responsible Greek political leaders would have vision, restraint, and patriotism to form political coalition which would include those leftist, liberal, and center groups sufficiently enlightened and loyal to refuse to have any further dealings or associations with communists and those rightist groups which would be willing loyally to cooperate with all anti-Communist center and leftist groups. Rightist groups unwilling to cooperate with Greek leftist anti-Communist groups should be considered as reactionaries unworthy of membership in such coalition and groups prepared to cooperate with communists should be regarded as disloyal, contaminated, or politically immature elements the presence of which would be almost certain to create distrust within ranks of such coalition. We realize that it will be difficult for Greek political leaders to lay aside their personal ambitions and rivalries in order to make such front possible. We also appreciate that formation of such front will probably result in splits within ranks of leftist parties in which there are differences with regard to attitude which should be taken toward com-

munists and within ranks of certain rightist parties in which there are differences as to desirability of cooperation with anti-Communist leftists. Nevertheless such splits might eventually have constructive effect on Greek political life since they would serve to isolate and weaken influence of extremists. Has Sophoulis[2] made his position vis-à-vis Communists clear? If not it would seem that he should do so since it would manifestly be unfair to call upon Greek people to support leader who has not courage to take steps to isolate communists and communist-contaminated groups.

In case some kind of broad loyal coalition could be formed it might be found advisable to place temporarily at its head some outstanding non-partisan figure such as Damaskinos[3] at least until it is in position to function.

If you consider foregoing observations valid and helpful you may communicate them to Tsaldaris and others in your discretion. Also please telegraph your comments and let us know whether you consider public statement here along general lines of foregoing but less specific would be desirable. Do you consider it advisable for us to suggest program which it might be appropriate for coalition govt to adopt? If so your ideas will be welcome.

Sent Athens 69; rptd London 347.

MARSHALL

[2] Themistocles Sophoulis, leader of the opposition Liberal Party and former Greek Prime Minister.

[3] Archbishop of Athens and Primate of Greece; Greek Prime Minister from October 17 to November 1, 1945.

868.51/1–2247

Memorandum of Conversation, by the Director of the Office of Financial and Development Policy (Ness)

[WASHINGTON,] January 22, 1947.

Mr. Gouras,[1] the Greek Chargé, called by arrangement this afternoon to inquire concerning his proposal that Export-Import Bank free, perhaps by the device of taking up outstanding letters of credit, the uncommitted balance of the $25 million credit. This balance is reported to amount to something under $13 million.

I informed Mr. Gouras that the decision communicated to him by the Bank in its letter dated January 17,[2] a copy of which is attached

[1] Paul Economou-Gouras, whose surname is commonly but erroneously referred to as Gouras.

[2] Not printed; the letter conveyed the regrets of William McC. Martin, Jr., Chairman of the Board of Directors of the Export-Import Bank, that the Bank was unable to accede to the Greek request.

hereto, was based on administrative considerations. I explained that by this [was] meant the consistency of his proposal with the original terms of the credit incorporated in the Board's resolution. I informed him further that at my request the Bank had agreed to place his proposal upon its agenda for consideration on policy grounds at a forthcoming meeting of the Board of Directors. I told him that the considerations which had been influential in determining the Bank's decision on administrative grounds would likewise be of considerable if not determining weight when the matter was taken up on its policy merits. In short, I gave Mr. Gouras no reason to anticipate a favorable decision in the matter. I did inform him that we would undertake to lay before the Bank such information as we have bearing upon the present Greek financial situation.[3]

(I had yesterday learned that the Acting Secretary of the Bank, in reporting a special meeting held this last Friday, incorporated as part of the minutes a record of the Bank's action on administrative grounds. Upon inquiry this morning I learned that this had been done with the thought of protecting the right of the Department to appeal the decision. Being concerned that inclusion in the minutes would unduly dignify the Bank's action, I asked that the relevant portions of the minutes be expunged. This was agreed to without question.)

N[ORMAN] N[ESS]

[3] Mr. Economou-Gouras had called on Under Secretary of State for Economic Affairs Clayton on January 14, pursuant to instruction by the Greek Prime Minister, to discuss the possibilities for extraordinary and immediate financial assistance to Greece. Mr. Clayton had given assurances that "we were genuinely concerned over conditions in Greece and were exploring all possibilities of offering assistance. Because of legal limitations, however, he [Clayton] felt that there was no immediate prospect of direct financial aid to Greece at this time". Mr. Clayton also had advised the Greek Chargé of the intention of the United States Government to present to Congress in the very near future a bill providing aid to several nations, including Greece, in urgent need of food and essential consumer goods. He had not felt, however, that such legislation would be enacted before the middle or end of March (memorandum of conversation, by William O. Baxter of the Division of Near Eastern Affairs, 868.51/1–1447).

868.002/1–2547 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

SECRET ATHENS, January 25, 1947—10 p. m.

99. King's political adviser Pipinelis called this afternoon to solicit understanding and support for new coalition govt.[1] Said

[1] Telegram 114, January 28, from Athens, reported that the cabinet of Demetrios Maximos, with Mr. Tsaldaris as Vice Premier and Minister for Foreign Affairs, was sworn in on January 27 (868.00/1–2847).

Maximos only figure under whom all participating political leaders willing serve and though new govt unlikely survive long time as coalitions always unstable especially in Greece it may tide country over difficult period and lead to better things. Emphasized overwhelming parliamentary majority with only Sophoulis in opposition and expressed view that Sophoulis who has not yet clarified his attitude towards Communists (Deptel 69 January 21) is unable to do so because his following composed partly of conservative bourgeoisie and partly of fellow-travelling intelligentsia. Suggested however that if aged leader disappears (he suffered heart attack in Chamber recently) Rendis might lead more conservative portion party to cooperate with other national minded groups.

Later Maximos also called and I took opportunity let him read Deptstel 69 which he did with care afterwards remarking it expresses "pure reality" of situation and commenting Department well informed. Begged me advise my govt he accepted premiership only for purpose effecting such appeasement as possible and "correcting certain measures taken in contrary sense". This connection and in reply Dept's query telegram 69 I consider that statement by Dept welcoming "broad loyal coalition" which embraces seven-eighths parliament and giving general expression to type of program hoped for could not fail be helpful.[2]

MACVEAGH

[2] The Secretary of State welcomed the recent broadening of the Greek Government in a statement made at his press and radio conference at Washington on February 14; for text, see Department of State *Bulletin*, February 23, 1947, p. 341.

868.00/1–3147: Telegram

The Chargé in the United Kingdom (Gallman) to the Secretary of State

SECRET LONDON, January 31, 1947—1 p. m.

684. Foreign Office today asked us to call and said following:

Yesterday British Cabinet gave full consideration to Greek situation. It was agreed in principle that Great Britain should lend further assistance to Greece and Foreign Office was authorized to consult with Treasury and Ministry Defence to work out details of British proposals re this situation.

These inter-ministerial discussions will be hurried along as fast as possible and may take only a week. The idea then is for the British proposal to be discussed with US Government. Next item on agenda will be interim assistance to Greece because financial assistance will end on March 31 and it is improbable that long-term proposals can be

worked out until after Porter report is made. It is essential that interim assistance be rendered "in order to stop the rot".

Foreign Office is telegraphing Embassy Washington on this subject.[1]

GALLMAN

[1] A marginal notation dated February 15 states that the British Embassy had heard nothing further from London.

868.515/2-447

The Ambassador in Greece (MacVeagh) to the Secretary of State

CONFIDENTIAL
No. 3597

ATHENS, February 4, 1947.
[Received February 24.]

SIR: I have the honor to transmit herewith copies of three recent documents [1] bearing on the precarious monetary situation now existing in Greece which, it is believed, the Department will find enlightening.

Enclosure No. 1 is a statement dated January 18, 1947 addressed to the Prime Minister (then Mr. Tsaldaris), the Ministers of Coordination and Finance, the Governor of the Bank of Greece, and General Clark (chief of British Economic Mission), by the two foreign members of the Currency Committee (Gregory and Patterson [2]) recommending "immediate" cessation of gold sales by the Bank of Greece. Enclosure 2, dated January 28, is to Prime Minister Maximos (who succeeded Tsaldaris on January 24), likewise from Gregory and Patterson, in which they justify their "utter inability" to approve the Government's proposal for meeting the higher pay demands of the striking government employees by payment of two monthly bonuses involving an aggregate additional expenditure upward of 50 billion drachmas, this money presumably to originate with the printing press for advance to the Government by the Bank of Greece.

It should be recalled that, under the London Agreement of January, 1946, involving a loan to Greece for currency cover, all advances by the Bank of Greece to the Government explicitly require the approval of the Currency Committee which the Agreement established.

Enclosure 3 presents the record of the Currency Committee meeting on January 31, in which the committee, confronted by a *fait accompli* in the Government's earlier decision to make the bonus payments to employees (see Embassy's telegrams 116 and 136 of January 28 and February 1, 1947 [1]) records its strong protest against that decision

[1] None printed.
[2] Sir Theodore Gregory and Gardner Patterson, British and American members, respectively, of the Greek Currency Committee.

"without their previous approval", but—due to the "very serious political repercussions" which probably would follow a committee rejection—it accepts the decision "leaving to the Government the entire responsibility for any consequences resulting from the adoption of this measure".

Thus the committee's hand was forced, and the door is now open for the issuance of some 50 billions of additional uncovered currency, with no indication whatever as to where the process may stop, or what remedial measures may be devised to correct the situation. Following these bonus payments in February and March, the Government has promised its employees to review their demands at the start of the new fiscal year beginning April 1. Certainly a decrease in their compensation can hardly be expected at that time under existing high-cost conditions in the country. And in the next fiscal year, the Government's revenue prospects will be seriously impaired by a rapid elimination of receipts derived from the sale of UNRRA supplies.

Respectfully yours,

For the Ambassador
H. LAWRENCE GROVES
Counselor of Embassy for Economic Affairs

868.00/2-747

The Ambassador in Greece (MacVeagh) to the Secretary of State

TOP SECRET
No. 3607

ATHENS, February 7, 1947.
[Received February 21.]

SIR: As of possible usefulness to the Department, I enclose herewith a summary statement of recent guerrilla activities in Greece compiled by the Intelligence Department of the Greek General Staff as of January 17, 1947,[1] a copy of which has been made available, through the Embassy's Military Attaché, to the American delegation on the United Nations (Security Council) Commission of Inquiry into the sources of trouble along the Greek northern frontiers.

In this document, the Department will note (1) that specially lively guerrilla activity is reported from all Greece's northern regions beginning with mid-November 1946, when the areas of Evros and Xanthi in Thrace began notably to be involved; (2) that the objective is considered as political; (3) that the bands are said to receive reinforcement from across the border and operate in liaison one with another; (4) that an effort is believed in progress to extend activity southward through central Greece to contact and strengthen the bands

[1] Not printed.

in the Peloponnesus, and also to "have it appear to the UN Commission that the main source of bandit activity is in central and northern Greece and not along the frontiers"; and (5) in conclusion, that the KKE (Communist Party of Greece) is accepted as "cooperating fully with the Slav Communist Parties" in an effort to bring about a situation in Greece which will call for Russian military and political intervention.

The statement would appear to be thoroughly objective and I believe can be regarded as trustworthy in regard to the facts, which it details and summarizes in full conformity with the reports this Embassy has been regularly submitting on weekly developments. I would criticize only its conclusion, to the extent that it would not appear that communist-engineered anarchy in Greece would necessarily call for "direct Russian intervention" as long as the Russian-controlled forces of the neighboring states are available for such a purpose.[2]

Respectfully yours, LINCOLN MACVEAGH

[2] In note 109, January 11, the Greek Embassy had informed the Department of State that the Greek Communist Party and its collaborators had assumed full and open sponsorship of the rebels and had moved their bands systematically to the south, principally south of Mount Olympus. The purpose of the two steps, according to the note, was to shake the basis of Greece's appeal to the United Nations and to portray the guerrilla movement as without outside connections and merely as an internal revolt against the regime in Greece and against the general policy of the Western Powers. (868.00/1–1147)

868.515/2–1147 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

SECRET
PRIORITY

ATHENS, February 11, 1947—noon.

196. For the Secretary and Assistant [*Under*] Secretary Clayton. When Porter consulted us (mytel 187, of February 9 from Porter to Clayton [1] and previous) Ethridge [2] and I gave him our views substantially as follows:

The UN Invest Commission is dealing with the external threat to Greece's integrity and independence and from present indications there would appear to be a good chance of its arriving at conclusions and recommendations satisfactory to the US.

On the other hand the Porter mission, while dealing with the internal problem of preventing imminent financial collapse, is also facing fundamentally the same external threat. This is true because among other factors the loyalty neither of the civil servants who have

[1] Not printed.
[2] Mark F. Ethridge, United States Representative on the Commission of Investigation.

already struck successfully against the Government nor of the armed forces which are already dissident to a dangerously high degree can be expected to withstand another catastrophic inflation, and revolution in this country's present circumstances can mean only one thing, Soviet control.

Thus even should the UN succeed in establishing border security its success can mean nothing as regards objectives of principal interest to the US unless the internal problem is also solved. Moreover from our observation of Russian tactics Ethridge and I feel that the Soviets themselves see matters in exactly this same way. It seems clear to us that they expect that whatever comes of the UN Commission, whose work they are meanwhile constructing [*obstructing*] with every possible device to make it conduce to the confusion and discredit of the Greek Government, economic deterioration here must soon cause revolution on a nationwide scale which the well organized Communist party can be counted on to dominate if not openly lead.

It is against this background and not only a background of "serious repercussions the results of which would be embarrassing to the Greek Government" that we feel Porter's strong recommendations should be considered. If Greece falls to communism the whole Near East and part of North Africa as well are certain to pass under Soviet influence and to prevent this and the world-wide complications it would entail a premium of not only five but of many times 5 million dollars would seem cheap insurance for the US.

Ethridge has read this telegram and authorized me to say that in his opinion it understates the case.

MACVEAGH

868.50/2–1747

The Chief of the American Economic Mission to Greece (Porter) to the Under Secretary of State for Economic Affairs (Clayton)

TOP SECRET ATHENS, February 17, 1947.

MY DEAR MR. CLAYTON: The American Economic Mission has now been in Greece for one month, almost half of which has been spent visiting Macedonia and the Peloponnesus in order to observe reconstruction, agricultural production and other activities in the provinces. Athens, comparatively much better off than the provinces, is in an exceedingly inappropriate place to obtain a real prospective of conditions in Greece.

We have worked with the Ministries of the Government in Athens in an attempt to get a detailed picture of their program for the coming year, but have encountered the difficulties and frustrations, usual in

Greece, in getting reliable information. We have, however, made certain progress on governmental reorganization, budget information, trade balances, and related matters.

While I am not prepared at this point to make an interim report, some of my preliminary impressions may be of interest to you and will indicate the extreme gravity of the situation:

(1) From our preliminary analysis of the budget, it appears that during the current fiscal year ending March 31, 1947, expenditures will be approximately $272 million and revenues $185 million, leaving a deficit of $87 million (using a realistic exchange rate of 8,000 drachma to the dollar). In appraising the magnitude of expenditures, it must be borne in mind that the burden of the military was carried with the assistance of a British subsidy valued at $85 million, and the burden of relief and reconstruction with the aid of UNRRA supplies, surplus property and Eximbank credits estimated at $230 million. Furthermore, over 40% of revenues are estimated to have been derived from the sale of UNRRA supplies.

The Government has not yet faced the problems which will follow inevitably from the cessation of UNRRA aid and, possibly, the British subsidy to the Greek Army; they have not in fact prepared a budget for the fiscal year 1947–48. The first tentative Government estimates of revenues and expenditures for 1947–48, received at the time of writing this letter, place gross expenditures at $421 million and gross revenues at $256 million, a deficit of $165 million. This estimate of expenditures assumes a continuation of the British subsidy to the Greek Army.

While the Government has delayed the presentation of its fiscal plans for 1947–48, presumably because of a reluctance to expose its precarious position, it seems clear that if the Government contemplates a loose and disorganized program of expenditures in the amount indicated above, the deficit could hardly be covered even with drastic tax increases which would inevitably reduce further the already low standard of living of the masses of the Greek people. Estimating the national income roughly at the level of about $800 million, the state of bankruptcy becomes even more apparent. I know of no technique by which an impoverished country—or any country—can hope to survive when its Government is spending up to 50% of the national income, in large part for non-productive purposes.

From a purely technical point of view the Greek fiscal problem could be met, given: (1) a drastic curtailment of expenditures including domestic military expenses, increased taxes, and strengthening of the tax administration; (2) American assistance in financing minimum imports of food stuffs; and (3) a continuation of the British subsidy

to the Greek Army. However, the Greek Government has given us little indication thus far that it will take the steps necessary to bring its budget into approximate balance.

You may be interested in knowing that approximately 1% of the national income, less than $8 million, is collected by the Government in direct income taxes. While revenues from this source would not be considerable in any event, and the Government claims that it has no machinery for their collection, there is no doubt in my mind that failure to require the majority of wealthy Athenians, merchants and businessmen, to bear their proportionate share of the cost of government creates a most fertile field for fomentation by the extreme left.

(2) From this dismal fiscal outlook, as well as from other indications, notably a failure on the part of the Government to withstand demands for wage increases by Government employees and others, it is apparent that another serious round of inflation may be approaching. It is inevitable unless the Government will realistically plan its program of expenditures and revenues within the limits of reduced foreign assistance. We are meeting with the Ministers concerned to explore methods of narrowing the gap between what they have been loosely thinking in terms of probable expenditures and receipts.

(3) Statistically we can reduce to about $50 million the $175 million deficit in the too generous balance of payments estimated by UNRRA and the Greek Government. This presupposes, however, effective utilization of United States surplus property and the development of exports to the levels we have indicated to the Government. The situation is particularly acute when one considers the volume of UNRRA supplies which have been poured into the economy during the past two years, although stocks of UNRRA stores in Greece and in the pipeline mitigate the problem to a degree.

(4) While there are a few bright spots here and there on reconstruction, less has been accomplished since liberation than would be expected. Matériel from abroad for the reconstruction of transportation facilities, as well as drachmae for concurrent local expenses, are extremely limited; however, railways are in operation with scant equipment in much of Greece and temporary highway bridges have replaced most of those destroyed. The use of credits granted by the state bank and private banking institutions has aided the recovery of agricultural output and assisted to some extent in furthering trade and commerce, but has not been adequate to finance long term capital investment. Such little liquid capital as there is in private hands has sought outlet in gold or foreign exchange rather than in development. For example, I have been unable to find a single residential unit in Athens that has been built since liberation for investment purposes;

this in spite of an estimated increase of 200,000 in the population of Athens during the past two years. People are not investing in productive enterprise in this atmosphere, and the responsibility rests primarily with the State which has taken no effective steps to create a climate of confidence or to prohibit capital from hedging its risk outside the national economy.

(5) Discussions with Ministers and industrialists always end up on the political note. They claim it is futile to adopt any policies or to undertake any permanent reconstruction until international and domestic security is achieved. I have insisted that the two must go hand in hand; that this country cannot afford to wait until the United Nations Investigation Commission successfully completes its work before instituting obvious economic reforms. However, we have made but little progress in convincing the Government to adopt this view. Expediency and a hand-to-mouth existence are the order of the day.

(6) One of the underlying causes of the lag in recovery in Greece is the unhealthy psychological condition of the people. Much of what we observe may be no more than the inherent differences between Greek and American thinking, but in addition to this there appears to be a sense of helplessness on their part; a feeling that because they suffered during the War they should now be cared for by their richer allies; a belief that the external factors in their problem are so large that their individual efforts are futile. There is a pathetic dependence upon the United States. Our presence here is used by the Government to arouse unjustified hopes among the people. There is a consequent misunderstanding throughout the country of the purpose of the Mission, which I have undertaken to correct on every appropriate occasion. I have been meticulous in pointing out that our only proper function is to make friendly and appropriate suggestions to the Greek Government and to carry back to our own Government information upon which it can make intelligent judgments; this has done little to remove the wide-spread belief that our job really is to bail out Greece irrespective of the cost.

(7) There is really no State here in the Western concept. Rather we have a loose hierarchy of individualistic politicians, some worse than others, who are so preoccupied with their own struggle for power that they have no time, even assuming capacity, to develop economic policy. While I have no actual proof of venality in high places, the discussions current in journalistic and commercial circles claim that there exists a high degree of corruption. The civil service is a depressing farce. I will not burden you with the amazing details of its lack of organization and system, but will set forth fully in our final reports

the almost complete deterioration of competence in governmental services.

There appears to be a willingness on the part of the present Government to accept such reasonable suggestions as we may finally make, but I am skeptical of the capacity of this Government, which although claiming to be a coalition in fact represents only a coalition of the Rightist and Conservative elements of the population, to administer effectively the extensive reforms needed. And frankly alternatives are not clear. Maximos, the present Prime Minister, is a kindly, well-intentioned old man, and I accept at face value his profession of patriotism and his desire to adopt a realistic program. Here again, however, I have reservations as to the capacity of Maximos or his Ministers to really face up to the hard realities.

The situation in Greece as indicated by these random observations is very discouraging, but not hopeless. There obviously are the makings of a financial collapse and I need not point out the resulting political implications. The preventatives for inflation are energetic measures on the part of the Greek Government and substantial financial aid from foreign sources. It is characteristic of these people not to take corrective measures until absolutely necessary and then to take only a minimum. Furthermore, we may be judging the competence of the Greek Government by standards too high for this part of the world.

Also on the encouraging side are certain stabilizing factors which might prevent any inflation from resulting in complete breakdown of the economy. Agricultural production has been restored almost to prewar level and industrial production has passed the halfway mark; neither would completely relapse. Furthermore, the economic structure of Greece has always been relatively simple compared to those countries where money and credits play such a dominating role. It is based on agriculture. Events of recent years—occupation and inflation—have made it even more primitive. Banks, insurance companies and industrial concerns play a relatively unimportant role at present and most transactions of any size are in gold or foreign currency. While the setback which inflation would cause to recovery cannot be dismissed as inconsequential, it can be said that inflation might not have the economic effects it would have in a modern, complex society. Its political repercussions could well be catastrophic.

Being conscious of the possibility of political upheaval in times of economic breakdown, it is reassuring to realize that the Greeks are overwhelmingly and articulately in favor of democracy, although the strength of the Left should not be minimized. Amfoge estimated only 9.3 percent of the voters to be communists. There is a strong devotion to democracy and individual freedom.

Guidance and financial aid from the United States will be telling contributions in the struggle against Greek bankruptcy. I hope that our Mission will present a basic program for the Government which will be sound and practicable. However, because of my stated doubts about this Government's ability to carry through a program, I believe that day to day guidance by American personnel in Greece is going to be necessary. The American and British members of the Greek Government Currency Committee here performed invaluable services in keeping the economy in balance. I am hoping soon to complete an arrangement whereby Buell Maben, Chief of the UNRRA Mission, will be employed by the Greek Government to develop and supervise a program for exports, imports and distribution of supplies. He will, of course, need the informal support of our Government.

We will probably recommend in our final report that American financial aid be conditioned upon effective efforts of the Greek Government to carry out minimum economic reforms such as foreign exchange controls and adequate taxation, and we will recommend that these efforts be judged by several Americans sent to Greece for that purpose. Not only should this lead to a wiser expenditure of the money, but it will give the Greek Government the added benefit of absolutely necessary reforms which it is apparently incapable of imposing itself.

I am hoping after our discussions this week to be able to set a target date for our return. I will advise you within 10 days of our plans.

Best personal regards.

Sincerely,

PAUL A. PORTER
Ambassador

868.00/2–1747 : Telegram

The Secretary of State to the Embassy in Greece

CONFIDENTIAL WASHINGTON, February 17, 1947—4 p. m.

175. For your info and background in event local Greek press reports extensively on Sofianopoulos' [1] visit to Washington. During past two weeks Sofianopoulos accompanied by Andre Michalopoulos has three times visited Dept. No unusual significance should be attached to length of interviews which were protracted because of Greeks' verbosity nor to number of calls which resulted from Acheson's [2] inability to complete first interview and his absence because of illness when Sofianopoulos made second attempt to see him.

In brief, Sofianopoulos advanced as Greek political solution approximately same platform espoused by EAM; i.e., immediate forma-

[1] John Sofianopoulos, former Greek Foreign Minister.
[2] Dean G. Acheson, Under Secretary of State.

tion govt. representing all parties; complete amnesty; disarming all illegal bands both Right and Left; purging civil service; rigorous tax measures; recompilation electoral lists; and new elections. All Dept. officers who talked with Sofianopoulos are convinced that he is soliciting support for his candidacy as Prime Minister.

Dept. explained frankly to Sofianopoulos that we agree with many of his views particularly that no real progress can be made in Greece until internal order is restored. For many months US has been recommending to Greek officials and party leaders that Govt. should be broadened sufficiently to gain confidence of majority of Greek people, that genuine measures should be taken for amnesty and disarming illegal bands. On economic side we have urged tax reforms, financial controls, and reorganization corrupt civil service. We do not share Sofianopoulos' view that Communists are loyal Greeks willing to cooperate in moderate left-of-center program. It is our view that even though a minority, Communists would attempt to infiltrate important positions or paralyze Govt. administration if they could not by their aggressive methods orient Greeks toward USSR. It was made clear to Sofianopoulos however that exact composition of any broadened Govt. was matter which Greeks themselves would have to decide since ultimate purpose is wide cooperation of Greek parties hitherto unable to work together for general good of country.

Sent Athens; rpt London 777 Moscow 255.

MARSHALL

501.BC Greece/2–1747 : Telegram

The United States Representative on the Commission of Investigation (Ethridge) to the Secretary of State

TOP SECRET ATHENS, February 17, 1947—5 p. m.

227. Ethridge No. 15. For Secretary and Austin [1] from Ethridge. Commission moves to Salonika this week with first meeting there Friday. This highly desirable objective attained only after Soviets and Poles helped by their satellite liaison officers had exhausted every means of stalling and after I had spent 3 hours with Lavrishchev [2] in which he advanced every argument for staying in Athens. Believe he gave in only after it had become apparent to him that I would force vote in Commission which he realized would be 9 to 2.

Soviet tactics here have been to stall work of Commission and delay as long as possible drafting of proposals invited in last paragraph of

[1] Warren R. Austin, United States Representative at the United Nations.
[2] Alexander Andreyevich Lavrishchev, Soviet Representative on the Commission of Investigation.

SC resolution. Yugoslavia [*Yugoslav*] had to be roped and tied down to force him to finish his statement. On one occasion he read for 35 minutes and said he had finished for day. He pleaded necessity for further preparation, sore throat and everything else he could think of to secure delay.

Feverish Soviet desire to stay in Athens comes from two things. One is propaganda value involved in taking advantage of free Greek press to belabor Greek Government. Other is much more serious. I am convinced and conviction is shared by other members of Commission that Soviets feel that Greece is ripe plum ready to fall into their hands in a few weeks. Secretary's statement [3] aroused great interest in Commission but three commissioners have asked me how we proposed implement it.

My own view from what I have seen in Comm and what I have learned through British and American political, economic and military sources is that Soviets have every good reason to feel that Greece may be about to fall. Army enlistments are down, army desertions up with two detachments going over to guerrillas in last three days, army morale at lowest possible. Military maps show that area which government has lost is growing. Communist membership and boldness increasing while Greek Government steadily losing popular confidence through ineffectuality. These factors combined with complete confidence expressed by Yugo liaison officer in statement to newspaper man "we have iron nerves and we will hold on. This situation will be cleared up in a little while" convince me that border problems may be solved by default before Commission gets a chance to propose anything. How fully Ambassador MacVeagh shares this view may be seen from his telegram 196 February 11.

Department of course understands all implications as to Near East. General feeling of commissioners with whom I have close contact particularly British, French, Chinese and Colombian is that if Greece goes not only Near East goes with it but also Italy and France. French commissioner Daux said to me this morning that he was sure France could not withstand pressure if Greece through inadequate support by Britain and America fell into Soviet orbit. These colleagues feel that after having been rebuffed in Azerbaijan and Turkey Soviets are finding Greece surprisingly soft and that matter has gone beyond probing state and is now an all out offensive for the kill. Effect upon UN if that comes about is obvious.

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[3] See footnote 2, p. 13.

Urgently suggest that matter has reached necessity for highest level consideration and action involving coordination with Britain who seem as frustrated as in Palestine. Aside from concrete measures which have been advised by Porter and which MacVeagh and I feel must somehow be effected if immediate collapse is to be avoided we strongly suggest Secretary consider further dramatization of our interest here such as visit by him to Greece on way to Moscow.[4] Believe it necessary to make Soviets understand clearly that most serious situation will arise if they permit their satellites and agents to continue to direct and supply guerrilla forces and foment anarchy in Greece.

Will make effort to confine work along border to one month but this will be most difficult to achieve in view of stalling. Soviets will agree to expedite only if they feel they have lost their game.

[ETHRIDGE]

[4] To participate in the Fourth Session of the Council of Foreign Ministers, which was held from March 10 to April 24, 1947.

501.BC Greece/2–1847 : Telegram

The Secretary of State to the Embassy in Greece

SECRET WASHINGTON, February 18, 1947—8 p. m.
US URGENT

188. Ethridge's estimate present situation (Embtel 227 Feb 17) being transmitted London for urgent discussion with FonOff. Dept discussing with Brit Emb here. Hope you can talk over situation immediately with Ethridge and Porter and inform Dept of your concerted views as to seriousness of situation and, if collapse seems probable and immediate, how much time remains for any remedial action which US or UK might take.

Urgent consideration being given to your and Porter's recommendations for financial assistance but Dept handicapped by lack of authority so far as Eximbank and Federal Reserve are concerned. Earliest possible completion Porter report would be of great assistance and hope you can aid in speeding Mission's work.

Dept informed that substantial amounts of UNRRA supplies remain undistributed in Greece. Please telegraph amount of these undistributed supplies, their value, and reasons for failure of Greek Govt to distribute them.

Sent Athens 188; rptd London 809, Moscow 270.

MARSHALL

868.50/2–1947 : Telegram

The Chief of the American Economic Mission to Greece (Porter) to the Secretary of State

TOP SECRET ATHENS, February 19, 1947—5 p. m.

232. To Cohen [1] from Porter (Personal). Nature of crisis here such that I urge you recommend strongly to Secretary he come to Greece en route to Moscow as MacVeagh and Ethridge have suggested. His presence here even for day should have incalculable effect as manifestation our interest here. Firmly convinced this is real thing and we cannot hope for economic or political stability in absence of all out effort on our part. Next few months should determine whether Greece will collapse and Secretary's presence here would probably mean we could buy much needed time in which to work out essential measures to prevent complete disintegration which is already far along. Cannot emphasize too strongly gravity of situation and know you understand I would not make this personal appeal to you in absence of well considered conviction developments here next few months could determine the future.[2]

[PORTER]

[1] Benjamin V. Cohen, Counselor of the Department of State.

[2] In telegram 204, February 21, to Athens, Mr. Cohen advised Ambassador Porter that his suggestion for a visit to Greece by the Secretary "was thoroughly and sympathetically considered yesterday by top policy committee. Unfortunately such visit impossible before Moscow". (868.00/2–2147)

501.BC Greece/2–1947 : Telegram

The Chargé in the United Kingdom (Gallman) to the Secretary of State

SECRET LONDON, February 19, 1947—6 p. m.

US URGENT

1130. Deptel 811, February 18.[1] We discussed today with Foreign Office contents of Ethridge's message. Following is substance of Foreign Office observations:

Reports from British sources in Greece do not confirm seriousness of internal Greek position as presented by Ethridge. Neither British Embassy, nor Windle [2] have indicated they consider Greece a ripe plum to fall into Communist hands in few weeks. Furthermore, For-

[1] Not printed; it paraphrased telegram 227, February 17, from Athens, p. 23, and requested the comments of the British Foreign Office on an urgent basis (501.BC Greece/2–1847).

[2] Richard T. Windle, British Representative on the Commission of Investigation.

eign Office has not heard that Greek army morale is at such low ebb. It may be true that guerrilla activity is somewhat more widespread, but this may be because of dispersion of bandit forces, and there is no indication that the area under effective Govt control is diminishing.

Insofar as help from Soviets and satellites to supply guerrillas is concerned, there is every indication that this decreased for obvious reasons before arrival of commission. Nevertheless, Foreign Office takes very serious view of financial-economic situation which, if allowed to deteriorate and to result in a collapse, would precipitate a grave political situation, which in turn might lead to Communist rule.

Conversations being held between British Treasury and Foreign Office have not yet resulted in agreement on document to be laid before Dept for discussion (see Embtel 684, January 31). Due to British financial straits, Treasury is against "pouring any more money down the Greek drain," but Foreign Office is willing to do so for political reasons. Foreign Office is not sanguine of gaining its point. Document will be ready within a week, it is hoped.

Sent Dept as 1130, repeated Athens as 18.

GALLMAN

868.24/2–1947 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

SECRET ATHENS, February 19, 1947—6 p. m.

237. King called British Ambassador and me to Palace yesterday and expressed his anxiety over delay in obtaining adequate equipment Greek army (mytel 1721, December 16, 1946 [1]) for spring offensive due open March 31. I informed him duplicate tentative list of requirements forwarded Washington where presumably being studied in view possibility furnish items which British unable (mytel 1798 [*Deptel 1598* [2]], December 19, 1946) but that US action must await British initiative. Norton obviously embarrassed and promised telegraph urgently in effort expedite. Respectfully repeat suggestion in paragraph 1 mytel 1721 that query from Washington might help produce promptness already necessary two months ago.

In addition King complained request to British for agreement expand Greek army by 1500 men (mytel 1699, December 11 [3]) still unanswered and Norton replied he actively endeavoring secure this. Said believes the situation caused by financial aspects and he urging

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[1] *Foreign Relations*, 1946, vol. VII, p. 282.

[2] Not printed; but see footnote 77, *ibid.*, p. 283. The list was forwarded to Washington in telegram 6, January 3, 1947, from Athens.

[3] Not printed.

agreement now and settlement of financial question later. King stressed equipment and reinforcement needed both for strengthening offensive strength Greek army and for revival deteriorating morale. Said recruits largely needed to replace elements of older classes now rapidly tiring and he fears serious widespread breakdown of discipline unless relief accorded (see Military Attaché's telegram to War MID 49–47, February 18).

MACVEAGH

501.BC Greece/2–2047 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

TOP SECRET ATHENS, February 20, 1947—5 p. m.

243. Deptel 188, February 18. Porter, Ethridge, and I desire emphasize that we have been in constant consultation over general situation, and that opinions expressed this subject in my telegrams 187, February 9; [1] 196, February 11; and 227, February 17, represent views of all three. In addition, following concerted during meeting last night:

(1) We feel situation here so critical that no time should be lost in applying any remedial measures, even if only of a temporary character, within possibilities of US and UK. Impossible to say how soon collapse may be anticipated, but we believe that to regard it as anything but imminent would be highly unsafe.

If nothing but economic and financial factors were to be considered, full collapse from Greece's present position might take several months. However, deteriorating morale both of civil servants and armed forces, as well as of general public, owing to inadequate incomes, fear of growing banditry, lack of confidence in Govt, and exploitation by international Communists, creates possibility of much more rapid denouement.

(2) We believe best way combat explosive situation would be to help recreate confidence in state and in future of Greece as democracy of Western type by removing, at least in present acute stage, growing fear of inflation, and consequently of increased misery, and by making plain to everyone, including Soviet Union, our determination not to permit foreign encroachment, either from without or within, on independence and integrity of Greece.

(3) We feel that immediate temporary solution to gold problem should be effected, and that this should be followed closely by such heartening attention to Greece's situation as our suggested visit by Secretary would supply. Coordinated practical and spectacular measures of this sort we believe would help to avert at least the imminent

[1] Not printed.

danger of explosion, and would "buy time" for eventual application of remedies of a longer term character, such as constitute chief concern of UN and Porter Missions.

(4) Regarding Porter report, we agree this should be completed soonest. Mission is anxious to complete its assignment, and is receiving every help from Embassy. However, economic policies which Mission will suggest cannot immediately be effectuated, and mere filing of recommendations will not avert immediate prospect of ruinous inflation with all its attendant dangers. In addition to preparing report, Mission is seeking by daily negotiations with Government to lay foundation for 1947 program which has some prospect of success, but meanwhile, time element is so critical that temporary measures must be considered if effectiveness of both Porter and UN Missions is to be saved from extreme jeopardy.

(5) Position regarding UNRRA supplies will be subject of subsequent telegram.

MACVEAGH

868.00/2–2147

Memorandum by the Under Secretary of State (Acheson) to the Secretary of State[1]

TOP SECRET [WASHINGTON,] February 21, 1947.

CRISIS AND IMMINENT POSSIBILITY OF COLLAPSE IN GREECE

The Facts:

Reports from MacVeagh, Porter and Ethridge in Athens are unanimous in their alarm over the probability that Greece will be unable to maintain her independence. Determining factors are the probability of an imminent economic and financial collapse and the fact that Greek communists and the Soviet dominated governments of Albania, Yugoslavia and Bulgaria are making every effort to prevent any improvement in Greek internal affairs. These efforts are designed to make untenable the position of any Greek Government not subservient to Soviet aims.

The morale of the ill-equipped Greek army is at low ebb. Areas under the control of guerrilla bands, who receive aid and encouragement from outside Greece, are increasing.

The Greek foreign exchange position is so critical that no one can see at the present time how absolutely essential imports can be financed during the next few months.

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[1] Based on a top secret memorandum of February 20 by the Director of the Office of Near Eastern and African Affairs (Henderson) to Mr. Acheson (868.00/2–2047).

Greece is the only Balkan country remaining oriented toward the Western democracies. Unless urgent and immediate support is given to Greece, it seems probable that the Greek Government will be overthrown and a totalitarian regime of the extreme left will come to power.

The capitulation of Greece to Soviet domination through lack of adequate support from the U.S. and Great Britain might eventually result in the loss of the whole Near and Middle East and northern Africa. It would consolidate the position of Communist minorities in many other countries where their aggressive tactics are seriously hampering the development of middle-of-the-road governments.

Action and Recommendation:

1. *Political unity of all loyal Greek parties* excluding the reactionary and totalitarian right, as well as the Communists and other extreme left parties which subscribe to Communist aims. Both we and the British have for some time been advising that this type of broad national coalition is the only hope of winning the confidence of the majority of the Greek people in a situation which is as much a national emergency as that which existed during war years. Such advice is much more likely to be heeded if it is accompanied by tangible and substantial aid from the U.S. and Great Britain.

2. *Drastic reform in Government administration and tax program.* Low pay, inefficiency and demoralization of the Greek civil service have led to unprecedented corruption and ineffectiveness in the working of the Government. Neither outside aid nor Greece's own limited resources can be effectively utilized for the welfare of the Greek people as a whole when administered by the present impotent Greek Government services.

The U.S. Economic Mission has urgently recommended, and the Greek Government has requested, the immediate dispatch to Greece of three American and three British experts in the field of government administration to reorganize the civil service. We are already in the process of recruiting suitable persons for this task.

3. *Economic and Financial Aid.* Credits to Greece from U.S. sources include $25,000,000 from the Export-Import Bank, $45,000,000 for the purchase of surplus property abroad, and approximately $45,000,000 from the Maritime Commission for purchase of ships. The bill for relief appropriations soon to be presented to Congress will permit the allocation of an appropriate sum for Greece.

While all of these credits and the relief grant, if it is approved by Congress, will contribute to the eventual improvement of the Greek economic situation, they are limited to use in specific fields and there seems to be no money available for the most immediate needs during the critical period of the next few months.

Greece's most immediate financial requirements are for free funds to meet ordinary budgetary needs and essential import obligations. The Export-Import Bank has stated that under its charter it is unable to make loans for such purposes and there appears to be no other source within our Government. The British are similarly unable to make funds available for this purpose. The International Bank is not yet in a position to take action, and it is doubtful whether such assistance falls within its scope.

It was understood when the British loan was made last year that no further requests for direct loans to foreign governments would be asked of Congress.

If we are to act at all, we recommend presenting a special bill to Congress on an urgent basis for a direct loan to Greece, stressing the fact that if inflation and chaos are not prevented within the next few months, the gravest consequences will ensue and the country will be beyond our help.

4. *Military Aid.* It has been informally agreed that Great Britain should be responsible for equipping the Greek armed forces while U.S. assistance to Greece would be confined to the economic and financial field.[2] However, if the Greek Army is to become an effective organization able to deal with guerrilla activities and maintain internal order, it must be increased and better equipped in the very near future. The British are unable to meet scheduled needs.

Under present arrangements Greece will receive neither adequate economic aid from the United States nor adequate military aid from Britain.

We recommend reconsideration of our policy and decision to assist Greece with military equipment.

Attached are four pertinent telegrams from Ambassador MacVeagh, Mr. Ethridge and Mr. Porter. (Athens Top Secret telegrams 196, February 11; 227, February 17; 232, February 19; 243, February 20).

DEAN ACHESON

[2] The informal agreement had been reached by Secretary Byrnes and Foreign Secretary Bevin while they were participating in the Paris Peace Conference, which met from July 29 to October 15, 1946; see Mr. Acheson's letter of November 8, 1946, to Ambassador MacVeagh, *Foreign Relations*, 1946, vol. VII, p. 262.

868.00/2–2147

The British Embassy to the Department of State [1]

TOP SECRET
G58/—/47

AIDE-MÉMOIRE

His Majesty's Government are giving most earnest and anxious consideration to the important problem that on strategic and political grounds Greece and Turkey should not be allowed to fall under Soviet influence.

2. It will be remembered that at the Paris Peace Conference Mr. Byrnes expressed full realisation of the great importance of this question and proposed that the United States Government should give active help in sustaining the economic and military position in those two countries, the United States Government in particular taking care of the economic side.

3. On various occasions subsequent to the meeting referred to above the United States Government have exchanged views with His Majesty's Government, indicating the acute interest of the United States Government in the future of Greece, and from these exchanges His Majesty's Government have understood that the United States Government does not exclude the possibility of helping Greece on the military side as well as the economic.

4. The State Department will recollect the conversation between Mr. Byrnes and the Minister of Defence which took place on the 15th October, 1946,[2] subsequent to which the whole question of British military and economic help for Greece has been carefully examined by His Majesty's Government. On the economic side, the reports received by His Majesty's Government from their representatives in Greece show that the Greek economic situation is on the point of collapse, owing to the virtual exhaustion of Greece's foreign exchange reserves and the low level of industrial activity resulting from political instability. In this connection His Majesty's Embassy attach to this *Aide-Mémoire* Appendix "A",[3] which is a report dated the 5th February, from His Majesty's Representative in Athens, on the acute economic and financial situation in Greece.

[1] This *Aide-Mémoire* and the one *infra* were handed informally to Mr. Henderson by Herbert M. Sichel, First Secretary of the British Embassy, on February 21. They were formally delivered to the Secretary of State by the British Ambassador on February 24; see Mr. Henderson's memorandum of conversation of that date, p. 43.

[2] See the memorandum of November 5, 1946, from the British Embassy in Greece to the American Embassy in Greece, *Foreign Relations*, 1946, vol. VII, p. 913.

[3] Not printed.

5. The United States Government are as well aware as His Majesty's Government that unless Greece can obtain help from outside there is certain to be widespread starvation and consequent political disturbances during the present year. The Experts Committee of the United Nations have estimated Greek relief needs in 1947 at £21 million. This figure is based on the maintenance of the present subnormal standard of industrial activity and will, in the view of His Majesty's Government, be wholly inadequate to achieve our political objective of maintaining stability. His Majesty's Government estimate the actual needs of Greece, excluding the foreign exchange cost of the armed forces, at a minimum of £40 million in 1947. However, the serious economic plight of Greece as outlined above is already well known to the United States Government from the reports of their representatives in Greece and is no doubt being supplemented at the present time by preliminary reports from the Porter Mission.

6. In view of the position outlined in the above paragraph, His Majesty's Government take the view that it is most urgent that the United States Government should be able to decide what economic help they will give to Greece and what form it will take.

7. In the event of the United States Government being able to offer economic aid to Greece, it would no doubt consider the despatch of a United States economic mission. If this should be done, the future of the British Economic Mission in Greece would have to be considered.

8. On the military side, Greek needs have been very carefully considered by the British military authorities during the last few months, and the position has been investigated personally by the Chief of the Imperial General Staff during his recent visit to Greece.[4] His Majesty's Government have agreed to pay the foreign exchange cost of the Greek armed forces, both in regard to maintenance and initial equipment, until the 31st March next. This is likely to cost H.M.G. during 1946 and the first 3 months of 1947 approximately £18 million for maintenance, together with £11 million for initial equipment. This, in view of H.M.G.'s financial difficulties, can be regarded as a very generous measure of assistance to Greek reconstruction. Hitherto the Greek armed forces have been built up on an establishment which allows for an army of 100,000 men, the total foreign exchange cost of which is estimated at about £16 million a year. In order to meet the present emergency caused by the bandits, the British service authorities consider that the Greek armed forces should now be reorganised to enable them to make an all-out assault on the bandits in the Spring. The reasons why this reorganisation has become necessary are set out in papers which are now in the possession of the British Joint Staff

[4] See footnote 73, *Foreign Relations*, 1946, vol. VII, p. 283.

Mission in Washington, who also have full details of the present organisation of the Greek armed forces and of the reorganisation proposed by the British military authorities. These details are available for study by the State Department and the United States Chiefs of Staff. The Joint Staff Mission are also in a position to provide the United States Government with a list of the equipment required by the Greek armed forces which cannot be supplied from British sources.

9. His Majesty's Government suggest that, if the United States Government agree, the various military questions involved should be taken over for urgent consideration by the combined Chiefs of Staff.

10. In view of the extreme urgency of taking some immediate action to enable the reorganisation proposals to be undertaken, His Majesty's Government have agreed to make available additional equipment to the value of £2 million free of charge to the Greek Government. This, supplemented by American supplies of equipment which is not available to H.M.G., will enable the Greek armed forces to be put in a position to undertake operations in the Spring against the bandits, provided that means can be found to meet the rest of the foreign exchange cost of such operations. On the assumption that operations will last six months, the foreign exchange cost of this reorganisation, together with the foreign exchange cost of the operations themselves, will over this period amount to £20 million. (The foreign exchange cost after the end of the operations will be smaller but will remain considerable.)

11. His Majesty's Government had hoped that part of the foreign exchange cost of the Greek armed forces after 31st March, 1947 could be met out of the money due to Greece by His Majesty's Government for the supply of currency and local services to the British forces in Greece. But £5 million out of the amount so due was recently placed at the disposal of the Greek Government for the purchase of food and is therefore no longer available to cover part of the cost of the armed forces.

12. Thus the total amount of assistance for civilian and military needs which Greece requires during 1947 appears to be between £60 million and £70 million. His Majesty's Government have already strained their resources to the utmost to help Greece and have granted, or undertaken to grant, assistance up to 31st March, 1947 to the amount of £40 million. The United States Government will readily understand that His Majesty's Government, in view of their own situation, find it impossible to grant further financial assistance to Greece. Since, however, the United States Government have indicated the very great importance which they attach to helping Greece, His Majesty's Government trust that the United States Government may find it possible to afford

financial assistance to Greece on a scale sufficient to meet her minimum needs, both civil and military.

13. His Majesty's Ambassador is instructed to express the earnest hope of His Majesty's Government that, if a joint policy of effective and practical support for Greece is to be maintained, the United States Government will agree to bear, as from the 1st April, 1947, the financial burden, of which the major part has hitherto been borne by His Majesty's Government. In view of the extreme urgency, both on economic and military grounds, that the Greek Government should know what financial help is going to be available in the present year, His Majesty's Government express the hope that the United States Government will indicate their position at the earliest possible moment.[5]

WASHINGTON, 21 February, 1947.

[5] In his *Memoirs* President Truman states that Acting Secretary Acheson telephoned him immediately about the contents of this note. See *Memoirs by Harry S. Truman: Years of Trial and Hope*, vol. II (Garden City, N.Y., Doubleday & Company, 1956), p. 100.

868.00/2–2147

The British Embassy to the Department of State

TOP SECRET
G93/ /47

AIDE-MÉMOIRE

In the course of his conversations with the Minister of Defence on October 15, 1946, Mr. Byrnes emphasized that the United States Government was as interested in developments in Turkey as in Greece, and stated that the United States Government was prepared to do everything possible to help Turkey economically, expressing the hope that His Majesty's Government on their side would be able to provide the military equipment required to bring the Turkish forces into a sufficient state of readiness.

2. His Majesty's Government subsequently undertook a fresh study of the Turkish military and economic situation, the latter being carried out jointly by the British and American Commercial Counsellors in Turkey, in accordance with arrangements made with the United States Government.

3. On the military side, the Chiefs of Staff have examined the strategic importance of Turkey, the state of the Turkish Armed Forces, and the assistance necessary to bring these forces into a reasonable state of preparedness. The conclusions of the British Chiefs of

Staff, which are available at the British Joint Staff Mission in Washington, are briefly as follows:—

(*a*) that it is of the greatest importance that Turkish independence should be maintained;
(*b*) that the Turkish Armed Forces as they exist at present would not be able to offer effective resistance to aggression by a first-class power;
(*c*) that in their present state of efficiency the mere provision of modern weapons would do little to increase the Turkish Armed Forces' power of resistance. The first requirement is to strengthen Service requirement in Turkey with a view to advising the Turks how best to improve the organisation and raise the general standard of training of all three Services;
(*d*) that when this has been done it would be possible to estimate more clearly what amount of material assistance would be required. As at present advised, the Chiefs of Staff consider that the Turkish Army will require a very large measure of re-equipment and they do not consider that this task could be undertaken by the United Kingdom owing to shortage of manpower and productive capacity. Consequently the task would have to be undertaken by the United States. His Majesty's Government could probably look after the needs of the Navy and Air Force, provided satisfactory financial arrangements can be made.

4. The economic situation has been exhaustively discussed locally between the British and American Commercial Counsellors, and His Majesty's Government understand that a very full report was sent to Washington by the United States Commercial Counsellor on December 23, 1946. His Majesty's Government have no reason to dissent from the main conclusions of the American representative's report, and the following appear to be the salient features of the Turkish economic situation:—

5. Turkey can finance her current foreign exchange requirements out of the proceeds of her exports; she can also maintain her existing industry without further foreign financial assistance. On the other hand, she would not be able to finance any extensive programme of industrial development, such as the Turkish Government have in mind, or meet any substantial foreign exchange demands for armaments without either drawing on her gold resources or borrowing from abroad. As regards foreign exchange, current income and liabilities roughly cancel out over a period of twelve months. On the other hand, the last available Central Bank statement shows gold reserves of approximately pounds sterling 59 million. It is understood that the Finance Minister insists that he must hold at least half of this amount as cover for the note issue if confidence in the currency is to be maintained. The balance could reasonably be used either for a programme of economic and industrial development, transport, ports, agricultural,

coal-mining etc., or for the purchase of armaments. There is clearly not enough for both. If, therefore, Turkey is to be able to carry out any plan of extensive military reorganisation and also a plan of economic development, which in itself would be desirable in order to increase the military preparedness of the country, Turkey must look for financial assistance from abroad. In their existing financial situation His Majesty's Government could not, as the United States Government will readily appreciate, contemplate themselves making any further credits available to Turkey. Consequently, Turkey would have to look either to the United States Government or to one of its lending agencies, such as the Import-Export Bank, or to the International Bank or the International Monetary Fund.

6. In view of the great interest shown by the United States Government in the situation in Turkey, His Majesty's Government wish now to suggest that the strategic and military position of Turkey should be considered by the Combined Chiefs of Staff in the light of the conclusions reached by the British Chiefs of Staff in their recent studies, with a view to making recommendations to the United States Government and His Majesty's Government regarding the measures which should be taken to bring the Turkish Armed Forces up to a reasonable state of preparedness. For their part, His Majesty's Government would be ready, if the Combined Chiefs of Staff agree that this would be useful, to send to Turkey additional Military, Naval and Air Advisers amounting to some 60 officers, for whom the Turkish Government asked some months ago.[1] On the economic side, His Majesty's Government would be glad to know whether the United States Government have any suggestions to make as to how a programme of military reorganisation that may be recommended by the Combined Chiefs of Staff should be financed.

WASHINGTON, 21 February, 1947.

[1] The British Embassy corrected this sentence in an *aide-mémoire* of March 6, which stated: "While His Majesty's Government in the United Kingdom are prepared to provide sixty British officers in all, the reference in the *aide-mémoire* [of February 21] should have been to only thirty additional officers as thirty are already there." (867.00/3–647)

501.BC Greece/2–2147 : Telegram

The United States Representative on the Commission of Investigation (Ethridge) to the Secretary of State

TOP SECRET ATHENS, February 21, 1947—1 p. m.

253. Ethridge No. 18. From Ethridge for Secretary and Austin. British Foreign Office spokesman quoted by Gallman in London's

telegram 1130, Feb 19 disagrees on Greek internal situation not only with me but also with other commissioners with whom I have talked including Windle, and with British, Greek and American military people who gave me the information. British Colonel Metcalfe who drafted despatch of Feb 14 quoted [by] Ambassador MacVeagh in his telegram 252 of Feb 21 repeated last night that he and Miller, Assistant American Military Attaché here, regard military situation as extremely bad. Windle blows hot and cold but he has said to me three or four times that situation is "sticky" and "extremely bad". Metcalfe said to me late last night that Windle has been slow in appraising situation. I have not talked to Ambassador Norton but would refer to MacVeagh's telegram and strongly believe Dept would be subscribing to egregious mistake if it should view situation here as anything but serious. I am not an alarmist. On the contrary I think situation can be pulled out if taken in time, but it certainly cannot be saved by a complacent policy that allows it to go too far before we do all we can about it.

British Foreign Office interpretation of how bands are growing and extending their control does not jibe with our information or that of British and Greek military officials. My information is that both Greek and British army morale is low—British if for no other reason than that half their troops have been withdrawn [1] in face of deteriorating situation and withdrawal of other half already projected. Information that Communist membership is growing came to me from Greek Govt sources. (See also Ambassador MacVeagh's despatch 3579 of Jan 28.[2])

It is notable that British Foreign Office official admits ultimate possibility of Greece falling into Communist hands but implies that this can come only if "financial-economic situation is allowed to deteriorate". I know of no way of separating economics and politics. Reduced to simplicity the situation here is that a desperate economic crisis and bitter internal strife are being exploited to the full politically. If Dept will keep in mind that Soviets never wanted border investigation, that they have resorted to every trick to focus on Greek internal affairs and to stall work of commission to gain time for themselves, complacency of British Foreign Office may be put in proper perspective which may be true that help to guerrillas from outside has decreased since commission was appointed, but decrease is only temporary and can be attributed either to Soviets knowing we have good deal of information about what they have been doing, or to naive idea they can delude us until investigation over. But if they have de-

[1] Telegram 153, February 4, 5 p. m., from Athens, reported that the British Embassy had that day publicly announced that a reduction of 50% in the number of British troops in Greece would take place shortly (841.2368/2–447).

[2] Not printed.

creased physical help they have stepped up political pressure. There is no better way of saying it than that Soviets and satellites have thrown book at Greek Govt. They have undertaken to use commission as propaganda carnival. We have defeated them to some extent in this, but effort will be renewed at Salonika.

I take it that one function of commission which Soviets also realize and are trying to defeat, is to decrease or stop physical help to Greek bandits from outside. Certainly I have in mind proposals which if accepted will at least disclose Soviet hand to world as well as to other commissioners who came here with the innocence of ignorance of Balkans but are fast losing it.

Realization they must move quickly has intensified Russian political pressure. It seems to me our policy should be directed toward giving commission time enough to see what can be done, and Greek Govt help enough to have new elections in at least relatively normal atmosphere. Dept is fully aware that in all Soviet states minorities have seized power by exactly same methods they are trying here. We are in better position here because among other reasons, Russians have no troops in uniform inside Greece and because Greeks have some tradition of democracy.

I again urge consideration by Dept of extent to which our own security and future of UN are bound up in situation here. In my own thinking, and in talks with commissioners who have given me their confidence, I have tried to canvass situation with these things in mind:

(1) If Greece goes through our default, have we released force stopped in Azerbaijan and Turkey?
(2) If that force is released, where does it stop? At France? Italy? The Middle East and North Africa? Or does success make it go beyond that to China and the Far East?
(3) Is hope of peace really in UN?

My own answer to last question is that UN is our best hope at moment, but a hope that will be greatly impaired if its first intervention is not effective. If Dept feels Greece is vital to our policy, then nothing should be left undone. If we let it go, I think we must realize that there also goes the hope of many other nations, including the small ones who gratefully look on US at the moment as a colossus.

I do not know Russia's timetable as to Greece. But regardless of British Foreign Office I do know that she is on the march here, and that time presses if we are to do anything about it.[3]

[ETHRIDGE]

[3] In telegram 252, February 21, noon, from Athens, Ambassador MacVeagh, in commenting on telegram 1130, February 19, from London (p. 26), recommended that the views of the British Foreign Office should not weigh heavily with the Department and urgently advised that it would be unsafe to defer "any possible action" to bolster the Greek state when elements required to bring about its sudden collapse were present in such high degree (501.BC Greece/2–2147).

333–774—72——4

868.50/2–2247 : Telegram

The Chief of the American Economic Mission to Greece (Porter) to the Secretary of State

TOP SECRET ATHENS, February 22, 1947—10 p. m.

MOST IMMEDIATE

255. For Clayton from Porter. Greek economic situation rapidly deteriorating. Food prices up 4 percent this week, Govt deficit hit new high for last reporting period, imports mere trickle, food supplies about exhausted. This has resulted in widespread unrest which causes Govt to face serious labor crisis. Pending immediately are demands of merchant seamen for 110 percent wage increase, Piraeus dock workers for double present wages, threatened strike textile mill workers and repetition of last month's civil service strike. Policy of Govt appears to be to make concessions all along line which would add wage inflation to present alarming budget inflation. Early this week Maximos issued declaration of principles of Govt's economic policy under pressure of Currency Committee, British Economic Mission and ourselves. However, these policies are meaningless unless given content and implementation. Met for 3 hours Saturday with Maximos, his principal ministers concerned, Currency Commission and BEM on crisis precipitated by above described conditions. Maximos has requested Currency Commission and ourselves to suggest methods of effectuating what he professes to be his policies. Meeting Monday with BEM and Currency Commission to undertake formulation of agreed program of action. If Greek Govt awaits final recommendations of our mission after return to Washington situation will have deteriorated to point where little could be accomplished. Hope to get agreement British and Currency Commission Monday on program specific immediate undertakings by Govt that may prove helpful. Have grave reservations as to capacity of Govt effectively to meet this crisis but feel obligation to make attempt. This will delay plans for winding up inquiries here this week and much against desires of mission may delay for week or more our plans to finish assignment two months. Felt it necessary to advise you of current developments and request instructions if procedure proposed not acceptable.

[PORTER]

868.00/2–2447

Memorandum Regarding Proposals Contained in British Aide-Mémoires of February 21 Relating to Greece and Turkey [1]

TOP SECRET [WASHINGTON, February 24, 1947.]

[Here follows portion of memorandum printed with slight variations in language as "Analysis of Proposals Contained in British Notes of February 24 Relating to Greece and Turkey (For Discussion Purposes Only)", page 48.]

It is recommended that:

(1) The Department of State, at the highest level, enter into immediate discussions of this matter with the Departments of War, Navy and Treasury.

(2) The four Departments lay their findings before the President.

(3) In case the four Departments agree that the United States, in cooperation with Great Britain, should render assistance along the lines suggested to Greece and Turkey, the matter be discussed frankly and secretly with the appropriate Congressional leaders in an effort to obtain Congressional support.

(4) Instructions be issued at once for the Combined Chiefs of Staff to begin an examination of the technical aspects of the problem, including the study of the documents at the disposal of the British Joint Staff Mission in Washington.

(5) The British and American Governments should begin to confer regarding the exact character and extent of the assistance which must be extended.

(6) Appropriate steps be taken to acquaint the American people with the necessity of rendering assistance of the character contemplated to Greece and Turkey and to let the Governments and peoples of those two countries know that the United States is prepared to implement its avowed policies with regard to them.

(7) Appropriate measures be taken to arrange the immediate delivery to Greece of such military equipment as may be transferred without the passage of special legislation. Similar efforts should be made to furnish Turkey those supplies of which, in the opinion of the Combined Chiefs of Staff, Turkey stands in urgent need at the present time.

(8) Appropriate measures be taken by the Administration to enlist the wholehearted support of all executive agencies of this Government in rendering this assistance.

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[1] Transmitted to the Secretary of State by R. Bordon Reams in a memorandum of February 24. Mr. Reams was Special Assistant to Secretary of State Marshall.

(9) Appropriate legislation be drafted and presented to Congress at the earliest possible date which would enable the United States Government to extend large credits or grants to Greece and Turkey in amounts and under conditions which would enable their utilization under American supervision for strengthening the economy and promoting the stability of those countries.

(10) Such additional legislation be drafted and presented to Congress at the earliest possible time as may be required to enable this Government to furnish to Greece and Turkey necessary military equipment.

(11) Every effort be made at the highest Governmental levels to find means, without waiting for legislation, to furnish Greece with sufficient funds to enable it to meet its current requirements for foreign exchange.

867.00/2–2447

Memorandum by the Director of the Office of Near Eastern and African Affairs (Henderson) to the Secretary of State

TOP SECRET [WASHINGTON,] February 24, 1947.

We have learned that the British Minister Sir John Balfour, when calling on you this morning at 9 o'clock, will present you two notes,[1] one relating to Greece and the other to Turkey. Summaries of these two notes are attached hereto.[2]

The essence of these two notes is that although Great Britain appreciates how important it is that Greece and Turkey should not fall under Soviet influence, it feels itself unable, in view of the economic situation in Great Britain, any longer to bear the major share of the burden of rendering assistance in the form of money and military equipment which Greece and Turkey should have if they are to preserve their territorial integrity and political independence. In the notes, therefore, the British Government asks whether the U.S. Government is willing to undertake the major share of this burden.

In view of the urgency of this situation, the notes also suggest that there be immediate consultation in Washington between the British and American members of the Combined Chiefs of Staff in order to determine what type of assistance should and could be extended to enable Greece and Turkey to survive.

Because of the major importance of the British decision reflected in these notes, it is believed that you may care to limit any remarks to

[1] The notes were actually presented by the British Ambassador; see Mr. Henderson's memorandum, *infra*.

[2] Neither printed.

Sir John Balfour when receiving them to a statement to the effect that you are fully aware of the economic difficulties which Great Britain is facing at the present time; that the notes will be given urgent sympathetic study; and that a reply will be given at the earliest possible moment.

L[OY] W. H[ENDERSON]

868.00/2–2447

Memorandum of Conversation, by the Director of the Office of Near Eastern and African Affairs (Henderson) [1]

TOP SECRET [WASHINGTON,] February 24, 1947.

Participants: The Secretary.
Mr. Loy Henderson, Director, NEA.
Lord Inverchapel, British Ambassador.
Mr. Herbert M. Sichel, First Secretary, British Embassy.

The British Ambassador, accompanied by Mr. Sichel, First Secretary of the British Embassy, was received at their request by the Secretary this morning at 9 o'clock. The Ambassador informed the Secretary that, upon instructions from his Government, he had come to hand him the two *aide-mémoires* attached hereto,[2] one relating to Greece and the other to Turkey.

After reading the *aide-mémoire* relating to Greece, the Secretary stated that he realized that the matter treated in it was of the utmost urgency and importance, that it would be discussed at once with the President and the Chiefs of Staffs, and that he hoped that a reply could be made in the near future.

After examining the *aide-mémoire* relating to Turkey, the Secretray stated that what he had said with regard to the first note also applied to the second; that the question of Turkey would also be given the urgent attention of the United States Government. He added that the problem with regard to Turkey seemed to be somewhat different, however, from the Greek problem. The Ambassador agreed, adding that the Greek problem was undoubtedly the more urgent of the two; nevertheless, it seemed wise to the British Government that the problem of Turkey should not be neglected.

The Secretary said that it was his understanding that the Russians had made no move with regard to Turkey for some time and asked if the Ambassador had any ideas regarding the reasons for the Russian

[1] Initialed by the Secretary of State.
[2] The *aide-mémoire* of February 21, pp. 32 and 35.

silence. The Ambassador said that in his opinion no foreigner knows why Russia takes or fails to take certain actions. Therefore, as an honest man, he must admit that he is not in a position to explain what is responsible for the present Soviet attitude towards Turkey. He could make guesses, but his guesses would be of no more value than those of any other person.

The Ambassador emphasized the fact that neither the Greek nor the Turkish Government had as yet been informed of the decision of Great Britain that it could no longer extend financial assistance to Greece and Turkey. He added that it probably would be disastrous to give such information to the Greeks or the Turks unless they could be informed at the same time that the United States Government had definite plans to aid them.

L[OY] W. H[ENDERSON]

868.00/2–2447

Memorandum by the Under Secretary of State (Acheson) to the Secretary of State[1]

TOP SECRET [WASHINGTON,] February 24, 1947.

This morning the British Ambassador handed me two notes of the most vital importance. These notes inform us that, in view of the British economic and financial situation, they can no longer continue to carry the burden of the economic and military support of the Greek and Turkish Governments. Their estimate is that the foreign currency needs of Greece for the remainder of 1947 will be in the neighborhood of $250,000,000 and that more will be needed for next year. Smaller but equally important sums will be needed for Turkey.

The notes point out that, without this aid, the independence of Greece and Turkey will not survive. This of course means that they and the rest of the Middle East will fall under Russian control. Our own mission in Greece (MacVeagh, Ethridge, Porter) inform us that the crisis in Greece is only a few weeks off and that, without help, the Government and economy will collapse.

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[1] A carbon copy of this memorandum, filed under 868.20/3–447, contains the following marginal notation by John D. Jernegan, Assistant Chief of the Division of Near Eastern Affairs: "The substance of this was conveyed by the Secretary to the President on Feb. 24. The notes were handed to the Secretary, *not* Mr. Acheson. This memorandum was intended to be from the Secretary to the President."

President Truman's *Memoirs* note that Secretary Marshall brought the official copy of the British note to him on February 24 (*Memoirs by Harry S. Truman*, vol. II, p. 100). Mr. Forrestal's account of his conversation on the matter with the Secretary of State prior to their lunch with the President is given in Walter Millis, (ed.), *The Forrestal Diaries* (New York, The Viking Press, 1951), p. 245.

I believe that the British are wholly sincere in this matter and that the situation is as critical as they state. This puts up the most major decision with which we have been faced since the war. I think that War, Navy, Treasury and State should give this immediate study, make recommendations to you, and that a decision in which the leaders in Congress should participate must be made within the week.

DEAN ACHESON

868.00/2–2447

Minutes of the First Meeting of the Special Committee To Study Assistance to Greece and Turkey, February 24, 1947, 3:00 p. m.[1]

TOP SECRET

Present: Mr. Henderson (NEA) Chairman
Mr. Baxter (NE)
Mr. Bohlen (S)
General Crain (A–H)
Mr. Eddy (SA/E)
Mr. Gange (S/S)
Mr. Gullion (U)
Mr. Havlik (ED)
Mr. Hickerson (EUR)
Mr. Jernegan (NE)
Mr. Kennan[2]
Mr. Merriam (NE)
Mr. Ness (OFD)
Mr. Spiegel (FN)
Mr. Thompson (EE)
Mr. Villard (NEA)

Mr. Henderson opened the meeting by summarizing the two notes on Greece and Turkey delivered by the British Ambassador to the Secretary on the morning of February 24.[3] He went on to say that these notes appeared to be in line with recent British moves in getting out of Burma, India and Palestine, remarking that the British Government seemed to feel itself unable to maintain its imperial structure on the same scale as in the past.

As background, Mr. Henderson caused to be read a top secret telegram of August 15[4] sent by the Department to Secretary Byrnes, who was then in Paris. The telegram contained the text of a statement of

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[1] Drafted by Mr. Jernegan.
[2] George F. Kennan, detailed to the National War College as Deputy for Foreign Affairs.
[3] See footnote 1, p. 32.
[4] No. 4122, *Foreign Relations*, 1946, vol. VII, p. 840.

policy calling for full support of Turkey and made it clear that this policy had received the approval of the War and Navy Departments and of the President. It was explained that this policy had also been enthusiastically approved by Mr. Byrnes.[5] Mr. Henderson went on to point out that Greece was considered to be in virtually the same position as Turkey so far as our policies are concerned and that the telegram therefore applied in general to Greece as well.

With reference to the notes presented by the British Ambassador, Mr. Henderson explained that NEA had drafted a memorandum which Mr. Acheson had seen and approved in principle as a basis for discussion. The memorandum was then read aloud.

Mr. Henderson and Mr. Hickerson expressed the conviction that this Government must accept the responsibility which the British Government was proposing to turn over to us with regard to the two countries in question, if we did not Greece and probably Turkey would be lost.

After a lengthy discussion it appeared to be the view of most of those present that this Government should decide in principle to assume the responsibility involved, leaving for later determination the question of whether it was financially possible to do so and how it should be done. General Crain [6] disagreed with this view, holding that the British Government had arrived at its present precarious financial state as a result of trying to do just what it was now proposing that the U.S. should attempt. He felt that it would be better policy for the U.S. to conserve its resources for the final trial of strength; that we should attempt to achieve our ends in defending Greece and Turkey by advising the Soviet Government that we would use force if necessary to keep it from seizing control of those countries.

It was brought out that a very important element of the question was the future policy which might be followed by the British Government in Greece and Turkey and elsewhere if we consented to take up the burden Great Britain wished to transfer to us. The Committee agreed that this must be clarified at an early stage and that appropriate assurances of continued cooperation should be sought.

As a further consideration it was mentioned that American action in Greece and Turkey on this line might be only one of many instances of the same kind and that this must be frankly admitted when it came to discussing the question with members of Congress.

Mr. Havlik suggested that the financial part of the problem be approached on a global basis, urging that it must be presented to

[5] See memorandum by Acting Secretary Acheson to President Truman, August 16, 1946, *Foreign Relations*, 1946, vol. VII, p. 843.

[6] James K. Crain, Deputy Chairman of the Policy Committee on Arms and Armaments.

Congress as part of a worldwide program. Mr. Hickerson concurred, and said he felt a program of the kind could be presented to Congress in such a fashion as to electrify the American people. However, the Committee was not in complete agreement and no attempt to arrive at a decision was made.

It was decided that a telegram should be sent to London at once summarizing the British notes for the information and comments of Mr. Gallman and Mr. Matthews [7] (who was expected to arrive there the following day).

A drafting committee, composed of Messrs. Kennan, Thompson [8] and Jernegan was appointed to prepare a memorandum for the Secretary setting forth the views and recommendations of the Committee.

It was agreed that the Committee should meet again at ten o'clock next morning.

Mr. Henderson pointed out that Mr. Acheson had directed the members of the Committee to give its work first priority and postpone other work whenever necessary.

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[7] H. Freeman Matthews, Director of the Office of European Affairs, at this time en route to the Embassy in the United Kingdom on a visit of inspection. In telegram 891, February 24, to London, the Department summarized the British Embassy notes and requested the urgent comments of Messrs. Gallman and Matthews on the sincerity and accuracy of the British statements (868.00/2–2447).

[8] Llewellyn E. Thompson, Jr., Chief of the Division of Eastern European Affairs.

868.00/2–2547

Memorandum by the Chairman of the Special Committee To Study Assistance to Greece and Turkey (Henderson) to the Under Secretary of State (Acheson)

TOP SECRET [WASHINGTON, undated.]

REPORT OF THE COMMITTEE APPOINTED TO STUDY IMMEDIATE AID TO GREECE AND TURKEY

The attached document [1] sets forth the findings of the committee appointed by you to study immediate aid to Greece and Turkey, especially the interpretation of the recent British notes on this matter and recommendations as to what our Government should do if this immediate situation is to be met successfully.

The committee recognizes, however, that this may be only part of a much broader problem arising for this country in consequence of Britain's economic and political situation.

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[1] Actually, there were two attached documents, both of which are printed *infra*.

It also recognizes the possibility that it may not be possible to organize action by this Government on a sufficient scale and in sufficient time to prevent a sweeping deterioration of the Greek situation with profound repercussions in other parts of the Near East and Europe.

For these reasons, it recommends that a small State–War–Navy committee be appointed at once to prepare at once an estimate:

A. Of the broad foreign policy implications to this country of Britain's position and of other responsibilities which this Government may be asked to assume in consequence thereof—in other words, to what extent this Greek-Turkish situation is something in itself and to what extent it is only part of a larger complex of problems which we would logically be compelled to accept as our responsibility if we accept the responsibility in this instance.

B. Of the probable results of our failure to take prompt and effective action in the Greek-Turkish situation and possible similar situations; and

C. Of the adjustments in this country's political and military policy which would have to follow if the situation envisaged in "B" were to mature.[2]

LOY W. HENDERSON

[Annex 1[3]]

ANALYSIS OF THE PROPOSALS CONTAINED IN BRITISH NOTES OF FEBRUARY 24[4] RELATING TO GREECE AND TURKEY (FOR DISCUSSION PURPOSES ONLY)

TOP SECRET [WASHINGTON, undated.]

OBLIGATIONS OR COMMITMENTS WHICH BRITISH PROPOSE THAT THE UNITED STATES UNDERTAKE

1. *With reference to Greece:*

The British propose that as of April 1, 1947 the United States Government assume financial responsibilities hitherto borne by Britain with regard to Greece. The British estimate that during the last nine months of 1947 Greece will require between $240,000,000 and

[2] On a carbon copy of Mr. Henderson's memorandum appears the following marginal notation in the handwriting of Mr. Jernegan: "This memorandum, with its attachments, was considered and approved in substance by a meeting of top officers of the Department presided over by Mr. Acheson on Feb. 25. The attachments were submitted to the Secretary on Feb. 26 and approved by him. Attachment B was considered and approved by the Secretaries of War and Navy at a meeting with Secretary Marshall on Feb. 26."

The editors are unable to find in Department of State files a record of the meeting of February 25; for the minutes of the meeting of the three Secretaries on February 26, see p. 56.

[3] This annex is tabbed "A".

[4] The notes were dated February 21, pp. 32, 35.

$280,000,000 from abroad for its civilian and military needs in addition to that already furnished by the British. Since the British Government is unable to spend more on Greece, it expresses the hope that the United States Government will find itself in a position to afford this assistance.

The note, with its enclosures,[5] also points out that the conclusion is inescapable that for several years subsequent to 1947 Greece "will not have anything even remotely approaching minimum financial resources needed to preserve its integrity and independence as such",[6] and makes it clear that unless the United States continues after 1947 to give Greece financial aid and help in the form of military equipment, Greece can not survive as an independent country.

In this connection the note expresses the hope that "if a joint policy of effective and practical support for Greece is to be maintained, the United States Government will agree to bear as from the first of April 1947 the financial burden of which the major part has hitherto been borne by His Majesty's Government".

It is suggested in the note that the State Department and the United States Chiefs of Staff examine papers now in the possession of the British Joint Staff Mission in Washington which have full details of the present organization of the Greek armed forces and of the reorganization proposed by the British military authorities; and that, in addition, the various military questions relating to Greece should be given urgent consideration by the Combined Chiefs of Staff.

The note further suggests that if the United States Government should find itself able to offer economic aid to Greece, it would probably desire to send to Greece a United States economic mission. It would appear that the role of this United States economic mission would be to supervise the utilization of funds made available to the Greek Government and to give the Greeks advice in the field of economic reconstruction.

2. *With regard to Turkey:*

With regard to Turkey, the British Government takes the position that in order to bring the armed forces of Turkey into a reasonable state of preparedness a large measure of re-equipment and considerable training will be necessary. It indicates that the British Government is not prepared financially to re-equip the Turkish armed forces. The British Government, however, is prepared to look after the needs of the Navy and the air forces, provided satisfactory financial arrangements can be made (apparently by the United States), and to furnish

[5] The British note had but a single enclosure.
[6] This quotation is taken from the enclosure to the British note.

to Turkey additional military, naval and air advisers amounting to some sixty officers for whom the Turkish Government has asked.

It is pointed out that if Turkey is to be able to carry out any plan of extensive military reorganization and also a plan of a kind of economic development which would strengthen the ability of the Turks to defend themselves, Turkey must obtain financial assistance from abroad. It is emphasized that the British Government, in the existing financial situation of Great Britain, cannot make further credits available to Turkey and that, therefore, Turkey must look either to the United States Government or some American lending agency, such as the Eximbank, or to the International Bank or the International Monetary Fund. The British Government makes it clear that it has come to the conclusion that economic and financial assistance from abroad should be given to Turkey. It does not, however, indicate how much financial assistance will be necessary. The specific suggestion is made that a study of the strategic and military position of Turkey should be made by the Combined Chiefs of Staff. The British ask whether the United States Government has any suggestions as to how a program of military reorganization that may be recommended by the Combined Chiefs of Staff should be financed.

DISCUSSION

The argument might be advanced that the British are not entirely sincere in presenting the proposals contained in these notes; that the world situation will compel them to continue to extend assistance to Turkey and Greece regardless of what we might or might not contribute; and that the notes have been presented with the idea of pushing the United States Government out in front in the Near East and of prevailing upon the United States to assume the financial and other economic burdens which otherwise must be borne primarily by Great Britain. It might also be suggested that Great Britain has already decided to change its basic policies towards the Soviet Union and is now planning, instead of continuing to try to resist Soviet pressure, to endeavor to come to terms with the Soviet Union on a basis involving respective spheres of influence in various parts of the world, including Europe and the Near East, and the conclusion of a close military alliance extending perhaps beyond the framework of the United Nations. Persons following this line of reasoning might further argue that the notes have been sent in the belief that the United States will refuse to bear what the British Government considers to be an appropriate share of the financial and economic burdens and that this refusal would justify the British Government, in the eyes

of the British people and before the whole world, in making such a change of policy.

After examining carefully the notes in the light of the present international situation and of the economic conditions in Great Britain, we are inclined to believe that the British Government is really convinced that it is unable any longer to expend funds, supplies and manpower in the Near East in the future as it has in the past; that it hopes that the United States, realizing how important it is that the independence of Turkey and Greece be maintained, will undertake to relieve Great Britain of these financial responsibilities and that the two Governments will be able in cooperation to resist Soviet pressure in the Near East. We feel, however, that if the United States finds itself unable to render assistance to an extent which promises successfully to resist Soviet pressure, the British Government may well find that it will be compelled to approach the Soviet Government in an effort to work out some arrangement which would have the effect of at least slowing up the Russian advance in the Middle East and elsewhere. Such an arrangement would undoubtedly mean widespread concessions to Russia in one or several areas.

We do not believe that the British Government has any present plans to enter into an arrangement of this kind, particularly since the effect of it would be certain to weaken the authority of the United Nations, on which the British Government gives every indication of basing its foreign policy. Nevertheless, the possibility exists that if Great Britain finds that the United States is unwilling to finance and otherwise back up the avowed policies of the American Government it may come to the conclusion that it has no other course open to it than to seek a breathing spell by coming to terms with the Soviet Union.

In the event that we should refuse to assume the type of responsibility for Greece and Turkey which the British are asking us to undertake, a number of consequences are possible, among which might be mentioned the following:

(1) Greece and Turkey, without financial and other aid from either the United States or Great Britain, may become Soviet puppets in the near future. Their loss to the western world would undoubtedly be followed by further Soviet territorial and other gains in Europe and in the Near and Middle East. The resulting chaos would be accompanied by an immediate weakening of the strategic and economic position of the whole western world, particularly of Great Britain, and the very security of the United States would be threatened.

(2) The British Government might decide that, in order to avert the immediate Soviet conquest of Greece it must come to an arrangement with the Soviet Union, including a military alliance and the setting up of spheres of influence. Such an arrangement would greatly

strengthen the Soviet Union, would weaken Great Britain and would tend to isolate the United States, The restoration of spheres of influence would furthermore undermine the foundations of the United Nations.

In our opinion, either of these two consequences would bring us closer to a third world war in which we would find ourselves in a much more disadvantageous position than that in which we are at present. In case an arrangement should be effected between Great Britain and the Soviet Union of the character referred to above, we might become eventually involved in a world conflict, possibly without the effective military support of Great Britain. We feel, therefore, that it would be in the interest of the United States for this Government to relieve the British Government of the major share of the financial burden which it has been bearing on behalf of Greece and Turkey. We realize, however, that grave difficulties are involved since certain responsible officials of the Administration and members of Congress, as well as large sections of the general public, are not as yet fully cognizant of the seriousness of the situation and would not like for the United States to expend large sums of money in the Near East or for it to undertake to play a leading role in that part of the world. It is not yet generally realized that the future of the Near East is no less important to the security and welfare of the United States than is that of the Far East and Europe.

An accompanying document sets forth the Department of State's position and recommendations on this problem.[7]

[Annex 2[8]]

POSITION AND RECOMMENDATIONS OF THE DEPARTMENT OF STATE REGARDING IMMEDIATE AND SUBSTANTIAL AID TO GREECE AND TURKEY

TOP SECRET [WASHINGTON, undated.]

1. In view of the wording and timing of the memoranda handed by the British Ambassador to the Secretary of State on February 24 the Department of State regards their presentation as a clear indication that unless the United States is willing to shoulder at once major financial and economic responsibility and a portion of the military responsibility for Greece and to discuss with the British joint measures which should be taken for the military and economic strengthening of Turkey:

[7] *Infra.*
[8] This annex is tabbed "B".

(*a*) Britain will no longer be able to collaborate with us in joint efforts to hold the line in those countries in order to prevent a complete collapse which would lay these countries open to Russian domination.

(*b*) In an effort to salvage something of her political positions she may consider herself compelled to pursue policies of her own with regard to these countries.

2. In the light of Britain's situation the Department considers this warning to be serious and founded in fact.

3. The Department considers that this Government has only this choice: (*a*) either to accept the general responsibility implied in the British memoranda or (*b*) to face the consequences of a widespread collapse of resistance to Soviet pressure throughout the Near and Middle East and large parts of western Europe not yet under Soviet domination or the adverse consequences, from the standpoint of United States interests, of a possible new British deal with the Russians.

4. For this reason the Department considers that this Government should accept the responsibilities in question and should do its best to discharge them in such a way as to maintain confidence in the United States and in their own ability to resist Soviet pressure.

5. The Department considers, however, that before accepting such responsibilities, this Government should obtain satisfactory assurances from the British that we shall have their continued loyal cooperation in our joint efforts to prevent further extension of Soviet power at the expense of the independence of other peoples.

6. With respect to Turkey, the Department notes that the only specific British proposal thus far is for discussion in the Combined Chiefs of Staff of the strategic and military position of Turkey. The Department recommends that we agree to the immediate undertaking of such discussions and that if as the result of them the Departments of State, War and Navy find that certain assistance in the form of military supplies is important to the maintenance of Turkish independence, this Government endeavor to furnish an appropriate share.

The British also point out the need for further economic assistance to Turkey. The Department is giving further consideration to this question. It recommends at this time, however, that if in the light of the studies of this Government and after consultation with Great Britain and Turkey the American Government should come to the conclusion that economic and particularly financial assistance to Turkey from abroad is important to the maintenance of Turkish independence, the United States Government endeavor so far as possible to furnish an appropriate share of such assistance under stipulated conditions assuring its most effective utilization.

7. With respect to Greece, the Department views the problem as falling into two parts, military and economic, which will require sepa-

rate consideration and treatment. The Department's tentative views on these points are as follows:

(*a*) *Military*

The Department recommends that the United States Joint Chiefs immediately enter into conversations in the Combined Chiefs of Staff, as suggested in paragraph 9 of the British memorandum, with regard to the various military questions involved, and that if as a result of these conversations the Departments of State, War, and Navy should come to the conclusion that Greece must have continued assistance from abroad in the form of military supplies if it is to maintain its independence and restore domestic tranquility, the United States Government so far as it is able furnish an appropriate share of such supplies.

(*b*) *Economic*

It is the view of the Department that the charges upon this Government involved in the assumption of military responsibility in Greece may continue indefinitely unless economic reconstruction in Greece is assured. The need for external assistance is unquestioned, though its exact magnitude cannot now be specified except to assert that such need is considerable. The British estimates as to the total external assistance which will be required to support both military and civilian programs need to be checked.

If this Government is to provide immediate financial assistance to Greece, U.S. interests can be adequately served only by establishing immediately the controls necessary to assure the effective utilization of such assistance. The Greek Government cannot itself provide these controls in the near future.

Nor is it possible for the Greek Government, as now organized and administered, to undertake by itself the detailed and systematic program of restoration required to make the Greek economy self-supporting within the near future. This consideration seems to the Department to call for the establishment of an American Administrative Organization to undertake Greek rehabilitation. Such an Organization should have wide powers over Greek economic life. The establishment and operation of such an Organization would call for a considerable additional outlay in American funds and in American personnel of the highest competence and personal integrity. The Department would expect that such an Organization would be terminated as soon as its services were no longer required.

8. The Department considers that the program set forth in paragraphs 6 and 7, if put into effect promptly and in its entirety, offers a reasonable chance of success. Half-way measures will not suffice and should not be attempted. They would result merely in the waste of American money and manpower.

9. The Department recommends that the above program, if agreed to by the Secretaries of War and Navy, be submitted immediately by the three Secretaries to the President for his approval.

10. If the President's approval is forthcoming, the Department considers that the following further steps should then be taken:

(*a*) An appropriate reply be made to the British Government and the specific assurances mentioned above be sought, and this Government at once propose top secret conversations at a high level in regard to the whole international situation with a view to ascertaining British capabilities and intentions.

(*b*) The Secretary of the Treasury, the Secretary of Commerce, and various other members of the Cabinet be informed of this decision and the Secretary of the Treasury be invited to arrange for Treasury participation in any future discussions bearing on financial assistance. Steps be taken by the Administration to obtain the wholehearted support of all other interested executive agencies of this Government in executing the program outlined.

(*c*) Every effort be made at the highest governmental level to find means, without waiting for legislation, to alleviate the present Greek financial situation.

(*d*) That steps be taken to see that the Greek Government requests at once in a formal manner the assistance of this Government in the rehabilitation of its economic life.

(*e*) The problem be discussed privately and frankly by the leaders of the administration with appropriate members of the Congress.

(*f*) Legislation be drafted, in the light of these discussions with members of Congress and of the findings of the Combined Chiefs of Staff, and this legislation be submitted to Congress; such legislation might well include authorization for the President under certain conditions within prescribed limits to extend loans, credits, or grants to Greece and/or Turkey; also for the transfer to Greece or Turkey or both of military supplies not transferable under existing law; and any necessary authorization for the supply of personnel.

(*g*) In the meantime measures be taken immediately to transfer to Greece such available military equipment and other supplies as the three Departments find are urgently needed by Greece and are transferable under existing legislation.

(*h*) Measures be adopted to acquaint the American public with the situation and with the need for action along the proposed lines.

868.00/2-2547

The British Embassy to the Department of State

TOP SECRET

AIDE-MÉMOIRE

His Majesty's Embassy has been instructed to inform the State Department that His Majesty's Government in the United Kingdom have decided that, pending an expression of the views of the United States Government on the points raised in the Embassy's *Aide-Mémoire* of February 21st, they do not intend to inform the Greek Government that His Majesty's Government will not be able to meet the financial commitments of the Greek Armed Forces after March 31, 1947.

333-774—72——5

2. His Majesty's Government would therefore greatly appreciate a very early expression of the views of the United States Government, in order that the Greek Government may have as much time as possible to adjust themselves to the new conditions.

WASHINGTON, 25 February, 1947.

868.00/2-2647

Minutes of a Meeting of the Secretaries of State, War, and Navy, February 26, 1947, 10:30 a. m.

TOP SECRET

PRESENT

STATE	WAR	NAVY
Secretary Marshall	Secretary Patterson	Secretary Forrestal
Under Secretary Acheson	Asst. Secretary Petersen	Under Secretary Sullivan
Mr. Henderson	Lt. General Ridgway	Captain Tichenor
Mr. Gange		
Mr. Moseley (SWNCC), Recorder		

I. GREEK AND TURKISH SITUATION WITH REFERENCE TO BRITISH NOTES OF FEBRUARY 24, 1947

IMPLEMENTING ACTION

1. Discussions to be undertaken by the British and United States Members of the Combined Chiefs of Staff on the military position of Turkey and Greece.

2. The State Department to consult with the Governments of Turkey and Great Britain regarding the need for economic and financial assistance to Turkey.

3. The following steps set forth in paragraph 10 of the State Department memorandum on this subject distributed by Secretary Marshall.

[Here follow paragraphs lettered (*a*) through (*h*). Their language is broadly paraphrased or quoted in the memorandum from the Secretaries of State, War, and Navy, page 59, except that the content of paragraph numbered two in the latter does not appear in these Minutes.]

DECISION

The Committee agreed:

1. Subject to the changes set forth below, to approve in general the program set forth in the memorandum introduced by Secretary Marshall entitled "Position and Recommendations of the Department of

State Regarding Immediate and Substantial Aid to Greece and Turkey."

2. That the program set forth in this memorandum be submitted immediately to the President for his approval.

3. The Committee agreed to the following changes in the State Department memorandum:

Paragraph 6 and Paragraph 7(a):
Instead of introducing the matter formally into the Combined Chiefs of Staff, the matter will be taken up directly with the British and United States members.

Paragraph 6:
If, as a result of discussions with members of the Combined Chiefs of Staff, it is determined that military supplies should be provided to Turkey, it was generally agreed that it would be preferable for the British to provide the supplies if feasible.

Paragraph 8:
The Committee disagreed with the statement in this paragraph that "half-way measures will not suffice and should not be attempted".

DISCUSSION

1. Secretary Marshall referred to the British notes and asked for the views of the other members. Secretary Patterson said that from a military point of view the independence of Greece and Turkey were of vital importance to the U.S. strategic position. He then presented a Staff Study on the Greek and Turkish situation. Secretary Forrestal pointed out the strategic value of these areas to the Navy.

2. Mr. Acheson explained the difficulties of the British in their present financial situation. Secretary Marshall said that after careful consideration of the British notes the State Department was of the opinion that the British were definitely sincere in their presentation of these problems. Mr. Henderson said that aid to Greece from UNRRA would be of only inconsequential value to their overall needs and that to prevent collapse Greece will need several hundred millions.

3. There was considerable general discussion of the position of Greece and Turkey in relation to the present financial difficulties of Great Britain and the implications of the situation to the United States' strategic position. There was also further discussion of the general difficulty being encountered in obtaining necessary appropriations from Congress to back up U.S. world responsibilities. Particular note was given to the need of advising the public of the present critical situation. In general, the Committee recognized that the Greek and Turkish problems were only part of a critical world situation confronting us today in many democratic countries and that attention must be given to the problem as a whole.

868.00/2-2747

Memorandum by the Secretary of State to President Truman [1]

TOP SECRET WASHINGTON, February 26, 1947.

Subject: Immediate Aid to Greece and Turkey

Two notes from the British Government were received by me on February 24. These notes inform us that, in view of the British economic and financial situation, they can no longer continue to carry the full burden of the economic and military support of the Greek and Turkish Governments. Their estimate is that the foreign currency needs of Greece for the remainder of 1947 will be in the neighborhood of $250,000,000 and that more will be needed for next year. Smaller but equally necessary sums will be needed for Turkey.

I have discussed these notes with Secretary Patterson and Secretary Forrestal. On the basis of information available to us we are convinced that the British Government is sincere when it tells us that its financial position prevents it from extending further aid to Greece beyond March 31, 1947; that the situation, particularly in Greece, is desperate; that the collapse of Greece would create a situation threatening to the security of the United States; and that we should take immediate steps to extend all possible aid to Greece and, on a lesser scale, to Turkey.

We recognize that similar situations requiring substantial aid from this Government may develop in other areas and such possibilities are now being studied by the three Departments. The time factor for Greece, however, requires immediate action, and we recommend the measures set forth in the attached paper.[2]

G. C. MARSHALL

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[1] Marginal notation in the handwriting of Mr. Jernegan: "Taken to the White House by the Secretary on Feb. 26, 1947."

[2] President Truman's *Memoirs* state that at 3 p.m., February 26, Secretary Marshall and Under Secretary Acheson brought him the studies of "our experts" and that the Under Secretary made the presentation (*Memoirs by Harry S Truman*, vol. II, p. 100). The studies presumably were the analysis of the British position and the position and recommendations of the Department of State, pp. 48, 52.

It was after Mr. Acheson's presentation, presumably, that President Truman approved in principle the measures for immediate aid to Greece and Turkey called for in the latter paper; see Mr. Acheson's letter of March 5 to the Secretary of War, p. 94.

[Annex]

Memorandum by the Secretaries of State, War, and the Navy

[WASHINGTON, undated.]

MEASURES TO MEET THE BRITISH REQUEST FOR IMMEDIATE AID TO GREECE AND TURKEY

It is recommended that:

1. The British Government be informed of the decision of the Executive Branch to do all that is possible to meet the needs outlined in their notes, indicating however, that the Executive Branch cannot commit the Congress but will do its best to enlist Congressional support; and that this Government at once propose top secret conversations with the British at a high level in regard to the whole international situation with a view to ascertaining British capabilities and intentions.

2. This Government should ascertain that the British on their part will continue, within the limits of their means, to assist in the solution of the problem presented by Greece and Turkey.

3. The Secretary of the Treasury, the Secretary of Commerce, and various other members of the Cabinet be informed of this decision and the Secretary of the Treasury be invited to arrange for Treasury participation in any future discussions bearing on financial assistance. Steps be taken by the Administration to obtain the wholehearted support of all other interested executive agencies of this Government in executing the program outlined.

4. Every effort be made at the highest governmental level to find means, without waiting for legislation, to alleviate the present Greek financial situation.

5. That steps be taken to see that the Greek Government requests at once in a formal manner the assistance of this Government in the rehabilitation of its economic life.

6. The problem be discussed privately and frankly by the leaders of the administration with appropriate members of the Congress.

7. Legislation be drafted, in the light of these discussions with members of Congress and of the findings of the Combined Chiefs of Staff, and this legislation be submitted to Congress. Such legislation might well include authorization for the President under certain conditions within prescribed limits to extend loans, credits, or grants to Greece and/or Turkey; also for the transfer to Greece or Turkey or both of military supplies not transferable under existing law; and any necessary authorization for the supply of personnel.

8. In the meantime measures be taken immediately to transfer to Greece such available military equipment and other supplies as the three Departments find are urgently needed by Greece and are transferable under existing legislation.

9. Measures be adopted to acquaint the American public with the situation and with the need for action along the proposed lines.[3]

[3] Marginal notation: "Signed by G. Marshall."

868.00/2-2747

Memorandum by the Secretary of State to President Truman

TOP SECRET WASHINGTON, February 27, 1947.

Attached is a copy of the substance of the remarks [1] I made this morning to the group in your office.[2] I think possibly it would be better to use this paper in your talk with Cong. Taber rather than the memorandum I gave to you from the Secretary of War, the Secretary of the Navy and myself.[3] In any event, I attach it for your consideration.

G. C. MARSHALL

[Annex]

Statement by the Secretary of State [4]

TOP SECRET [WASHINGTON, undated.]

A crisis of the utmost importance and urgency has arisen in Greece and to some extent in Turkey. This crisis has a direct and immediate relation to the security of the United States.

For the past ten days our representatives in Greece, Ambassador MacVeagh, Mr. Ethridge and Mr. Porter, have been warning us that economic collapse is imminent, that the morale of the Greek Army, already low, will be deeply shaken and that the integrity and independence of the country itself is threatened. What the Greek Govern-

[1] *Infra.*

[2] President Truman's *Memoirs* state that: "At ten o'clock on the morning of February 27 Senators Bridges, Vandenberg, Barkley, and Connally, Speaker Martin, and Representatives Eaton, Bloom, and Rayburn took their seats in my office. Congressman Taber had been invited but was unable to be present. He called later in the day, and I discussed the situation with him. . . . I told the group that I had decided to extend aid to Greece and Turkey and that I hoped Congress would provide the means to make this aid timely and sufficient. (*Memoirs by Harry S. Truman*, vol. II, p. 103)

[3] *Supra.*

[4] Marginal notation in the handwriting of Mr. Jernegan: "Statement made by the Secretary to Congressional leaders at the White House on the morning of February 27, 1947. Copies given to Senators Vandenberg and Bridges."

ment needs urgently are funds to meet the needs of the military and civilian population in foreign purchases and certain amounts of light military equipment in order to suppress the bandit groups which, under Communist leadership, are threatening the Government and the tranquility of the country.

Hitherto the British Government has been meeting the foreign currency needs of the Greeks and has been giving them such military items as they have. It is now clear that the grave difficulties into which the British are plunged will not make this help possible for many weeks more. It is estimated that for the remainder of the year the needs of the Greek Government may amount to $250,000,000. It is altogether possible, and indeed probable, that there will be further needs next year. In addition to financial help it is essential that the Greeks be given assistance in the expenditure of these funds in the reconstruction of the essential services in the country such as railroads, harbor facilities, bridges, highways, et cetera, and in the reorganization of the civil service which has been shattered by the occupation and the inflation.

Our interest in Greece is by no means restricted to humanitarian or friendly impulses. If Greece should dissolve into civil war it is altogether probable that it would emerge as a communist state under Soviet control. Turkey would be surrounded and the Turkish situation, to which I shall refer in a moment, would in turn become still more critical. Soviet domination might thus extend over the entire Middle East to the borders of India. The effect of this upon Hungary, Austria, Italy and France cannot be overestimated. It is not alarmist to say that we are faced with the first crisis of a series which might extend Soviet domination to Europe, the Middle East and Asia.

There is no power other than the United States which can act to avert this crisis. The British, as the recent coal crisis has demonstrated, are in extreme economic distress. They are liquidating their positions in Burma, India, Palestine and Egypt. There is no reasonable basis for doubting that the same considerations are operating to terminate their expenditures in Greece and Turkey.

We can give you no assurance that American assistance to Greece will unquestionably save the situation but it is plainly evident that that situation cannot be saved without American assistance. The choice is between acting with energy or losing by default.

The problem in Turkey is slightly different. The Russians, by conducting a war of nerves, have kept the entire Turkish Army mobilized with the resulting drain upon the economy of that country which it cannot long support under its present antiquated economic structure. It needs two things, financial assistance to increase its productiveness

and some help to the end that its military forces may be rendered equally effective with fewer men. Here again only the United States can render effective help in view of the situation of Great Britain. Our military authorities are united in the view that the maintenance of the integrity of Turkey is essential to the entire independent structure of the eastern Mediterranean and the Middle East.

Improved relations and better understanding with the Soviet Union will be much more difficult of achievement if we allow the situation in Greece and Turkey to deteriorate.

As you see from what I have said the present situation is not one which permits of delay or inaction. We are at the point of decision. We cannot enter upon the first steps of policy without the assurance and determination to carry it through. To do this requires the support of the Congress and certain legislation. I hope this legislation may be obtained with bi-partisan support and without protracted controversy. Internal division and delay might gravely imperil the success of the program we are proposing.

I do not wish to minimize the importance of the decision which has to be made. What the Administration seeks at the present time is as follows:

1. Your support for a statement by me to the Greek and British Governments that the United States Government is prepared to render substantial financial assistance to the Greek Government (as I said before, this may reach $250,000,000 in the present year) and to transfer such light military equipment as is necessary to restore order and the authority of the Government. We shall, of course, require assurances from both the Greek and British Governments that they will act to the full extent of their capacities to achieve the result which we are seeking. We shall also insist that there is full American supervision of the expenditure of such assistance as we may give.
2. Such emergency legislation, probably in the form of an authorization to the Export-Import Bank, to make funds available without hampering restrictions. This may have to be followed with other legislation after we have received the report of the economic mission now in Greece.
3. Support for similar action in the case of Turkey as a result of more mature examination of that situation.
4. Your support, should the legislation be necessary, for such amendments to existing law as are necessary to permit the transfer of essential military equipment referred to above.

868.20/3–447

Memorandum by the Under Secretary of State (Acheson) to the Director of the Office of Near Eastern and African Affairs (Henderson)

TOP SECRET [WASHINGTON,] February 27, 1947.

Subject: Implementation of Measures for Aid to Greece and Turkey

The President has approved in principle the measures for immediate aid to Greece and Turkey as set forth in the memorandum entitled "Position and Recommendations of the Department of State Regarding Immediate and Substantial Aid to Greece and Turkey" which had previously been approved by Secretary Marshall and Secretaries Patterson and Forrestal. Congressional leaders were informed at the White House this morning by Secretary Marshall of the nature of the problem and the urgency of the need for our assistance to these countries and they also approved in principle the general program for aid.

The action to be taken now includes the following:

1. A reply to the British notes which should incorporate a request for the initiation of top-secret conversations at a high level in regard to the whole international situation and for immediate assurance of the continuation of British assistance and full cooperation in meeting the problems presented by Greece and Turkey.
2. Preparation of an agenda of matters to be discussed with the British in the conversations referred to above.
3. Despatch of a telegram to Ambassador MacVeagh informing him of developments and instructing him to arrange a formal request from the Greek Government for the assistance required; the controlling conditions and arrangements desired by us to be included in the telegram to the Ambassador and in the Greek request.
4. The Secretaries of War, Navy, Treasury, and Commerce to be informed fully of the decision of the President and the Congressional leaders and their full cooperation requested in implementing the necessary program.
5. Legislation to be drafted along following lines:

a. A joint resolution by Congress authorizing the Export-Import Bank to make available immediately such sums as are urgently required;

b. A joint resolution, or if found necessary, a law authorizing the detail of American governmental personnel to supervise the expenditure of these funds and otherwise assist the Greek Government in making the most effective utilization of such aid as may be given;

c. Enabling legislation for subsequent appropriations by the Congress to meet needs in Greece and Turkey beyond the competence of the Export-Import Bank;

d. Such legislation as may be required to authorize the expeditious transfer of military and other supplies to the Greek and Turkish Governments.

6. *a.* Preparation of a message for the President to deliver to Congress recommending the enactment of the legislation indicated, outlining the circumstances which have produced the critical situation in the Near East, and stating why it is in the vital interest of the United States that immediate aid be given.

b. Preparation of a speech to be made by the President to the American people.

7. The preparation of a program for acquainting the responsible officers of this Government and the public generally with the seriousness of this situation in order to assure prompt support for an energetic program of assistance to these countries.

The prompt carrying out of this action is considered to be of primary importance and the interested offices of the Department are hereby directed to treat them as a matter of first priority and to cooperate fully in their execution. The appropriate offices should promptly initiate the necessary confidential consultations with the other executive agencies concerned, particularly the War and Navy Departments and the Department of the Treasury. The Office of Near Eastern and African Affairs is responsible for the coordination of all action called for herein.

All personnel will bear in mind the importance of maintaining complete secrecy on all phases of this matter except as to the extent that they are made public under proper authority by the persons designated to do so.[1]

DEAN ACHESON

[1] Undated marginal notations indicate the offices and/or individuals assigned to undertake the various actions required by Mr. Acheson. They also describe all of the actions as "done", except for No. 2, assigned to EUR and NEA, and item 6*b*, marked "canceled".

868.00/2–2747

Memorandum by the Director of the Office of Near Eastern and African Affairs (Henderson) to the Under Secretary of State (Acheson)

CONFIDENTIAL [WASHINGTON,] February 27, 1947.

Copies of the memorandum which you have addressed to me on the subject of "Implementation of Measures for Aid to Greece and Turkey" will be sent to Messrs. Clayton, Cohen, Benton,[1] Hilldring,[2] Thorp,[3] Fahy,[4] Eddy,[5] Hickerson, and Ness. This will give all the

[1] William Benton, Assistant Secretary of State for Public Affairs.
[2] John H. Hilldring, Assistant Secretary of State for Occupied Areas.
[3] Willard L. Thorp, Assistant Secretary of State for Economic Affairs.
[4] Charles Fahy, Legal Adviser.
[5] William A. Eddy, Special Assistant to the Secretary of State for Research and Intelligence.

interested offices an official statement of the decision made by the President to support this program. I believe, however, that something further is necessary to impress the gravity and difficulties of the situation upon the officers who will be devoting a large part of their time in the next few weeks to this problem.

I suggest that, when the carbon copies of your memorandum to me are distributed, the officers who will receive them be asked to indicate the persons in their offices who will be actively and substantially involved in the necessary work. The persons so designated should be assembled early tomorrow morning for a brief meeting, at which time they should be informed of the background of this problem, the program which has been approved and the procedures for further action on the program. I believe that such a meeting would be most effective if you could make the opening remarks and set the tone for any discussion which might follow.[6]

L[OY] W. H[ENDERSON]

[6] Mr. Acheson indicated his approval in a marginal notation on February 27. An attached memorandum of February 28 (authorship not indicated), entitled "Agenda for Meeting on Implementation of Aid to Greece", stated that the steering group comprised Messrs. Henderson, Chairman; Ness, economic aspects; Russell, public relations; Sandifer, Congressional relations; Hickerson, British aspects; Jernegan, Secretary for the group; and Gange, for the Secretary's Office. Francis Russell was Director of the Office of Public Affairs and Durward V. Sandifer was Acting Legislative Counsel.

868.00/2–2747 : Telegram

The Secretary of State to the Embassy in Greece

TOP SECRET WASHINGTON, February 27, 1947—7 p. m.

224. Brit Amb Feb 24 presented two notes re Greece and Turkey respectively summaries of which are set forth as sections two and three this message. Brit Emb informs Dept that substance these notes has been given you by Norton. Greeks have not yet been informed.

Would appreciate urgently your and Porter's comments on note concerning Greece particularly re sums mentioned and your opinion magnitude US financial aid required for all-out assistance to Greece as well as suggestions on implementation.[1]

Subsequent telegrams will outline US position, Dept's reply to British, and will contain instructions re approaches to Greek Govt.

[1] In telegram 305, March 3, from Athens, Ambassador Porter gave his opinion that: "Assuming US Government intends to bear full burden military, relief and reconstruction expenses, figures used in summary British note re Greece check approximately with our data." (868.50/3–347)

No answer has yet gone to Brit and subject is not yet to be discussed with Greeks either here or Athens.

[Here follow summaries of the British notes of February 21.]

MARSHALL

SWNCC Files, Lot 54–D202

Report on the Meeting of the State–War–Navy Coordinating Committee Subcommittee on Foreign Policy Information

TOP SECRET [WASHINGTON,] February 28, 1947.

Mr. Russell summarized Mr. Acheson's review of the Greek situation:[1]

Great Britain has just informed the United States that it is going to withdraw economc assistance from Greece as of March 15 [*31*]. The question now arises as to the position of the United States in regard to Greece, Turkey.

At a meeting at the White House, representatives of Congress were informed that it was the position of the Executive branch of the government that a loan should be given to Greece so that its economy would not collapse, and that steps should be taken to make arms and equipment available to the Greek army.

As to the effect of an announcement at this time upon Secretary Marshall's position at the Moscow Conference, Mr. Acheson had reported that Secretary Marshall believes that everything that is necessary to be done to hold the position in the Near East should be done regardless of the effect upon the Conference.

In the last 18 months the position of the democracies in the world has seriously deteriorated. While Byrnes negotiated on settlements in central Europe, the Russians were maneuvering in other parts of the world, notably in the Near East. In Iran their activities were not particularly successful. In Greece they have partially achieved their purpose through the EAM and the border raids. In Turkey, Hungary, Austria, Italy and France, Communist activities are growing.

Secretary Marshall takes the position that the world has arrived at a point in its history that has not been paralleled since ancient history. The present problem is not one of bailing out the British, or one of giving aid to loyal Allies.

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[1] Possibly a reference to the staff meeting suggested for February 28 in Mr. Henderson's memorandum of February 27, p. 64; for an account of that meeting, see the memorandum by the Director, Office of Public Affairs (Russell), March 17, p. 121.

It is the intention of the President and the Secretary to bring the matter formally to Congress and to the American people in about a week.

Secretary Marshall is leaving on Wednesday. He must know before then the nature of the position that will be announced to the American people.

Mr. Acheson believes that the matter must be put over forcefully; the U.S. position must be made strong and clear.

Developments in the situation have leaked out in London this morning. There may be a good deal of comment in the papers this afternoon.

Secretary Marshall spoke to the press last night in an off-the-record meeting, briefed them on the situation.[2]

Mr. Russell said that for the information of the Subcommittee, *World Report* carried an article that is accurate.

Russell said that Henderson listed the objectives of the U.S. in Greece as:

1. Equip the Greek army so that it can restore order.
2. Reduce army after order has been restored.
3. Bring about reconstruction of Greek economy and administration so that country can be self-suporting.

A group in the State Department is working on the reply to the British, an agenda of the matters to be discussed with the British, and legislation.

Legislation will be:

1. Joint Resolution by Congress authorizing Export-Import Bank to grant such sums as are urgently required.
2. Joint Resolution or law authorizing detail of American government personnel to supervise expenditure of funds.
3. Enabling legislation for subsidiary appropriations by Congress to meet the needs of Greece and Turkey.
4. Legislation to authorize transfer of military and other supplies to Greek government.

[Here follows further discussion.]

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[2] Mr. Russell, later in this report, stated that the Secretary's meeting with about 20 State Department reporters was the first step in the information program and that "a large degree of candor" was exhibited. Joseph M. Jones, states that it was Mr. Acheson who held this press conference (Joseph M. Jones: *The Fifteen Weeks (February 21–June 5, 1947)*, New York, The Viking Press, 1955).

868.00/2–2847 : Telegram

The Chargé in the United Kingdom (Gallman) to the Secretary of State

SECRET LONDON, February 28, 1947—5 p. m.

US URGENT

1371. For Henderson from Matthews. Reurtel 891, February 24.[1] Warner [2] showed me British file of telegrams on the situation in Greece and Turkey. There is little to add to Gallman's telegram 1274, February 25.[3] I am convinced that the Foreign Office is fully aware of the desperate situation in Greece differing from Ethridge only on the matter of the immediacy of the collapse.

However, the seriousness of Britain's own financial situation resulted in the failure of Bevin to rally any support whatsoever against Dalton [4] in the Cabinet in favor of continuing any financial aid to the Greek Army after April 1. It was only Norton's unanswerable telegram on the consequences of such action that enabled the Foreign Office to obtain authorization for him to delay informing the Greek Government of the proposed termination of financial assistance March 31 pending some indication from US whether US is or is not in position to extend the required assistance by June. If some positive assurance to this effect is received from US in the next few days he believes it possible that the Cabinet could be persuaded to extend the funds necessary to cover the interim period; but he could give no firm statement that even this would be likely. I found he is under no illusion of the strategic effect upon Turkey's position should Greece fall behind the iron curtain.

As to the maintenance of British troops in Greece he said that while the British were careful to avoid in any way linking the two questions in the public mind they probably would retain the few thousand in Greece until Russian troops were removed from Bulgaria in the stipulated 90 days after ratification of the Bulgarian treaty. He expressed the hope that everything possible is being done to expedite

[1] Not printed; but see footnote 7, p. 47.

[2] Christopher F. A. Warner, Assistant Under Secretary of State in the British Foreign Office.

[3] Not printed; Chargé Gallman advised that there was no reason to doubt British sincerity "in light of Britain's over-extended foreign position and serious financial plight, plus political pressure within the Labour Party in case of Greece. As indicated, there has been no serious study in London of Turkish requirements in actual money or equipment. However, the estimates covering Greece give no indication, so far as we can see, of being inaccurate." The Chargé also noted information from a Foreign Office official that although half of the British troops in Greece were now being withdrawn, the remainder, amounting to 5,000 or 6,000 men, would remain for the time being. Their expenses would continue to be paid for by the British (841.50/2–2547).

[4] Hugh Dalton, British Chancellor of the Exchequer.

the report of the Porter mission to which he attaches much importance.

As to Turkey he had nothing to add to the information reported in Embtel 1274. [Matthews.]

GALLMAN

868.00/2–2847 : Telegram

The Secretary of State to the Embassy in Turkey

TOP SECRET WASHINGTON, February 28, 1947—7 p. m.

98. Brit Amb Feb 24 presented two notes re Greece and Turkey respectively summaries of which are set forth as sections two and three this message. Turks have not yet been informed and should not be approached by you until further notice.

Would appreciate urgently your comments on note concerning Turkey, suggestions on implementation and Roberts' estimate of probable extent US milit obligations if it should be decided to implement par. 3 (*d*) of Turk note.

Matter is receiving urgent and thorough consideration at topmost level Executive Branch this Govt. Major decisions are being taken and you will be informed of developments.

If queried you should avoid at all costs any mention of Brit notes and confine your remarks to general observations on present Brit economic crisis and known interest US Govt in supporting Turkey.

[Here follow summaries of the British notes of February 21.]

MARSHALL

868.00/2–2847 : Telegram

The Secretary of State to the Embassy in Greece

TOP SECRET WASHINGTON, February 28, 1947—midnight.

245. Section 1 of 2. Following discussions between Greek Chargé and Dept officials, Greek Emb is telegraphing text of note which Dept hopes Greek Govt will authorize Greek Emb to present Dept without delay. Unless you see grave objections you should discuss this with appropriate Greek officials pointing out urgency of request if US Govt is to initiate immediate steps to implement extraordinary assistance to Greece, emphasizing importance of paragraph in note which requests American personnel to help supervise and administer any US financial aid extended to Greece. Congressional support and favorable US public opinion dependent on assurance that financial assistance utilized under effective US supervision. Please

do not until futher instructed intimate to Greeks that British Government is planning to cease furnishing financial assistance.

Text of proposed Greek note follows as Section 2 this message.

Section 2 of 2. Following is text proposed Greek note.

My Govt has instructed me to present urgently to Your Excellency the following message:

Owing to the systematic devastation of Greece, the decimation and debilitation of her people and the destruction of her economy through three invasions and protracted enemy occupation, as well as through disturbances in the wake of war, further and immediate assistance has unfortunately become vital. It is impossible to exaggerate the magnitude of the difficulties that beset those survivors in Greece who are devoting themselves to the restoration of their country. Such means of survival as remained to the Greek people after the enemy withdrew have now been exhausted so that today Greece is without funds to finance the import even of those consumption goods that are essential for bare subsistence. In such circumstances the Greek people cannot make progress in attacking the problems of reconstruction, though substantial reconstruction must be begun if the situation in Greece is not to continue to be critical.

The Greek Govt and people are therefore compelled to appeal to the Govt of the US and through it to the American people for financial, economic and expert assistance. For Greece to survive it must have:

1. The financial and other assistance which will enable her immediately to resume purchases of the food, clothing, fuel, seeds and the like that are indispensable for the subsistence of her people and that are obtainable only from abroad.
2. The financial and other assistance necessary to enable the civil and military establishments of the Govt to obtain from abroad the means of restoring in the country the tranquillity and feeling of security indispensable to the achievement of economic and political recovery.
3. Aid in obtaining the financial and other assistance that will enable Greece and the Greek people to create the means for self-support in the future. This involves problems which unhappily can not be solved unless we surmount the crisis immediately confronting us.
4. The aid of experienced American administrative, economic and technical personnel, not only to assure the effective utilization of the financial and other assistance given to Greece, but to help to restore a healthy condition in the domestic economy and public administration and to train the young people of Greece to assume their responsibilities in a reconstructed economy.

The need is great. The determination of the Greek people to do all in their power to restore Greece as a self-supporting, self-respecting democracy is also great; but the destruction in Greece has been so complete as to rob the Greek people of the power to meet the situation

by themselves. It is because of these circumstances that they turn to America for aid.

It is the profound hope of the Greek Govt that the Govt of the US will find a way to render to Greece without delay the assistance for which it now appeals.[1]

End of message.

MARSHALL

[1] In telegram 249, March 2, the Department informed the Embassy in Greece that: "If practicable we hope Greek Govt will withhold publicity re this request and allow us reveal it first, possibly in message President will send Congress about Mar 10. This would help dramatize matter and enlist popular and Congressional support." (868.00/3–247)

868.00/3–147

Memorandum of Conversation, by the Under Secretary of State (Acheson)

TOP SECRET [WASHINGTON,] March 1, 1947.

The British Ambassador called at my request. I read him the two *Aide-Mémoire* dated March 1,[1] attached hereto.

I stressed two points: First, that we could not commit the Congress but that we were working very hard to get a favorable expression of Congressional opinion; second, that we wished to be sure that the British would continue to support the integrity of the Governments concerned with all possible efficacy. The Ambassador said that he hoped that we did not seriously believe that the British Government would do otherwise. I told him that I did not entertain such belief, but since this was a matter of the utmost seriousness for us we wished clear assurances.

In the afternoon the Ambassador telephoned me to inquire exactly what was meant by the second note's suggestion of discussions about other areas. I said that the purpose of this was to compare notes on what other situations might develop and to ascertain the intentions and capabilities of the two Governments in regard to them. He expressed satisfaction with this explanation and the foresight of the request.

DEAN ACHESON

[1] *Infra.*

868.00/2-2447

The Department of State to the British Embassy [1]

TOP SECRET

AIDE-MÉMOIRE

The Government of the United States has given urgent attention to the *aide-mémoire* dealing with Greece and Turkey (Nos. 658–47 [*G58/—/47*] and 693–47 [*G93/—/47*]) [2] left by the British Ambassador at the Department of State on February 24, 1947. The Executive Branch of the Government of the United States is of the opinion that the political and territorial integrity of Greece and Turkey must be maintained and has therefore decided to make every effort to extend the aid necessary for that end and for developing a sound economy in those countries.

However, action by the Congress will be necessary to provide funds and authority to furnish the substantial assistance required by Greece and Turkey. Although the Executive Branch will do its best to obtain such action, it cannot guarantee that favorable action will be taken.

In view of the need for Congressional action and of the obvious difficulty of organizing any program of assistance in so short a time, this Government doubts that despite its best efforts it will be prepared within the next few weeks to undertake substantial financial responsibility for Greece. It trusts, therefore, that the British Government will continue on an emergency basis such financial advances to Greece as may be necessary to prevent the collapse of the situation there.

In connection with its proposed program of aid, this Government further wishes to receive confirmation of its assumption that the British Government will continue, to the extent of its ability, fully to cooperate in supporting the political independence and territorial integrity of those two countries.

This Government agrees that questions concerning the Greek and Turkish armed forces be discussed informally between appropriate representatives in Washington of the armed forces of the United States and Great Britain and that these discussions begin at once.

It is further suggested that consultations begin immediately between the Department of State and the appropriate British officials at Washington regarding the financial, economic and administrative needs of Greece and Turkey. In this, as in the case of military requirements, it is believed that precedence should be given to the problems of Greece, as being the more urgent.

WASHINGTON, [March 1, 1947].

[1] This *aide-mémoire* and the one printed *infra* were drafted by Messrs. Henderson and Jernegan.

[2] *Ante*, pp. 32 and 35, respectively.

868.00/2–2447

The Department of State to the British Embassy

TOP SECRET

AIDE-MÉMOIRE

The Secretary of State refers to the *aide-mémoire* delivered today to the British Embassy expressing the decision by the Executive Branch of the Government of the United States to extend aid to Greece and Turkey.

In this *aide-mémoire* it was pointed out that the Government of the United States desires confirmation of its assumption that the British Government will continue to the extent of its ability, fully to cooperate in supporting the political independence and territorial integrity of Greece and Turkey. It is the view of the Government of the United States that the problem of the maintenance of Greek and Turkish independence and territorial integrity is closely related to problems of common concern involving other countries in Europe and Asia.

It is suggested, therefore, that informal conversations be entered into at the earliest possible moment between the two Governments with regard to these problems. These conversations might begin initially in Washington and continue in Washington and elsewhere as they develop. These discussions would undoubtedly involve considerations of the respective intentions, capabilities and responsibilities of the two Governments.

WASHINGTON, [March 1, 1947].

868.50/3–147 : Telegram

The Secretary of State to the Embassy in Greece

SECRET WASHINGTON, March 1, 1947—6 p. m.

US URGENT

248. For Porter from Ness. To develop and explain overall Greek program (see Deptel 241, Feb 28, 1947 [1]) Dept urgently desires quick review past estimates and further information regarding Greek foreign exchange requirements 1947 and ensuing period years in which substantial assistance appears required. Please base estimates on assumption that economic assistance would be furnished Greece to extent

[1] Not printed; it informed Athens that the President had approved United States policy towards Greece and set forth 11 steps towards implementing the policy. The text of telegram 241 was sent to Ankara in telegram 101, March 1, 1 p.m., which noted that while the specific application of No. 241 was to Greek rather than to Turkish aspects of the problem, similar though less urgent consideration was being given to Turkey. (868.00/2–2847)

and period necessary stabilize Greek economy and assure self-supporting status by end period. Following desired:

A. *Relief Deficit.*

(1) Review past estimates relief deficit 1947. In light recent developments and possible resumption major inflation would you now reduce substantially estimate actual 1947 exports and increase deficit contained urtel 161, Feb 5? [2] We now feel estimate may be optimistic.

(2) Dept needs also full year 1947 balance of payments separately for dollars, sterling and other currency. Pls relate to figures urtels 161 and 194.[3] Assume sterling not convertible in last half 1947.

(3) Advise your rough estimate magnitude relief deficit (if any) 1948.

B. *Reconstruction Needs.*

(1) Amount total investment reconstruction equipment and supplies (by categories) required to assure reasonably self-supporting Greek economy, and amount foreign exchange required. This should bear realistic relation to absorption capacity. Indicate total period required for such transition and annual or total amounts foreign exchange required. Indicate also requirements assuming 5 year maximum period.

(2) Indicate assumptions re level internal investment Greece could maintain. Could Greeks soundly finance by internal means all local expenditures in reconstruction?

(3) What, if any, additional imports consumption goods above minimum level urtel 161 are required 1947 and later years to assure stability and make possible high rate drachma outlays for internal sources on reconstruction? (Note recent British estimate minimum foreign exchange needs 1947 for civilian purposes 160 million dollars, including UN estimate relief 84 million dollars.)

C. *Overall Civilian Picture.*

Taking into account all factors, (i.e., relief, stability, reconstruction), estimate annual foreign exchange needs for (*a*) 5 year period and (*b*) period transition to self-supporting basis.

D. If possible, indicate amount and period during which assistance required in order make Greece reasonably good prospect for loans from International Bank, or private sources.

E. Following assumptions appear appropriate in answering above questions. If differ, please explain.

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[2] Not printed.

[3] No. 194, dated February 10, not printed.

(1) Greek military operations during 1947 on scale adequate to suppress armed resistance and restore internal order;
(2) Maintenance of Greek armed forces for period 1948–51 on scale gradually reduced from 1947 level;
(3) That all foreign exchange costs of military will be met by outside assistance;
(4) Reasonable success reform public administration;
(5) U.S. administrative and technical assistance and control on substantial scale in planning and administration economic programs. [Ness]

MARSHALL

868.00/3–147 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

SECRET ATHENS, March 1, 1947—midnight.

299. [Here follow two paragraphs dealing primarily with the Greek Prime Minister's address of February 26 before Parliament reviewing the Government's policies of economic retrenchment to meet the financial crisis and of firmness and conciliation to restore public order; and with the reply by the leader of the opposition Liberal Party.]

In surprise move morning February 27 designed embarrass Government and curry public favor, opposition deposited draft resolution calling union of Cyprus with Greece "imperious and unanimous demand of entire Hellenic nation", expressing confidence that "Britain, great and staunch friend of Greece, will give full satisfaction this demand," and calling for communication of resolution to British Government and Parliament. During day Minister Foreign Affairs conferred on matter with British Ambassador, who agreed Government forced to take some action but advised any measure adopted be "as mild as possible" and not commit Greek Government to take matter up officially with British. Pointed out possible unfavorable reaction in UK at time when British "scraping barrel" to help Greece economically. (Told me privately later that "no one in England interested" and Bevin strongly opposed to ceding Cyprus.) Accordingly, Tsaldaris introduced substitute resolution stating issue in softer terms and confiding solution to "friendly negotiations" between Greek and UK Governments which adopted by acclamation.

MACVEAGH

868.00/3–2047

Report by the Subcommittee on Foreign Policy Information of the State–War–Navy Coordinating Committee [1]

[Extract]

SECRET [WASHINGTON, undated.]

SWNCC–FPI 30

. . . . . .

INFORMATIONAL OBJECTIVES AND MAIN THEMES

I. BASIC UNITED STATES POLICY

1. A cardinal objective of United States foreign policy is a world in which nations shall be able to work out their own way of life free of coercion by other nations. To this end the United States has just finished fighting a war against Germany and Japan who were attempting to impose their will upon other nations. To the same end, the United States has taken a leading part in establishing the United Nations which is designed to make possible freedom and independence for all of its member nations.

2. The intent of this country to maintain a world of free peoples is directed equally against aggressive movements and against the imposition through whatever means from without of dictatorial regimes whether fascist, nazi, communist, or of any other form.

3. This principle of our foreign policy recognizes that only in such a world can the United States maintain its freedom and security.

4. A frank appraisal of the present world situation requires a recognition of the fact that a number of the countries of the world either have had forms of government imposed upon them against the will of a majority of the people or are in imminent danger of such a fate.

5. There is, at the present point in world history, a conflict between two ways of life. One way of life is based upon the will of the majority, free institutions, representative government, free elections, guarantees of individual liberty, freedom of speech and religion, and freedom from political oppression. The second way of life is based upon the imposition of the will of a minority upon the majority, upon control of the press and other means of information by the minority, upon terror and oppression. Such minority terroristic groups have various objectives. They may seek a fascist, a feudal, a communist or other

[1] An attached note by the SWNCC Secretariat, dated March 5, states that this report was approved by SWNCC at a special meeting on March 3 and was to "be implemented by the Department of State in collaboration with proper agencies in the other Departments or as otherwise specified in the body of the paper". For further information on the report, see memorandum by Mr. Russell, March 17, p. 121. Mr. Russell drafted the extract printed here.

order. But the major issue that is posed for the world is not one of objectives, not one between socialism or free enterprise, not one of progress or reaction, not one of left versus right. The issue is one of methods: between dictatorship and freedom; between servitude of the majority to a minority and freedom to seek progress.

6. The defeat of the axis powers was a milestone in the struggle for freedom. The end of the war, however, did not resolve the issue for all time. It is, in fact, alive in several areas of the world at the present time.

7. It is the policy of the United States to give support to free peoples who are attempting to resist subjugation from armed minorities or from outside forces. The United States will, within the framework of the Charter of the United Nations, assist in assuring the ability of peoples, who are now free, to work out their own destiny.

8. This is not a new policy. It was stated in the Atlantic Charter and in the Declaration of the United Nations, and was carried forward in the Yalta Agreement.

9. Through the granting of economic assistance and otherwise, we intend to help the Greek nation to preserve its free institutions.

10. This assistance should of itself give encouragement to other free nations through the notice that will thus be served that the United States recognizes the interdependence of all free countries.

11. A policy based upon the interdependence of free peoples does not necessarily betoken an increase in world tension nor an approach to war. On the contrary, the possibility of war will be greatly lessened. The continuing solidarity and strengthening of the free nations of the world will give support to the United Nations and thus strengthen the foundations of peace.

12. The free countries of the world, whether free enterprise or not, can co-exist peacefully provided there is no plan of conquest, domination or infiltration by any of them. The United States desires earnestly to effect with the Soviet Union a thoroughgoing understanding that will promote such a peaceful living together. It hopes and believes that this can be done.

13. The granting of economic assistance to Greece is consistent with the wholehearted support which the United States is giving to the United Nations. Steps taken by the United Nations to promote reconstruction and insure the stability of nations has proceeded upon assumption that there would be inter-governmental economic assistance. The United States will continue to support and work through the United Nations in every way possible.

14. The present power relationships of the great states preclude the domination of the world by any one of them. Those power relationships

cannot be substantially altered by the unilateral action of any one great state without profoundly disturbing the whole structure of the United Nations. Though the *status quo* is not sacred and unchangeable, we cannot overlook a unilateral gnawing away at the *status quo*. The Charter of the United Nations forbids aggression, and we cannot allow aggression to be accomplished by coercion or pressure or by subterfuges such as political infiltration.

15. The national security of the United States depends to a large degree on the maintenance of the principles of the United Nations and on maintaining the confidence of other nations in these principles. A seizure of power by a Communist minority in Greece would seriously impair that confidence.

. . . . . .

868.51/3-347

Memorandum of Conversation, by Mr. William O. Baxter of the Division of Near Eastern Affairs

[WASHINGTON,] March 3, 1947.

Participants: Mr. Acheson—U
Mr. Economou-Gouras, Greek Chargé
Mr. Baxter—NE

Mr. Gouras called today to present an urgent message addressed to the President and the Secretary from the Greek Prime Minister and Deputy Prime Minister [1] which, after referring to the desperate economic situation of Greece, requests from the United States vital financial and other assistance for the reconstruction and pacification of Greece, as well as experienced American personnel to assist in the utilization of such aid. In presenting this Mr. Gouras said that he wished to express the profound gratitude of his country for all that the U.S. had done for it and for the sympathetic reception which he was sure would be given to this new appeal.

Mr. Acheson assured Mr. Gouras that he would immediately transmit the note to the Secretary and to the President upon his return from Mexico at the end of the week. Although it might take some little time for a reply to be prepared, the Greek Government may be sure that the questions involved are being given the most active and serious consideration at the present time.

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[1] For the text of the Greek Chargé's note of March 3 which incorporated the message of Greek Prime Minister Maximos and Deputy Prime Minister and Minister for Foreign Affairs Tsaldaris, see Department of State *Bulletin*, May 4, 1947, Supplement, p. 827.

868.00/3–447

Memorandum of Conversation, by the Acting Secretary of State [1]

SECRET [WASHINGTON,] March 4, 1947.

Participants: Mr. Acheson
Lord Inverchapel, British Ambassador
Mr. Henderson, Director, NEA

At his request, the British Ambassador called upon me today for the purpose of handing me the attached *aide-mémoire* [2] with regard to aid to Greece and Turkey.

Upon handing me the *aide-mémoire*, the Ambassador pointed out that his Government had instructed him particularly to impress upon the American Government the fact that, in view of the financial situation of Great Britain, it would be impossible for the British Government to incur further expenditures with regard to Greece other than the two-million-pounds-a-month loan for April, May and June.

I asked the Ambassador if he had any information with regard to what present Greek commitments were to Great Britain. I said that it was rather important that we would be in a position to assure Congress, if queried, that American financial assistance to Greece to enable that country to meet its needs for foreign currency would not be used to pay services on Greek indebtedness to Great Britain. The Ambassador stated that he was sure nothing of the kind was in the mind of the British Government. He would, however, inquire regarding what Greece might be called upon to pay Great Britain in the form of services on indebtedness during the next few years.

The Ambassador also said that his Government had instructed him to assure the American Government of the cooperation of Great Britain in supporting the political and territorial integrity of Greece to the extent of its ability.

[1] Drafted by Mr. Henderson.
[2] *Infra.*

868.00/3–447

The British Embassy to the Department of State

SECRET
Ref: G58/—/47

AIDE-MÉMOIRE

His Majesty's Government in the United Kingdom have studied the State Department's *Aide-Mémoire* of March 1st concerning Greece and Turkey.

2. As they understand it the position of the United States Government with regard to assistance to Greece is that they agree as to

the importance of maintaining the political and territorial integrity of that country and that they have therefore decided to apply to Congress for authority to furnish financial assistance to Greece of such quantity that His Majesty's Government for their part will thereafter be relieved of any financial responsibility for Greece. On this assumption His Majesty's Government have considered the United States Government's suggestion that His Majesty's Government should continue their help on an emergency basis in order to prevent a collapse of the Greek situation between the 31st March and the date of American assistance becoming available. They have decided, in spite of their own financial difficulties and in response to the United States Government's request, to make available to Greece, in addition to the two million pounds they have already decided to offer, further contributions of two million pounds a month for the maintenance of the armed forces until American aid becomes effective and for a period not exceeding three months. This contribution would be in the form of a loan.

3. At the same time His Majesty's Government are very ready to give assurances that it is their intention to continue to the extent of their ability fully to cooperate in advancing the political and territorial integrity of Greece. They are also prepared to discuss on the lines proposed in the State Department's *Aide-Mémoire* under reference the military, financial, economic and administrative needs of Greece.

4. As regards British forces in Greece, His Majesty's Government wish to take this opportunity to state that they intend to carry out the decision they arrived at long ago. They will reduce their troops to one brigade by 31st March; that brigade will be withdrawn during the summer. Mr. Bevin explained to Mr. Byrnes that His Majesty's Government could not keep their troops in Greece after Soviet troops had been withdrawn from Bulgaria as they are bound to be ninety days after the entry into force of the Bulgarian Treaty. There was considerable feeling among all parties in the House of Commons on the 3rd March when a press report appeared to the effect that the United States Government were going to make the grant of assistance to Greece conditional on British troops remaining in the country. This was all the more embarrassing as His Majesty's Government have shortly to obtain a supplementary vote for eighteen million pounds for the Greek forces. They therefore found it necessary to issue a statement to the press in the terms annexed to this *Aide-Mémoire*.[1]

[1] The statement read: "With reference to reports in the press that conversations with the United States Government are proceeding on the basis that British troops will be retained in Greece it is learnt in authoritative circles that there is no change in present arrangements for the reduction of British forces in Greece nor in the Government's decision to withdraw the remainder as soon as practicable."

5. The observations concerning Greece in paragraph three above apply equally to Turkey but His Majesty's Government agree with the United States Government that the problems of Greece should be given priority as being more urgent.

6. In communicating the offer of continued financial assistance referred to in paragraph two above to the Greek Government it will be necessary to inform them whether His Majesty's Government agree that the proposed reorganisation of the Greek forces, to enable them to undertake early operations against the bandits, should be put into effect. The present intention of His Majesty's Government would be to inform the Greek Government that they would see no objection to these proposals being put into effect provided that this can be done within the limits of the financial assistance His Majesty's Government are now prepared to offer, namely two million pounds on account of equipment plus two million pounds a month as a loan for maintenance for a period not exceeding three months until American financial assistance becomes effective. His Majesty's Government desire to learn as a matter of urgency whether the United States Government agree with this proposed communication to the Greek Government.

WASHINGTON, 4 March 1947.

868.20/3–447

Memorandum by General James K. Crain to the Assistant Chief of the Division of Near Eastern Affairs (Jernegan)

SECRET [WASHINGTON,] March 4, 1947.

Subject: Résumé of action to date with respect to making available military supplies to Greece.

1. General Crain as representative of A–H was designated by Mr. Henderson on February 28, 1947 as officer responsible for the implementation of sub-paragraph 5*d*, page 2, of memorandum to Mr. Henderson of February 27, 1947.

2. General Crain decided to use the Rearmaments Subcommittee of SWNCC as the coordinating agency to effect the above mentioned directive. This subcommittee was called together at 4:00 p. m. the same date with Mr. John B. Howard,[1] Le, attending the meeting.

The Rearmament Subcommittee membership comprises an officer from the Plans and Operations Division of the War Department General Staff, an officer from the Army Air Forces, an officer from the office of the Commander in Chief of the Navy, [*Chief of Naval Operations?*] and an officer from A–H as steering member. An officer

[1] Assistant Legal Adviser for International Organization Affairs.

from the Service, Supply, and Procurement Division of the War Department General Staff attends all meetings as an adviser.

3. At the meeting the following points arose:

a) Mr. Howard was requested to draft legislation in two parts:

(1) Broad and general authority under which the President might authorize procurement and transfer of military supplies to the government of any country whose defense he deems vital to the security of the United States, but such action would not reduce the funds appropriated for the Armed Forces of the United States.

(2) Specific appropriations to meet the Greek requirements.

Note: After considering the entire legislative program it has been decided to embody the military supplies and personnel legislative requirements into one overall act.

b) The War Department member agreed that the War Department would:

(1) Inquire of the British Staff mission (*a*) as to the completeness and correctness of their preliminary list, and (*b*) as to the extent of United States matériel, if any, included as "Available from British Sources" (this in connection with maintenance computations).

(2) Furnish General Crain by 10:00 a. m., Tuesday, March 4, 1947, an estimate of approximate costs:

(*a*) for equipment to be provided initially.
(*b*) for one years maintenance of
(1) the initial equipment to be provided, and
(2) the U.S. equipment already in Greek hands.

Note: See attached statement.[2]

c) The War Department representative stated that for obvious reasons military discussions by the Combined Chiefs of Staff would be informal, and that the State Department would be the proper agency to resolve on a governmental level discussion of the extent of the participation to which the United States would be committed and the extent to which the British would continue.

d) It was agreed that formal and official requests for transfer of military supplies should come through diplomatic channels. General Crain undertook to obtain a decision on this point. Reference is made to memorandum of February 28 from General Crain to Mr. Henderson [3] on this subject.

e) General Crain agreed to ascertain what FLC credit, if any, remains for Greece.

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[2] *Infra.*

[3] Not printed; it noted the recommendation of the SWNCC Subcommittee on Rearmament that requests for definite quantities of military equipment should be received from the United States Ambassador in the requesting country. In a memorandum of March 3 to General Crain Mr. Jernegan replied that Mr. Henderson agreed with the recommendation but suggested that the "diplomatic representative in Washington of the foreign government should also be regarded as an acceptable channel for communication of such requests." (800.24/2–2847)

Note: There is ample credit remaining and more can be provided if necessary (UE—Mr. McGhee [4]).

[Annex]

MEMORANDUM OF COST RELATIVE TO UNITED STATES MILITARY SUPPLIES TO BE FURNISHED GREEK GOVERNMENT BASED UPON BRITISH INFORMATION [5]

1. The War Department does not yet possess complete information as to the availability of the items listed by the British as being necessary to equip the Greeks.

2. The following assumptions were made in estimating the cost of furnishing all the items on the British list, including replacement, maintenance, and ammunition for this initial equipment and also maintenance and replacement for the United States equipment already held by the Greeks. The replacement and maintenance is for a period of one year.

Assumptions:

a) That none of the equipment is now in possession of the War Department and that consequently all of it must be procured.

b) That by reason of the relatively small amounts to be procured as compared with war time procurement quantities and because of the post war increase in material cost and rates of wages military items now procured would cost twice the war time figure.

c) The replacements required were based on figures obtained during the actual operations in the European theater of war.

d) The maintenance facilities will be poor and the personnel engaged in maintenance will be untrained. For this reason and based on other experiences the maintenance costs have been fixed at twenty per cent of the purchase cost of the items.

Based upon the above assumptions the estimated costs are as follows:

a) For new equipment to be furnished by the U.S.—	$11,000,000.
b) One year's replacement, maintenance, and ammunition for the foregoing initial equipment—	22,000,000.
c) Maintenance and replacement for one year for the U.S. equipment already held by the Greeks—	2,500,000.
Total	$35,500,000.

It is considered that the above total is an outside figure. That figure will be reduced if surplus equipment becomes available as it will be

[4] George C. McGhee, Special Assistant to the Under Secretary of State for Economic Affairs.

[5] Drafted by General Crain on March 4.

sold for a much lower figure than the cost of the same item estimated under the above assumptions.

868.00/3-447

Memorandum by the Assistant Legal Adviser for International Organization Affairs (Howard) to the Under Secretary of State (Acheson)

SECRET [WASHINGTON,] March 4, 1947.

The attached memorandum [1] on proposed legislative measures to provide aid to Greece and Turkey was prepared in consultation with Messrs. Henderson—NEA, Labouisse—EUR, Ness—OFD, Havlik—ED, Jernegan—NE, Robertson—NEA, and Wolkin—Le.

Authority to provide assistance under existing legislation and various types of legislation for obtaining additional authority needed were considered.

The most difficult problem was that of providing adequate Congressional control without sacrificing administrative practicability.[2] The proposal contained in the outline of legislation attached, which provides for Congressional approval of the President's findings that assistance should be provided to a particular country, is submitted on the basis of a recognized inadequacy in our present knowledge as to what Congress may be prepared to accept. A second Congressional control is, of course, in the over-all limitation on appropriations. This type of control might be extended by providing in the appropriations for stated amounts for specified countries, subject to emergency use under proper safeguards for other countries not so specified. Still another type of control, which would probably be too rigid, is a requirement of Congressional approval of the individual agreements made with countries which are prospective recipients of assistance.

[Annex]

MEMORANDUM ON PROPOSED LEGISLATIVE MEASURES TO PROVIDE AID TO GREECE AND TURKEY

SECRET [WASHINGTON, undated.]

1. It is recommended that a single legislative measure be sought along the lines of the attached outline,[3] rather than a number of legis-

[1] *Infra.*
[2] See Sub-Annex, p. 85.
[3] *Infra.*

lative measures covering separately the various forms of aid, viz., the furnishing of funds to countries needing assistance, the detailing of military personnel, the detailing of civilian personnel, and the procurement and furnishing of military and other supplies.

2. It is recommended that the single legislative measure be in the form of a general enabling authority, requiring implementation by appropriations from time to time, rather than in the form of authority for assistance to particular countries specified in the legislation.

3. It is recommended that only if, after introduction and consideration by Congress of the proposed legislative measure, it appears that certain immediate needs of Greece or Turkey must be met prior to the probable date of enactment of the measure, the Congress be asked by concurrent resolution to request and authorize the President to direct the Export-Import Bank to make a loan of a modest amount to one or both of these countries. A concurrent resolution would probably be effective for this purpose since the limitation on the exercise of the Bank's powers was expressed in the form of a statement of the policy of Congress.

[Sub-Annex]

OUTLINE OF PROPOSED ENABLING LEGISLATION

The principal provisions of the proposed enabling legislation would be along the following lines:

1. *Authority*

Alternative A. The President is authorized to furnish assistance to any country for the purpose of promoting its stability and independence whenever he finds such assistance is in the interest of the national security. (Preferred by majority.)

Alternative B. The President is authorized to furnish assistance to any country requesting assistance for the purpose of promoting or sustaining within its territory a democratic form of government whenever he finds such assistance is in the interest of the national security and welfare.

Alternative C. The President is authorized to furnish assistance to any country whenever he finds such assistance is in the national interest.

2. *Congressional Approval.* The President shall transmit to the Congress the name of any country which he finds eligible to receive assistance. Such assistance may be furnished beginning thirty days thereafter, unless the Congress by concurrent resolution within such period disapproves the furnishing of assistance to such country, or begin-

ning at an earlier date upon approval of the Congress by concurrent resolution.

3. *Nature of Assistance.* The assistance, which the President is authorized to furnish through any agency of the Government, shall include

a. funds;
b. military, industrial and agricultural supplies;
c. details of military and civilian personnel, and other services.

4. *Safeguards.* A foreign government prior to receiving any assistance must agree (i) to utilize funds, supplies or services for the specific purposes agreed upon; (ii) to permit full disclosure to its people through press and radio of the source, amount and general nature of assistance furnished; (iii) to permit free access of United States Government officials for the purpose of observing that the assistance is utilized effectively and in accordance with the undertakings of the recipient government; (iv) not to transfer title to or possession of supplies received without the consent of the President; and (v) to enforce effective security restrictions when requested to do so with respect to particular supplies furnished.

5. *Termination of Assistance.* The furnishing of assistance shall be terminated at any time the President finds that the undertakings of the recipient government are not being fulfilled or for any other reason in the interest of the United States.

6. *Repayment.* The terms of repayment or other benefits to be received by the United States shall be determined by the President.

7. *Delegation of Authority.* The President may delegate the authority of administering the program of assistance to the Secretary of State.

8. *Reports.* The President shall make periodic reports to the Congress.

9. *Terminal Date.* The enabling legislation will expire on June 30, 1950.

868.24/3–447 : Telegram

The Secretary of State to the Embassy in Greece

SECRET
PRIORITY

WASHINGTON, March 4, 1947—2 p.m.

263. After consultation with Brit and unless you perceive objection, please inform Greek Govt we studying possibility supplying some of equipment required by Greek armed forces. As guide and basis for this Greeks should immediately submit through you formal detailed request for all essential items Brit not able furnish. Indication rela-

tive importance and urgency different items would be useful. Telegraph full summary articles and quantities desired.

For your info we already actively considering Greek supply needs as presented by Brit. Greek request desired primarily to serve as formal basis for action and also as check on Brit figures. Any comments you or MA feel able make on Brit or Greek estimates in light present situation would be welcome. Comments Brit military mission on Greek request also desired.

MARSHALL

868.50 Porter/3–447 : Telegram

The Secretary of State to the Embassy in Greece

US URGENT
NIACT

WASHINGTON, March 4, 1947.

264. Following is text of statement to press by Secretary March 4:

"For some time this Government has been endeavoring in various ways to assist in the restoration of the economy of Greece. Spurred by appeals from the Greek Government, it has been studying ways and means of providing additional assistance. This study impelled the dispatch of the economic mission headed by Paul A. Porter which is now in Greece. It has also involved consultations and exchanges of ideas with the Greek Government and the British Government, which has likewise been bending every effort to help Greece.

Recently reports from our own representatives and from the Greek and British Governments have shown that the economic condition of Greece has deteriorated to the verge of collapse. The Greek Government has renewed its request for help. In the light of the world situation, this is a matter of primary importance to the United States. It has received the urgent attention of the President and the executive agencies concerned. It has been discussed with the appropriate Congressional leaders.

I cannot say anything today regarding the action which may be taken, other than that a full public statement will be made very soon, when the executive agencies have completed their consideration of the matter. The problems involved are so far-reaching and of such transcendent importance that any announcement relating to them could properly come only from the President himself. The final decisions will rest with the President and the Congress."

In response to correspondents' question Dept's spokesman said that Greek Chargé had delivered communication March 3 from Greek Govt requesting aid. In answer to further question Dept's spokesman said that Greek communication made no reference to Brit.

Text Greek note March 3 being released Washington today March 4, 5:30 p. m. Please notify Greek Govt.

Sent Athens 264; rptd London 1022.

MARSHALL

867.00/3–447 : Telegram

The Ambassador in Turkey (Wilson) to the Secretary of State

SECRET ANKARA, March 4, 1947—2 p. m.

156. Turk press past two days published circumstantial reports from Washington and London regarding British notes to US on Greece and Turkey (top secret Deptel 98, Feb. 28). Late yesterday afternoon Foreign Minister [1] asked me call on him. He read me other press reports received by press bureau not allowed be published of sensational and alarming character. These to effect Britain on point collapse asking US assume all political commitments Middle East; also implying imminence serious international events. Saka said Cabinet met in morning consider these reports and later he called by President [2] who asked him confer with me and set forth Turk position in light these reports.

Saka said Turk Govt seriously disturbed. He said Turkey in past looked to UK for supply military equipment. In Feb. 1946 when London for UN he presented to Bevin list Turk Army requirements to bring army up to strength value 80 million liras. Upshot was Britain unwilling sell except for cash, Turkey unwilling buy except on credit and nothing accomplished except number airplanes purchased on virtual cash basis. Saka said our Military Attaché informed of Turk military requirements last autumn and Saka now requested that Colonel Roberts call without delay at General Staff be informed present status requirements. He said if press reports true then Turkey must turn to US for assistance it had previously sought from Britain regarding military equipment. He mentioned Turk Army about 80 percent equipped with German matériel and would be helpful if US could supply further German equipment captured during war. He added Turk Govt must seek credit terms as unable pay cash.

Furthermore Saka said if reports of impending international crisis true Turk Army must take immediate steps get on footing meet any emergency and would require assistance from US to that end.

Without indicating I had any knowledge contents British notes I sought allay his evident concern. I said if British had sent notes to US as reported it seemed to me this meant only that situation had now come to head which has been in making for some time. British bore brunt two great wars and now suffering economic crisis. However I did not for moment believe British unable continue critical commitment this area and if note sent I assumed Britain only seeking financial cooperation which understandable in view present economic

[1] Hasan Saka.
[2] Ismet Inönü.

crisis. So far as alarming reports regarding international situation concerned I believed nothing to justify this. As regards Turkey only threat could come from Soviets and seemed obvious that Soviets, also suffering severe economic difficulties, war weary and unpossessed atomic bomb, not likely provoke general war at present. Under circumstances I thought Turk Govt bearing in mind interest US in Turk situation, should remain calm, and in its thinking about military equipment take long range view of gradually strengthening effectiveness and not rush into any immediate war footing. As regards list required matériel given Roberts last October I said when Roberts returned from US recently he explained to General Staff Turk requirements still under active study Washington. I said I would ask Colonel Roberts call as requested at General Staff for further info. I pointed out Greece in much more serious situation than Turkey, in fact in state incipient warfare and in case US should be called on furnish military equipment anywhere seemed to me priority lies in Greece. I thought Turkey should agree with this since if Greece should fall under Communist domination Turkey's position would be greatly weakened.

Saka agreed with what I said, repeated his request that Roberts call at General Staff and said he would appreciate any info I could give him regarding developments at Washington as Turk Govt naturally seriously concerned. I hope Department will modify soon as possible instructions last paragraph Deptel 98 as good share of story seems to have been broken already in press and will begin to look soon to Turks as if I am holding back on them.

I expect to cable later today (Deptel 98) comments on note concerning Turkey.

WILSON

868.50 Porter/3–447 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

TOP SECRET ATHENS, March 4, 1947—5 p. m.

315. Deptel 241, March 1 [*February 28*].[1] After receiving Dept's most encouraging message I have had long conferences with Porter and Ethridge as a result of which we have agreed on the following specific comments:

1. We feel it most desirable that British share responsibility here to fullest extent possible both economically and militarily and suggest US might continue avoid direct military assistance to Greece

[1] Not printed, but see footnote 1, p. 73.

even if it must grant credits to British in this connection. Distinction admittedly narrow, but might have some psychological value in connection Anglophobe feeling in US and argument we being "left holding bag".

2. Our assistance to Greek Govt should be clearly conditioned on latter's acceptance and implementation of specific economic policies which will put end to present exploration [*exploitation*] of such aid for political purposes and private gain (e.g. mishandling of UNRRA supplies).

3. Greatest care should be taken to avoid giving impression that US aim at financing Greek "civil war" or maintaining in power an essentially reactionary govt incapable of developing sound economic program on democratic principles. Perhaps aim might be stated to insure opportunity for broader democratic govt and greater implementation of political, social and economic responsibility than now is possible. In this connection it might help if Congressional leaders were told privately that present govt is not representative of nation under normal conditions, having been elected under fear of Communism both external and internal and that our policy will be directed towards liberal changes here at opportune time when this fear removed.

4. Provisions for supervision by American experts of relief reconstruction and development should be broad and inclusive. They should begin with civil service reorganization and include teams of technical experts on port, highway, water power and reclamation development. Specific plans for such supervision will be contained in Porter report which now being expedited.

5. Finally in view desirability of ending bandit situation soonest we feel it might usefully be stated that if UN Commission successful in settling border problem our Govt will seriously explore possibility of obtaining internal pacification here on generous terms.

MacVeagh

867.00/3-447 : Telegram

The Ambassador in Turkey (Wilson) to the Secretary of State

TOP SECRET ANKARA, March 4, 1947—5 p. m.

157. Department's telegram 98, February 28. Comments and suggestions re note on Turkey as follows:

(1) Our thinking in this matter based on assumption that Turkey is not faced with likelihood imminent attack. Probability exists continuance for several years present war of nerves by USSR but not aggression resulting in general war.

(2) Recommendations as to material assistance for Turkish armed forces must necessarily depend upon mission which we expect those

forces to perform. If we plan to give effective support to Turkey then presumably we want Turkish armed forces in case of ultimate aggression against Turkey to carry out delaying action providing us time to come to their support. If on other hand we decide against direct support for operations in Turkey then presumably we should want Turkish forces resist long as possible inflict major losses on enemy with maximum employment guerrilla tactics. In absence knowledge decision on this point our assumption is that we plan bring effective support to Turkey in case she is attacked.

(3) Bearing in mind assumption under paragraph 1 above that no immediate aggression likely and war of nerves continue indefinitely we estimate Soviet policy towards Turkey as aimed at obliging Turkey keep large standing army thereby in long run hoping disrupt Turkish economy. Therefore in any program improve Turkish military establishment we must be careful not unconsciously play Soviet game by saddling Turkey with too heavy financial burden for equipment furnished. We should either make military equipment available at nominal cost or if we insist on anything like full payment should bear in mind that Turkey's relatively limited ability service additional loans will mean whatever goes for military purposes that much less will be available for economic projects. We should also bear in mind many economic projects, e.g. communications, transport, port developments, would improve Turkey's overall defense position.

[Here follows paragraph numbered 4 giving replies to specific points raised in telegram 98.]

Colonel Roberts' estimate as follows: In making any estimate of probable extent of US military obligations to Turkey it must be assumed that (*a*) war between Turkey and a first class power is not imminent and (*b*) present strength of Turkish armed forces is maximum that can and will be maintained. Also considered that any long range reorganization of Turkish Army with view to increasing its efficiency by mechanization and motorization while maintaining present strength will be subject limitations imposed by ruggedness of terrain combined with very poor road net and inadequate rail communications. Added is fact that men capable of being trained in use of modern equipment are very ones required to increase industrial capacity of country. For these reasons it is believed a real modernization of Turkish armed forces will be long slow process and that meanwhile best procedure is fully to equip these forces with arms, ammunition and equipment with which they are familiar.

The best available index of immediate Turkish requirements is contained in list Military Attaché handed Director Intelligence last October. List was accompanied by troop basis of Turkish Army. List was however obtained from Turkish General Staff at time when they ex-

pected imminent attack and hence represents what they believed would be needed within period of months if not weeks in order sustain all-out attack. Military Attaché has just been requested to call at General Staff to discuss new list requirements. Possible that new list will show longer range needs with emphasis on training rather than combat. Immediate report will be made. In any case recommend War Department agencies which have latest data on combat and training requirements, not in possession this office, make study of Turkish list as compared their troop basis. Point here is that assuming Turks must pay for what they get, there is no use letting them load up with war stocks when what they currently need is only enough for thorough training. An example of this is list of ammunition requirements which appear too large for training needs only.

Should be borne in mind however that Turkish Army is deficient in some categories which should be supplied soon as possible. Most outstanding is additional tank division which would be vital to successful defense of Erzurum Arnj against airborne attack. Yet no request for such unit equipment appeared in October list, possibly because they thought not time to organize and train troops.

Another important point is that since large part Turkish Army equipment is German and since only partial and temporary replacement can be made from available German stocks, it obvious that eventually bulk of replacements must come from US sources. This must be long range project.

It is noted that British intimate they could supply navy and air force needs. Connection air force it was idea of General Ritchie AAF plans [1] thought [*that?*] some squadrons of our combat planes should be furnished Turks as their ground echelon would be at least some extent familiar our combat types. Military Attaché believes this warrants careful consideration.

This preliminary estimate will be supplemented on receipt General Staff information.

WILSON

[1] This reference is presumably to Brig. Gen. William L. Ritchie, Chief of the War Plans Division of the Army Air Forces.

868.50/3–447 : Telegram

The Chief of the American Economic Mission to Greece (Porter) to the Secretary of State

SECRET ATHENS, March 4, 1947—6 p. m.

316. For Ness from Porter. Agree reply Deptel 248 March 1 must be made with assumptions such as those under paragraph E and first

paragraph as working basis and following prepared accordingly, but do not wish endorse them as predictions. Caveat necessary because failure assumed conditions to materialize will substantially change costs to US; moreover, possibility of failure is itself important consideration in determining policy of implementation. Comments specific assumptions:

Re 1. Uncertainty some circles here that, lacking government reform and changes in government social and economic policy, Greek Army capable suppressing armed resistance.

Re 2. This assumes success campaign 1947 and effective pressure US or UK in forcing Greeks reduce army they probably will wish maintain regardless success or failure 1947 campaign.

Re 3. No comment.

Re 4 and 5. US personnel and efforts control economic program probably will be ineffective in inducing Greeks take measures for own aid unless performances self-help measures made condition precedent US aid each quarter. Assurance generous unconditional aid over long period may result continued gross misconduct of government, pauperization of people and recurrence present situation at end aid period.

All conversions of drachmas at arriving foreign exchange value reflected this telegram made at rate 8000 to 1. All value figures in millions dollars.

A–1. Summary balance of payments, details of which given last part this telegram follows:

Column one receipts: (1) Exports 99.6; (2) Remittances 32; (3) Shipping 10; (4) Miscellaneous 3; (5) extraordinary receipts including UNRRA, Exim Bank and FLC credits 75.6. Total receipts 219.2.

Column two expenditures: (1) Food imports 89; (2) Non-food items for consumption 146.5; (3) Reconstruction 25; (4) Miscellaneous 10. Total expenditures 270.3.

Deficit post UNRRA relief basis 51.1.

Extraordinary deficit: (1) For extraordinary relief and budget subsidy under new program 85; (2) Reconstruction 10; (3) Foreign exchange cost Greek Army 120. Total foreign aid 266. Combined programs plus use Exim Bank and FLC credits 318.

Believe important differences in balance of payments estimates on basis this program will be: (1) Extraordinary aid consisting of supplies for reconstruction and other government operations and large US subsidy toward meeting immediate government budget difficulties part of which ultimately will be used for import consumption goods to offset inflationary effects drachma expenditures. (2) Grant to meet foreign exchange cost Greek Army exclusive heavy military equipment. Believe inflation eliminated by stated assumption stabilization Greek economy. However, should inflation occur, naturally would have serious effects extent of which unpredictable. Possible reduction ex-

ports under new program more likely due diminished incentive for Greeks utilize own resources.

A–2. Mission estimates follow in subsequent cable.

A–3. Total deficit 1948 roughly estimated 180. Value exports and cost imports dependent 1948 prices and other unknowns. However, with recovery and administration under American guidance, assume reduction to 60 in aid toward balancing budget. Foreign exchange costs reconstruction 45. Assume successful 1947 campaign and gradual reduction military expenditure after 1947 would mean reduction to 75 of aid for army in 1948.

[Here follow further details of the Greek financial situation, including an estimate of $460,000,000 for a five-year reconstruction program, which the Greek Government would not be in a position to finance.][1]

[PORTER]

[1] In telegram 325, March 6, 4 p. m., from Athens, Ambassador MacVeagh stated: "Embassy generally agrees with views and estimates embodied in Embtel 316, March 4 from Porter for Ness. Believe considerable weight should be given, however, to possibility of Greeks themselves financing large measure of national recovery once reasonable confidence in political economic stability of country established through our proposed aid. Estimates of Greek private assets now held abroad available for possible repatriation range from 200 million to 500 million dollars." (868.50/3–647)

868.00/3–547

The Acting Secretary of State to the Secretary of War (Patterson)[1]

WASHINGTON, March 5, 1947.

MY DEAR MR. SECRETARY: Subsequent to our meeting Wednesday morning, February 25 [*26*], 1947, President Truman approved in principle the measures which you endorsed for immediate aid to Greece and Turkey as set forth in the memorandum entitled "Position and Recommendations of the Department of State Regarding Immediate Aid to Greece and Turkey". Congressional leaders have been informed of the nature of the problem and the urgency of the need for our assistance to these countries. They also approve in principle the general program for aid.

In the course of our discussions on the Greek and Turkish problem, frequent reference was made to the fact that this is only part of a much larger problem growing out of the change in Great Britain's strength and other circumstances not directly related to this development. I believe it important and urgent that study be given by our most competent officers to situations elsewhere in the world which may require analogous financial, technical and military aid on our part.

[1] Mr. Acheson sent an identical letter to Secretary of the Navy Forrestal on March 5.

I have asked Assistant Secretary Hilldring as Chairman of the State–War–Navy Coordinating Committee to direct the attention of that committee to this important problem and, in consultation with the Treasury Department, undertake a thorough study to be submitted to me or Secretary Marshall as soon as possible.[2]

Sincerely yours, DEAN ACHESON

[2] For the report of the Special *Ad Hoc* Committee of SWNCC, dated April 21, 1947, dealing with the "countries to which the U.S., for its own security and national interests, may find it desirable to extend aid in the next few months", see volume III.

868.00/3–547 : Telegram

The Acting Secretary of State to the Embassy in Turkey

SECRET WASHINGTON, March 5, 1947—7 p. m.

US URGENT

113. While not revealing exact contents Anglo-American interchange (Deptels 98, 100, 101 and 110[1]) you may now inform Turk Govt of general nature of high level discussions now taking place Washington. Avoid revealing complete and definite character of Brit disclaimer of future responsibility. (Re last para Embtel 156 Mar 4.) You were entirely correct in seeking allay Saka's concern and arguments adduced in support your thesis fully approved. Turks should be told no immediate international crisis envisaged. In general you may say that, subject to Congressional action, US Govt expects take more active part in meeting economic and military needs of Greece and Turkey. Greece being in more difficult position, it is necessarily object first attention. We consider this in Turkey's interest as well. For same reason, we hope Turkey will make every effort obtain funds from other sources, as its relatively good economic position should enable it to do.

We appreciate Roberts' military estimate and wish to be kept abreast developments of any conversations he has with General Staff.

ACHESON

[1] No. 98, February 28, p. 69; No. 100, February 28, was a repeat of telegram 246 to Athens, which gave the texts of the *aide-mémoire* handed to the British Ambassador on March 1, pp. 72, 73; regarding No. 101, March 1, see footnote 1, p. 73; No. 110, March 5, was a repeat of telegram 268 to Athens, which gave the text of the *aide-mémoire* of March 4 from the British Embassy, p. 79.

868.51/3–647

The Acting Secretary of State to the Secretary of War (Patterson) [1]

SECRET WASHINGTON, March 6, 1947.

MY DEAR MR. SECRETARY: As you know the President has recently approved a policy which, recognizing the existing threat to the independence of Greece and Turkey and the inability of the British to continue major financial responsibilities in connection with these countries, calls for immediate steps to be taken by this Government to extend all possible aid to Greece and in a lesser extent to Turkey. It is of importance to the security of the United States that these two countries should be able to maintain their independence and territorial integrity. The situation in Greece is desperate and the President, who has already discussed his intentions with Congressional leaders, plans to present to Congress within the next few days proposed legislation which would permit this Government to extend financial aid to Greece for economic reconstruction, to furnish arms and equipment in sufficient quantity to permit the Greek Army to restore internal order, and to detail American personnel to insure the effective utilization of such aid. It is felt that in view of the President's decision and of the urgency of the situation in Greece, first priority for transferable military equipment should be assigned to Greece.

It is suggested that in order to expedite action on the approved policy towards Greece, a committee be formed at once of representatives from the War, Navy and State Departments under the chairmanship of a War Department representative. This committee could immediately initiate steps to determine the kind and extent of military supplies needed by the Greek armed forces, to take all required steps for their procurement and shipment, and make the necessary arrangements, through American observers on the spot, to insure their effective utilization in Greece.

If such a procedure is acceptable, I am prepared to designate appropriate officers of the State Department to cooperate in such a committee.

Sincerely yours, DEAN ACHESON

[1] Mr. Acheson sent an identical letter to Secretary of the Navy Forrestal on March 6.

868.00/3–747

Memorandum by the Secretary of War (Patterson) on the Meeting of the Cabinet on March 7, 1947

SECRET [WASHINGTON,] March 7, 1947.

[Here follows one paragraph on disposition of Selective Service records.]

The President then brought up the subject of Greece. He said that he had already discussed the matter in a confidential session with the leaders of Congress. Under Secretary Acheson made a general presentation of the case, showing the movements of Soviet aggression in the Middle East, evidently with the aim of isolating Turkey and thereafter gaining the Dardanelles and other Turkish regions. They had received a temporary setback in Iran, but on the other side of Turkey they had had considerable success, through the assistance given to guerrilla bands by Jugoslavia, Albania and Bulgaria, to the point where the condition of Greece was extremely critical. Greece is a war-ravaged land, with a weak economy and an inefficient and incompetent government. The result of the border warfare in the north was that no agriculture could be carried on there, the need for economic assistance being increased by this factor. We have given considerable aid to Greece to avert starvation, through our contributions to UNRRA. The British have been aiding Greece through means to maintain the Greek army, now the messages come from the British that they will be unable to continue this aid to the Greeks.

Mr. Acheson also pointed out that the picture should be seen as a whole; that if Greece fell within the Russian orbit, not only Turkey would be affected but also Italy, France, and the whole of western Europe.

The President pointed out that the decision to give economic aid to Greece was a momentous one and he called for opinions by all present. He indicated that the question was whether he would send a message to Congress in favor of a loan.

I stated that from the military point of view it was of great importance to the security of the United States that western Europe should not fall under the domination of Russia; more particularly that our policies in the occupation of Germany would be defeated by such a development. I gave it as my view that Greece, while the present government is ineffective, is a nation with good possibilities, that it had had fairly good governments in the past and had had a good fighting record in 1940 and 1941. I thought that in connection with any loan, terms and conditions would have to be imposed to make sure that the proceeds of a loan were not frittered away by incompetence.

The Secretary of the Treasury, the Attorney General, the Secretary of the Navy,[1] the Secretary of the Interior, the Secretary of Commerce, and the Secretary of Labor,—all the Cabinet members present—expressed themselves as in favor of giving assistance to Greece. The Secretary of the Navy laid stress upon getting the aid and assist-

[1] For an account of this Cabinet meeting by the Secretary of the Navy, see Millis, *The Forrestal Diaries*, p. 250.

ance of American business, not only in this matter but in our economic policy overseas in all areas. The President said he was in favor of this, and he designated the Secretary of the Treasury as chairman and the Secretary of the Navy, Secretary of Commerce, Secretary of Labor, and Secretary of Agriculture as a group to inquire into the matter and formulate a program.

The President had a draft of a message, prepared by the State Department,[2] and he mentioned that he might deliver it on Monday.

Several of those present laid stress on the fact that the entire situation should be made clear to the American people.

ROBERT P. PATTERSON

[2] Copy not found attached. Among the drafts of President Truman's message in Department of State files are a "Jones" draft of March 3 (Joseph M. Jones was Special Assistant to the Assistant Secretary of State for Public Affairs) and a "Revised Draft" prepared on March 6 by George F. Kennan (868.20/3–447, 868.00/3–647). Clark M. Clifford, Special Counsel to President Truman, transmitted the "final draft" to Mr. Acheson on March 11. It is entitled "2nd draft of March 11, 1947". Attached to it is a "Suggested Draft", revised on March 9 (868.00/3–1147). These latter two drafts bear no indication of authorship. President Truman's comments on the drafting of his message appear in *Memoirs by Harry S. Truman*, vol. II: p. 105. He delivered the message to the Congress on March 12.

868.00/3–747

The Acting Secretary of State to President Truman[1]

TOP SECRET [WASHINGTON, undated.]

Subject: Program for aid to Greece and Turkey.

In accordance with the conversation Secretary Marshall and I had with you on February 26, 1947, and our subsequent talk with Congressional leaders, I submit herewith a calculation of the costs involved in an extensive program of aid to Greece and Turkey; draft legisla-

[1] Copy sent on March 7 to Col. Joseph E. Bastion, Jr., by Carlisle H. Humelsine, Director of the Executive Secretariat, with information that Mr. Acheson had discussed it with President Truman "this morning". Colonel Bastion was the War Department's Liaison Officer with the Department of State on the Greek-Turkish aid program.

Mr. Humelsine's transmitting memorandum to Colonel Bastion stated that Mr. Acheson had requested that the memorandum on Greece and its three attachments be sent to Secretary Patterson and that the general problem would be discussed the following day at 11 a.m. with the Secretaries of War, Navy, Commerce, and Treasury in the office of Secretary of the Treasury, John W. Snyder.

The Cabinet Committee on Foreign Aid Programs, with Secretary Snyder presiding and with the Secretaries of Agriculture and Labor also present, met on March 8. The minutes disclose that "the meeting was to consider the most appropriate method for discussing the proposed program of aid to Greece and Turkey with influential business leaders for the purpose of making clear what the objectives of the Administration are and to enlist" their support. Mr. Acheson also discussed various administrative problems of the program. (868.00/3–847)

tion to provide authority for such a program; and a draft message from you to the Congress explaining this problem.[2]

The figures on the cost of the program (Tab A) show a total of $400,000,000 for Greece and Turkey for the balance of the period ending June 30, 1948. This covers the cost of military equipment and maintenance, essential economic development and supervisory administration of these expenditures.

The draft legislation (Tab B) is in the form of a single bill with language broad enough to cover the extension of financial aid, military equipment and other supplies and the detail of technical and professional personnel. The legislation is so drawn as to cover other countries should analogous situations develop requiring similar aid from this Government.

The draft message (Tab C) from you to the Congress describes the circumstances which have produced the current critical situation in Greece, with a reference to Turkey's somewhat different status and needs, and the consequences which may flow from a failure on our part to assist Greece at this time. The message presents also the figures on costs, referred to above, and an outline of the legislation to be submitted to Congress.

[2] None found attached.

868.00/3–747

The Acting Secretary of State to the Secretary of State, at Berlin

SECRET WASHINGTON, March 7, 1947.

DEAR GENERAL MARSHALL: I hope this pouch will reach you before you leave Berlin.

The situation on the Greek-Turkish matter is as follows:

At a meeting this morning with Secretary Snyder, Admiral Leahy,[1] Mr. Clifford, and myself, the President reached the conclusion that he had no choice but to go forward with the program. He called a Cabinet meeting and got the unanimous support of the Cabinet. He thereupon canceled his trip to the Caribbean and finding important members of Congress absent from Washington, called a meeting of the Congressional leaders for Monday morning. At that time the fuller explanation, for which they asked at the last meeting, will be given them and the President's decision communicated. He expects to address a joint session of Congress on Wednesday, March 12. He is planning to have his message to Congress broadcast from the Capitol.

The President has appointed a Cabinet Committee of the Secretaries

[1] William D. Leahy, Chief of Staff to the Commander in Chief of the Army and Navy.

of War, Navy, Treasury, Commerce, and me, to call together next week some financial, business, and labor people, both to get their energetic support at home and to provide recruits for missions which may have to go to Greece to work there.

We have obtained further information from Porter in Greece but need still more before we really can be well prepared for Congressional hearings.

[Here follows a paragraph dealing with the question of China.]

With all good wishes.

Sincerely, DEAN ACHESON

868.24/3–747

Memorandum by the Chief of the Division of Near Eastern Affairs (Merriam) to the Chief of the Munitions Division (Cummins)

SECRET [WASHINGTON,] March 7, 1947.

Pursuant to policy decisions made by the President on recommendation of the Secretaries of State, War and Navy, and at the suggestion of the War Department, NEA has requested General Disposals Division of FLC to make an urgent survey of FLC stocks which might be available to fill the needs of the Greek Armed Forces. FLC has obtained a list of these requirements from the War Department and has agreed to circularize its appropriate field offices by telegraph.

So far as I know, no special action is required of your Division in this matter, but I feel you should be kept fully informed. As you probably know, it has been decided that Greece should have priority over all other foreign nations with regard to purchases of surplus military equipment. Consequently, we have asked FLC to include in its reports even material which may have been tentatively allocated for sale to other purchasers.[1]

GORDON P. MERRIAM

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[1] In telegram 323, March 7, to Cairo, the Office of the Foreign Liquidation Commissioner directed OFLC officials at Cairo to make an immediate survey of inventories in order to determine the availability of some 39 items of equipment for the Greek Army and to freeze available items pending instructions (868.24/3–747).

868.00/3–747 : Telegram

The Secretary of State to the Acting Secretary of State

TOP SECRET PARIS, March 7, 1947—noon.

US URGENT NIACT

1013. For Acting Secretary Acheson's eyes only from the Secretary. I consider the following changes in the President's draft message

highly desirable. Subject to the changes noted below I approve the statement. Paragraphs are numbered 1 through 44 as received here.[1]

Changes follow:

In paragraph 14 which commences "In order to create conditions", delete the terminal phrase "regardless of whether effected in the name of Fascism, Nazism or Communism".

Delete in its entirety paragraph 27 which commences "The Greek King returned", and ends "as in England".

In paragraph 40 delete the first sentence which is "This, then, is the situation in Greece and Turkey that is upon us". Change the second sentence of paragraph 40 to read as follows: "The situation, in my opinion, requires immediate and resolute action".

Paragraph 43, which consists of the single sentence "I consider that the security of the United States demands that such funds and authority shall be made available immediately" should be deleted in its entirety.

End of changes.

[MARSHALL]

[1] Draft under reference not found in Department of State files.

867.00/3–747 : Telegram

The Ambassador in Turkey (Wilson) to the Secretary of State

SECRET ANKARA, March 7, 1947—3 p. m.

170. Deptel 113 March 5. I called on Foreign Minister this morning and informed him of general nature Washington discussions. Saka was grateful for information and said he would advise President. He appreciated necessity giving first attention to Greece.

As regards economic needs Turkish Govt expects before long submit request for credits to International Bank.

In accordance request Turkish General Staff, Roberts called on them March 4 but they unprepared in detail and he will have another conversation today. Saka told me National Defense Officials will confer with him tomorrow re Turkish military requirements to be submitted to US. I urged him consider matter from angle not saddling Turkey heavy financial burden by purchasing lot unnecessary material but from long term view obtaining only what necessary gradually bring Turkish armed forces up to strength. He agreed this way looking at matter.

WILSON

868.00/3–747 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

TOP SECRET ATHENS, March 7, 1947—7 p. m.

334. Mytels 312, March 4, and 330, March 6.[1] In connection with recent summary arrests and deportations by Minister Public Order, I have privately spoken to MinFonAff, PriMin, King's political adviser and King himself urging most strongly that, in my view, however real may be need of counteracting subversive activity here Greek Govt should not use tactics which can possibly be characterized as dictatorial, especially at this time when US Govt seriously considering aid to Greece. In particular, PriMin, who is very old friend, has allowed me to say that, in my opinion, he would do well to "debarrass himself of General Zervas" as Minister Public Order, and to replace him with some gentleman of known liberal views who could protect state just as efficiently, but less spectacularly, and with greater observance of due process of law.

My British colleague, who was present during this talk with Maximos, and who is just as disturbed as I am, fear possible foreign repercussions gave my advice his full and urgent support. Maximos replied by justifying Zervas actions on grounds national emergency and denying they imply any danger of dictatorship, but I begged him think matter over carefully. Meanwhile, though all my conversations this subject completely private, FonOff appears to have advised press that Norton and I "protested" arrests, and that we were told these justified for reasons of state. In addition, Communist controlled EAM in keeping with its propaganda to effect that new US attitude toward Greece is support to Fascism has embroidered story by saying Maximos told me my views not in agreement with Secretary Marshall pronouncements.

In expressing my views to Greek leaders, I studiously avoided committing Dept, and should latter consider me wrong, I believe no harm has been done, particularly as I was unsuccessful with either King, who was wholly sympathetic in his dislike of Zervas and comprehension of problem but felt as usual unable to take action, or with others who appeared more frightened of immediate local situation than of possibility losing our support. Meanwhile, I feel that I have proceeded utmost in private expressions, and anything further to be said must be said officially. Should Dept decide intervene, I believe best course would be follow my lead in pointing out to Greeks danger they are running from their own point of view, and leave decision to them rather than to insist on any specific action their part.

[1] Neither printed.

They seem now in panicky mood very similar to that of 1923 when direct British intervention to stop shooting of six cabinet ministers resulted in immediate execution despite obvious deteriment to country's interest. It is quite possible that Zervas and all he stands for would be strengthened here enormously if it could be said that his removal was "demanded" from outside.

MACVEAGH

868.515/3–747

The Ambassador in Greece (MacVeagh) to the Secretary of State

CONFIDENTIAL ATHENS, March 7, 1947.

No. 3753

Subject: Greek Economic Crisis: Recent Developments

SIR: In sequence to the Embassy's Despatch No. 3597 of February 4 I have the honor to transmit herewith copies of two communications from the foreign members of the Currency Committee to the Prime Minister, together with a summary statement of Government economic policy, as outlined below:[1]

Enclosure No. 1.

Letter of February 7, 1947 from the foreign members of the Currency Committee (Gregory and Patterson) to the Prime Minister, in which they refer again to the urgent need for terminating the sale of gold by the Bank of Greece, and add a series of recommendations on economic policy, the adoption of which they strongly urge.

Enclosure No. 2.

Summary statement of Greek economic policy issued by Prime Minister Maximos on February 17, 1947. It will be noted that the Prime Minister's policy statements, in very generalized terms, are based closely on the recommendations contained in the above mentioned communication of Messrs. Gregory and Patterson.

Enclosure No. 3.

A letter of February 28, 1947 from Gregory and Patterson to the Prime Minister, in which they again refer to the increasingly critical financial and general economic situation in the country and make certain specific recommendations which they feel it essential for the Government to adopt as preliminary measures in an effort to maintain some degree of economic stability in the country. With regard to these specific recommendations, the Embassy is informed (by Patterson) that subsequent discussions with the Prime Minister and his Cabinet associates have produced the following results as of March 6, 1947:

[1] Enclosures not printed.

1) *Currency Committee.* The Prime Minister has agreed to accept *in toto* the recommendation of Gregory and Patterson.

2) *Wage Policy.* The Prime Minister has reluctantly accepted the recommendation for a general wage "freeze", including the specific points enumerated under the general heading.

3) *Prices and Hoarding.* The Prime Minister and his advisers appear extremely reluctant to accept measures involving severe sanctions such as confiscation of hoarded merchandise, excess inventories, etc.; no final decision has been reached thus far regarding this recommendation.

4) *Control of Exports, Imports, State Supplies.* This recommendation appears acceptable to the Prime Minister including the proposal to establish a centralized "Foreign Trade Administration". Discussions are said to be well advanced looking to the probable appointment of Mr. Maben, present chief of UNRRA Mission,[2] as head of this new agency.

5) *Merchant Marine.* No progress has been made thus far in convincing the Greek authorities that the amount of foreign exchange derived from the Merchant Marine can be substantially increased beyond the amount presently foreseen for 1947, aggregating approximately eight million dollars.

6) *Olive Oil.* The Prime Minister has agreed that edible olive oil must no longer be used for industrial purposes. He has also agreed to authorize the exportation of olive oil, but no determination of exportable quantities has been reached. The Government is fearful that exports of important quantities of oil will jeopardize the domestic price of this product.

7) *Black Market in Foreign Exchange.* Thorough discussion of this subject has not yet been undertaken. It appears that the Greek authorities are opposed to the introduction of a financial censorship of the mails, but the question involves the whole aspect of the foreign exchange position of the drachma, including the problem of correlating the official exchange rate, now 5,000 drachmas to the dollar with the "street" rate at present around 8,000.

What effect our recently declared policy of all-out assistance to Greece may have on the Greek Government in its readiness to adopt remedial economic measures remains to be seen. The Embassy believes however that the situation has degenerated to a point where the Government must, and will, adopt measures more in keeping with the seriousness of the situation.

Respectfully yours,

For the Ambassador:
H. LAWRENCE GROVES
Counselor of Embassy for Economic Affairs

[2] Buell F. Maben, Chief of the UNRRA Mission in Greece.

868.00/3–847

Memorandum of Conversation, by the Acting Secretary of State

SECRET [WASHINGTON,] March 8, 1947.

The British Ambassador called at his request. He reminded me that at our last conversation I had asked him to ask the British Government to be more specific as to its intentions on the form of the aid which it was prepared to continue to Greece for the next ninety days. He had informed me that pending the effective operation of American assistance the British Government would continue to make available two million pounds a month for Greek military use for three months. He told me this morning that he had inquired and had the reply that it was the British Government's intention to make these advances in the form of loans to Greece which it wished to have repaid as soon as possible either by the United States Government or by the Greek Government out of funds made available to it by this Government. He asked what the attitude of the American Government would be toward such a proposal. I said that I thought our attitude would be unfavorable and that it would be a mistake on the part of the British to press such a point. I added that we were doing all we could to make American assistance available and available as soon as possible. My strong recommendation to the British was that they should continue their help as they had in the past until we could take over and not attempt to be reimbursed directly or indirectly from us.

The Ambassador stated that this was exactly the view which he himself had already expressed by cable to London.[1]

DEAN ACHESON

[1] A British Embassy note of March 7 entitled "Financial Aid to Greece after March 31st, 1947" contains a marginal notation reading "orally" (868.00/3–747). Presumably, Lord Inverchapel read the note to Mr. Acheson during their conversation on March 8.

868.00/3–1147

The Secretary of War (Patterson) to the Secretary of State

TOP SECRET WASHINGTON, [undated.[1]]

DEAR MR. SECRETARY: With reference to your letter of 5 [6] March 1947 on the Greek situation, the War Department has obtained from the British Joint Staff Mission in Washington an estimate of the military equipment initially required to accomplish a reequipment of the Greek army to make it more effective for the conduct of operations against the dissident bands in Greece. Urgent efforts are being made

[1] The record copy of this communication in the files of the Defense Department is dated March 11, 1947.

to determine the availability of the items included in these estimates, which it is understood the British are unable to furnish. The War Department is making inquiries through the Military Attaché in Greece to determine the adequacy and appropriateness of the British estimates, and War Department staff officers have been sent to consult with U.S. officials in Greece. In accordance with your indication as to priority, this determination of availability is being made on a basis of according Greece a higher priority for equipment than that accorded Iran, which to date has had top priority among foreign programs in War Department planning.

It does not seem practicable or desirable to set up a committee outside the established mechanism by which the Departments now conduct their operations around the globe and charge it with the whole range of responsibilities, from legislation to consultation with the Greeks, which pertain to military assistance to Greece. The War Department proposes to handle the matter through the War Department General Staff which controls the machinery by which it might be practicable to implement the War Department side of the program. The Director of Service, Supply and Procurement has designated Colonel Wolfe, of his Division, to handle all matters of procurement and shipment which fall within the province of the War Department. It would seem that the formal and informal relationships through SWNCC would continue to be an adequate medium for integrating policy and general supervision of the program. The Assistant Secretary of War is specifically charged with the policy and general supervision of the program in the War Department.[2]

The immediate problems are the determination of availability of equipment by the War and Navy Departments and the determination by the State Department of ways and means by which this equipment can be transferred to the Greeks.

The War Department agrees with the view that the independence of territorial integrity of Greece and Turkey is of importance to the security of the United States. In the case of this present emergency concerning Greece and Turkey, we had little forewarning since apparently we had reason to believe the British would continue the needed support for some time. I believe that we should now critically analyze our policy with a view to determining a course of action which

[2] On April 1, Acting Secretary Acheson replied in part: "The formation of such a committee was suggested only because of our feeling that the situation is an urgent one and of our desire to provide arrangements that would carry out our proposed program with utmost speed and efficiency. If, in the opinion of the War Department, the program can be expeditiously handled through the existing machinery of the General Staff and SWNCC, the State Department has no objection to proceeding on such a basis. However, should it be deemed more feasible in the future to set up some special arrangements, I should like to feel free to advance the suggestion again." (868.00/3–1147)

achieves the results we desire on a preventative basis rather than on a basis of a critical emergency, such as the current Greek problem. The analysis that you propose in your letter of 5 March 1947, with reference to the British Empire, is a major step along the line of determining the forehanded action which might prevent situations drifting to a point where the only possible successful measures are those of a critical and highly expensive nature. There are other places in the world aside from portions of the British Empire where crises may arise which adversely affect our security, and there are some places, such as the Americas, where no one is going to assist in maintaining stability, except ourselves. We should be particularly careful to be forehanded in such areas.

In keeping with a forehanded determination of over-all policy, it might be well to direct the efforts of the SWNCC Subcommittee on Foreign Policy Information to keep in step with the conclusions as to developing policy, with a view to establishing beforehand the public support necessary to back this policy with required authority and appropriations. Perhaps the people and the Congress should be informed frankly of the drastic emergency measures which may be required in case we fail to undertake either timely or adequate preventative action in the various areas throughout the globe which are important to our security. It is not enough that the heads of the Executive Departments understand the cost of the foreign policy required to achieve our essential objectives. The Congress and the people must also come to realize it if we are to have any hope of winning this battle.

I offer the above thoughts for your consideration, believing that we are now engaged in a battle to save the peace and that we have not yet completely appraised the cost of this battle and of the measures that must reasonably be taken to assure the preservation of the peace. A complete appraisal should show the total cost of measures required and the probability of meeting this cost with the resources likely to be available. I feel that such an analysis will show that, from the standpoint of resources in funds, manpower, military equipment, etc., we have little chance of meeting the requirements unless we press a policy of preventative action in all areas in which we are vitally concerned.

Sincerely yours, ROBERT P. PATTERSON

868.50 Porter/3–447 : Telegram

The Acting Secretary of State to the Embassy in Greece

SECRET WASHINGTON, March 11, 1947—6 p. m.

297. Urtel 315 Mar 4 delayed in transmission. 1. Your views and those of Ethridge and Porter most welcome to Dept.

2. Highest level decision, provided necessary Congressional action taken, is to abandon stopgap measures and embark on program of substantial aid to maintain Greek independence which may require several years. This of course represents major decision in US policy. Leading part played by US in establishment UN had as cardinal objective world in which nations shall be able to work out own way of life free of coercion by other nations. We intend to support free people who are attempting to resist subjugation by armed minorities or by outside pressure.

3. In order that Congress and US public be fully informed program is being implemented of frank and detailed background discussions with members of Congress, correspondents, radio commentators, columnists, foreign policy associations and the like.

4. One of Dept's main aims in initiating such program is to make clear to US public and rest of world (para 1 your reference telegram) that any aid extended to Greece is in interest of world peace and US security and is not to assist carrying on any Brit policy in Greece. Therefore, we shall not hesitate to give aid in military eqpt direct to Greece for purpose of reestablishing internal order without which no real reconstruction possible. Following establishment of tranquility Greek armed forces would be organized primarily on basis of patrolling borders and policing country. It will be made clear that no US financial help will be advanced to Brit for expenses Brit troops in Greece.

5. Proposed legislation and any resultant agreements with Greek Govt will include adequate provision for US supervision in order to assure maximum effective utilization all aid extended.

6. US statements and briefing of correspondents will emphasize that aid is for purpose of enabling Greece to become a tranquil self-supporting country and is not for benefit of the particular Greek Govt which happens to be in power. Shortcomings of present and past Greek Govts will neither be emphasized nor glossed over and firm position will be taken on reforms considered necessary to reestablish and maintain free institutions contributing to welfare of whole Greek people.

ACHESON

811.002/1–247

Minutes of a Meeting of the Secretaries of State, War, and Navy, March 12, 1947, 10:30 a. m.

[Extract]

TOP SECRET

PRESENT

STATE	WAR	NAVY
Acting Secretary Acheson	Secretary Patterson	Secretary Forrestal
Asst. Secretary Hilldring	Asst. Secretary Petersen	Captain Tichenor
Mr. Henderson		Rear Admiral Wooldridge
Mr. Gange		
Mr. Moseley (SWNCC), Recorder		

. . . . . .

II. AID TO TURKEY

IMPLEMENTING ACTION

With a view to probable inquiries on the exact nature of the proposed aid to Turkey, Secretaries Patterson and Forrestal to consult with their staffs to obtain more detailed data on appropriate assistance to be given to Turkey.

DISCUSSION

Mr. Acheson said that difficulties were being encountered in drafting appropriate legislation for aid to Turkey inasmuch as it had not yet been determined to what extent and to what degree Turkey needs economic and military assistance. He added that it would undoubtedly be necessary to justify the proposed Turkish loan of 150 million before Congressional Committees, and inquiries of a specific nature could be anticipated.

Mr. Patterson said that he believed that only economic assistance should be given to Turkey rather than military aid. Mr. Acheson pointed out that Presidential approval had been given to furnishing both economic and military assistance to Turkey. Mr. Patterson said that of course he would support an approved program but that he was of the opinion that emphasis should be placed on economic aid to that country.

Mr. Henderson described the economic difficulties of the Turks, pointing out that the British were withdrawing support and that Turkey obtained only 25 million from the Export-Import Bank on a request for a 250 million reconstruction loan. With respect to military aid, he said that the data of the British Joint Staff Mission was of little value in determining the exact military needs of Turkey, but that it was the State Department's view that military assistance should be in the nature of long-term assistance.

Mr. Acheson stated that Turkey has been obliged to keep its army fully mobilized and that this has placed a great strain on her Treasury. He said that we should seek means to make her armed forces smaller but yet effective. Mr. Forrestal said that Turkey's naval arm might be strengthened by giving her some destroyers and naval air aid.

Mr. Petersen stated that with respect to Congressional inquiries on the nature of assistance to Turkey, he believed that it would be best to be frank and state that a survey is necessary before specific types of aid are outlined. Mr. Forrestal said that Congress should be told that the 150 million represents an estimated figure and that a military and economic mission should be sent to Turkey to report on exact needs. Mr. Acheson pointed out that he needed as much specific data as possible on planned assistance to Turkey in order to draft appropriate legislation and meet inquires of all types. Mr. Patterson and Mr. Forrestal said that they would consult with their staffs immediately on this problem.

Mr. Forrestal added that steps should be taken to acquaint the public with the significance of the proposed aid to Turkey.

. . . . . .

Editorial Note

President Truman delivered a message before a joint session of the Congress on March 12, 1947, requesting aid to Greece and Turkey. The message expressed his belief that "it must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures"; for the full text of his message, see Department of State *Bulletin*, March 23, 1947, page 534.

867.00/3–1347

Memorandum by the Joint Chiefs of Staff to the Secretary of War (Patterson) and the Secretary of the Navy (Forrestal)[1]

TOP SECRET WASHINGTON, 13 March 1947.

Subject: Military Assistance to Turkey.

The Joint Chiefs of Staff, in furtherance of State Department reommendations regarding immediate and substantial aid to Greece and Turkey which were approved in principle by the President about

[1] Copy transmitted to Acting Secretary of State Acheson by the Secretary of War and the Secretary of the Navy in a joint letter of March 13 which noted their concurrence in the views expressed in the memorandum.

27 February 1947, review the Turkish situation in this paper. They recognize that, to date, the integrity of Turkey has been of primary concern to Great Britain and that the British military have in the past given much more detailed thought to the problem than have the United States military. It is believed the views in this paper are in substantial accord with British military thinking on the subject.

Further studies confirm the general point of view adopted by the Joint Chiefs of Staff in the Enclosure to J.C.S. 1704/1.[2] This enclosure, a memorandum dated 24 August 1946 to the Secretaries of War and the Navy for transmission to the Secretary of State, indicated the great importance which the United States must attach to the military strength and independence of Turkey.

The current circumstance which most sharply affects the continuing military security and independence of Turkey is the weakening, at least temporarily, of that stabilizing power which Great Britain has long exerted in the Mediterranean. The British withdrawal from Egypt and possible relinquishment of sole responsibility in Palestine affects Turkish security adversely. The projected discontinuance of British economic and financial aid to Greece strikes directly at vital Turkish security interests. An extension of Soviet power into Greece, which might well eventually result were all aid to the present Greek Government to be abandoned, would place that power on a flank particularly dangerous to the Turks in that it would strengthen Soviet ability to cut off allied supply and assistance in event of war.

Implications to Turkish security, if Greece is not made secure from the control of a Communist minority, will not be lost upon the Turks. Despite the vigor with which they uphold Turkish independence and the detestation in which they hold the USSR, fear of ultimate and unavoidable Soviet domination might induce the Turks to compromise with the Soviets. The amount and extent of assurances and assistance which would be required on the part of the United States and Britain to prevent such an occurrence would be far greater than if Greece were held secure from Communist domination. Accordingly, the continuing maintenance of Greek security is most desirable because of its consequent favorable effect upon the resolution and the strategic situation of the Turks.

It is believed that the Soviet Union currently possesses neither the desire nor the resources to conduct a major war. Further, the Soviet Union must now have a clear appreciation that open aggression, of

[2] Not printed, but for J.C.S. 1704, August 23, 1946, see *Foreign Relations*, 1946, vol. VII, p. 857. J.C.S. 1704 and J.C.S. 1704/1 are the same, except that the latter contains a covering statement that on August 23, 1946, the Joint Chiefs considered No. 1704 and agreed to forward a copy to the Secretary of War and the Secretary of the Navy (SWNCC files, SWNCC 091—Russia Miscellaneous).

the type which she undertook with something less than complete success against Finland in 1939, might inevitably result in war with the Western powers, which alone, for the present, possess atomic bombs. The Soviet Union will not hesitate to continue the political pressure and subversive tactics adapted to the situation prevailing in Greece. It appears most doubtful that she would attempt in the near future the direct military measures which would be required in order to impose her will on a Turkish nation whose political and psychological temper remains sufficiently strong to resist successfully Soviet aggressive measures short of war. The danger remains that Turkey, unless given positive assurances including concrete assistance, might so interpret the possibilities of the future as to yield the [*to*] Soviet pressure short of direct military measures. The probability of such an adverse occurrence will be materially increased in the event that aid to Greece is denied or, if undertaken, fails of its purpose.

In peace Turkey holds a key position with respect both to the Middle East and to the Arab world generally. Turkey's determination to stand up to Russian pressure and the western democratic ability to support her will prove a test case to all Middle East countries. Should Russia dominate Turkey in peace time we consider it highly probable that all the Middle East countries would then come rapidly under similar Soviet domination. If Russia can absorb Turkey in peace our ability to defend the Middle East in war will be virtually destroyed.

In war Turkey presents a natural barrier to an advance by Russia to the Eastern Mediterranean and Middle East countries, Palestine in particular.

It appears from the discussion thus far in this paper that the objectives of any assistance to the Turks are:

a. Primarily, to stiffen the Turkish will and ability to resist to the end that the Turks continue a firm national posture against Soviet pressure.

b. Secondarily, to improve the Turkish military potential so that in the unlikely event of war, either in the form of an attack on Turkey by the Soviets or development of hostilities in other areas, the Turks will resist with force any Soviet aggression and will have the maximum possible military capability to undertake a holding and delaying action in their own country.

In general, means and measures contributing to the achievement of the one objective contribute to the other. Economic and direct military assistance, even if furnished in small quantities, indicates a will on the part of the western democracies to support Turkey in case of an emergency and gives hope to the Turks in a situation where otherwise they might reasonably estimate that they have no recourse but

progressive acquiescence to the probable progression of Soviet demands.

An analysis of Turkish military capabilities in case of attack by the Soviets depends on so many imponderables that it is impracticable to reach any detailed conclusions concerning them or concerning the improvement which might be occasioned by provision of specific items of aid. The military history of recent years contains examples of major errors made by the best military analysts concerning the capabilities of specific nations to resist aggression. These examples include Finland's resistance to Soviet attack, Greek resistance to Italian attack and, on the other hand, the collapse of Poland and the collapse of France. The course of events in case of Soviet attack on Turkey, as an isolated operation or as an incident in a global war, turns on such items of uncertainty as Soviet commitments on other fronts, the season of the year, the morale of Turkish forces and Turkish people at the time, and capabilities of allies to furnish military aid. The last item turns primarily on the period of warning and the extent of mobilization undertaken before hostilities occur.

Turkish armed forces consist of 41 ground divisions, 7 fortress commands, an air force having some 300 operating aircraft, and a negligible navy, with a total mobilized strength of over 600,000 men. Specific proposals for military assistance to the Turks can only be made on the basis of a detailed analysis of the present armed forces and an integration of this analysis with practical considerations, such as Turkish capabilities to provide the support for these forces from their own economy and availability of equipment and other aid from the U.S. and Great Britain. The preliminary view is that aid to Turkey should take account of the following:

a. The greatest emphasis should be placed on the ground army and on defense against air attack.

b. The organization and the equipment should be designed for effective defensive action in Turkish terrain. The equipment should in general be of types readily manned and operated by the Turks and, to the greatest degree practicable, be capable of manufacture in Turkey.

c. Most serious consideration should be given to a program by which the Turks are assisted to attain arms and equipment through operation and development of their own arsenals. In this connection, about 80 per cent of the present equipment in the Turkish army is of German design.

d. Economic aid for Turkey should be integrated with a program of military assistance, not only for the purpose of enabling the Turks to provide their own equipment but also for the purpose of improving selected communications and logistical facilities in the country. Such action should improve the mobility and logistical support of Turkish forces so that a particular force could be employed in any

one of several areas in case of attack, thus making it unnecessary for the Turks to keep full strength garrisons mobilized in all such areas. With improved transportation equipment the Turks may then feel free to reduce the strength of their mobilized forces, thereby relieving some of the present strain on the economy of the country.

e. It appears that it will be some time before the Turks could hope to approach self-sufficiency in certain important items of equipment and maintenance, such as airplanes, for their armed forces. The only practicable sources for filling such deficiencies appear to be the United States and the British Empire. The continuation of the present political and psychological toughness of Turkey and the Turkish people may turn in considerable part on the receipt of tangible assurance, or at least tokens thereof, that items of this nature may be made available to Turkey.

The Joint Chiefs of Staff consider that effective assistance to Turkey is important to the security of the United States, but that this assistance involves political, economic and psychological factors which are primary as compared to the military factor. All these factors are so intertwined that no one can be separated and viewed apart from the others. Hence, the Joint Chiefs of Staff are unable to provide definitive views on the problem without benefit of considerations outside the province of the strictly military. They therefore request that their views be provided the Secretary of State with the suggestion that the matter be referred to the State–War–Navy Coordinating Committee for thorough analysis in the light of all the factors involved.

For the Joint Chiefs of Staff:
DWIGHT D. EISENHOWER
Chief of Staff

868.00/3–1347

Memorandum by the Acting Legislative Counsel (Sandifer)

SECRET [WASHINGTON,] March 13, 1947.

Subject: Foreign Relations Committee Hearing (Executive) on the Greek-Turkish Question

The Senate Foreign Relations Committee held an informal executive session today to consider the President's message on Greece and Turkey. Mr. Acheson, Secretary of War Patterson, and Secretary of the Navy Forrestal attended at the request of the Committee. The following points developed in the course of the meeting.

1. It would be difficult to take action in "two bites", a possibility suggested by Senator Vandenberg. Mr. Acheson pointed to the provision in the draft bill worked up in the State Department for the $100,000,000 advance by the Reconstruction Finance Corporation.

2. The reasons for the inability of the Export-Import Bank and the International Bank to advance funds were explored. It was clear that the International Bank could not deal with a situation such as that in Greece where there is total economic collapse. A small part of Turkey's needs might be met by a Bank loan.

3. As to whether the funds should be provided as a loan or gift, it was indicated that only part of it could be as a loan.

4. Turkish needs were said to derive from the strain on her resources caused by the long-continued mobilization of 500,000 to 600,000 men.

5. Senator Vandenberg objected to the language in paragraph 1(c) of the draft bill concerning the detailing of officers and enlisted men as military advisers. It was agreed that this language should be put in a more restricted form.

6. There was extended discussion of the reasons for the inability of the United Nations to handle this question. In summarizing, Senator Vandenberg said that the United Nations did not have the military resources immediately available and that it did not have funds of its own for relief. As to the former, the delay was due largely to stalling tactics of the Russians. On the latter, funds, if provided as a result of United Nations action, would have to come largely from the United States, and the position of the United States has been that it wants to control funds supplied by it.

7. In connection with the discussion of the United Nations and of the military reasons for the action to be taken, there was a general feeling of need for a clear and emphatic statement to the American public of the fundamental reasons for the proposed action.

8. Senator Vandenberg called attention to a statement issued by the North American Newspaper Alliance to the effect that there is in London $220,000,000 in blocked funds. Mr. Acheson pointed out that the real question here was that of the convertibility into dollars of sterling.

9. There was a review of the extent of contributions made to date to Greece by the United States. This was said to amount in all to about $900,000,000, a considerable part of which has been contributed through UNRRA.

10. There seemed to be agreement that the reasons for the proposed action should be made public promptly. This would be done in hearings in the House and Senate Committees. There was special discussion of how far the military aspects of the situation should be publicly discussed.

11. It was stated that these funds would cover a period of fifteen months and that probably additional funds would be needed at that time.

12. The military implications of the proposed action were reviewed by the Secretary of War and the Secretary of the Navy.

Senators present were Vandenberg, Connally, George, Thomas, Capper, Wiley, White, and Smith.

DURWARD V. SANDIFER

740.00119 Council/3–1347 : Telegram

The Acting Secretary of State to the Secretary of State, at Moscow

SECRET WASHINGTON, March 13, 1947—8 p. m.

509. Secdel No. 1332. This is a progress report on the Greek matter. The President's message yesterday was received by the Congress and press in a most sober but generally favorable way. This morning I appeared with Forrestal and Patterson for two hours at Executive Session of Senate Foreign Relations Committee. We will appear tomorrow morning at a similar session of House Committee. There was no opposition but many doubts and worries at today's meeting. We have spoken to meetings of bankers and businessmen and will address a meeting of publishers. We expect legislation to be introduced in the House today and hearings to start there first. At present Vandenberg, though most helpful, inclines to believe that in Senate leadership should be taken by Democratic side. We hope that on further thought he will be willing to take equal place in leadership in Senate.

We need help from you with Bevin on following matter. Apart from British brigade in Greece British have approximately 280 officers and 1100 enlisted men acting as training mission with Greek Army. War Department believes it to be of great importance to continue and maintain this mission. They believe it would take us many months to duplicate it with much loss of efficiency in the meantime. In our opinion this is the type of cooperation which the British can and should give us in Greece.

ACHESON

841.2368/3–1447

Memorandum of Conversation, by the Acting Secretary of State

[WASHINGTON,] March 14, 1947.

Upon the occasion of the Ambassador's [1] call upon me on which I have written a separate memorandum, I took the occasion to raise with him the following three points on which I asked for his help with his Government.

[1] The British Ambassador.

(1) We desire that the present British military and naval training missions in Greece shall continue. We have no reason to believe that the British have a different view. We have asked General Marshall to take this up with Mr. Bevin and I asked the Ambassador to supplement our efforts in London.

(2) We do not have adequate information in Washington regarding precise matériel requirements of the Turkish Army. The British Staff Mission does not have adequate information although it is altogether possible, indeed probable, that substantial information exists in London. I asked the Ambassador to request all available information in London to be sent to the British Staff Mission here. I suggest that Mr. Hickerson supplement this with a cable.[2]

(3) The present notice from the British Government informs us that assistance will stop on March 31. We received this information on February 24. It must be plain to the British that, under our representative system, we could not be expected to take action between the two days so as to render effective assistance to Greece on April 1. The British have stated that they are willing to continue after March 31 assistance to the Greek Army to the extent of £2,000,000 per month provided that they are reimbursed.

I told the British Ambassador some days ago that I thought this suggestion inadequate, that obviously this Government could not accept it because, unless Congress acted, it would not have funds and also because it was an unnecessary burden for us to carry in this already difficult legislative problem. I told him that it seemed to me that the British, without making any positive commitment, should be willing to continue such aid as was necessary without the requirement of reimbursement for a sufficient period after the first of April to give us a chance to act legislatively on the matter.

The British Ambassador asked me to put my request to the British Government in writing and send it to him. I said that I would do this.[3]

The Ambassador said that he had been asked from London whether they could expect a reply to their earlier suggestion regarding aid to the Greek Army on a reimbursable basis and that he had told them that we are not likely to reply to this.

I ask that the Secretariat get the appropriate officers of the Department to prepare as speedily as possible the communication suggested above.

DEAN ACHESON

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[2] This was done on March 15, in telegram 1191 to London; the communication was drafted, however, by Mr. Jernegan (876.24/3–1547). Ambassador Douglas, in telegram 2085, April 4, from London, informed Mr. Acheson that the "Turks have never been willing to reveal their intentions or to give British more than an unrealistic list of requirements unrelated to the condition of the Turkish armed forces." (868.24/4–447)

[3] In the light of Mr. Acheson's talk with the British Ambassador on March 15 (see p. 119), the Department decided not to send the written communication (memorandum of March 17 by Mr. Jernegan to Mr. Acheson and marginal notation by Mr. Humelsine, 841.2368/3–1447).

867.00/3–1447 : Telegram

The Ambassador in Turkey (Wilson) to the Secretary of State

SECRET ANKARA, March 14, 1947—11 a. m.

192. A number of Turkish Government officials, deputies, etc., have expressed to me warm appreciation President's message re aid to Greece and Turkey. Erkin told me President Inonu greatly pleased.

Erkin asked whether Turkish Government should make formal request for financial, etc., assistance as Greece has done. I said not at present. I would advise him later on this. I pointed out Greek situation urgent and must be dealt with first.

Erkin said as regards "supervision" and "control" of use any funds made available to Turkey, he was sure we would have in mind susceptibilities Turks on such points. He understood perfectly we would wish to make sure funds utilized most effective manner but hoped this could be done in much same way as Export-Import Bank approved specific projects under $25,000,000 credit. I said he need have no concern on this point: Turkish situation very different from Greeks; latter on verge collapse needing thorough reorganization and consequently close supervision. Turkey on other hand is going concern in relatively good economic condition. Furthermore I was not sure what we had in mind for Turkey. I felt as I had previously told him Turkey should be looking to new International Bank for economic development credits. Possibly assistance for Turkey now under contemplation in Washington would be in connection with needed military equipment. Erkin said nevertheless he knew Turkish Government earnestly desirous that United States program assistance Turkey include credits for economic development since projects this field closely tied in with overall problem national defense.

WILSON

Editorial Note

On March 15, 1947, President Truman issued a statement noting receipt of messages from Greek Prime Minister Maximos and from Themistocles Sophoulis, leader of the Greek Parliamentary Opposition, which welcomed the prospect of American assistance to Greece. The texts of the President's statement and of the messages from the Greek leaders are printed in Department of State *Bulletin*, May 4, 1947, Supplement, pages 833–834.

The Prime Minister's message was in the form of a telegram of March 13 sent by private facilities; that of Mr. Sophoulis was transmitted by the Embassy in Athens in telegram 367, March 13 (868.00/3–1347).

868.00/3–1547

Memorandum of Conversation, by the Acting Secretary of State

SECRET [WASHINGTON,] March 15, 1947.

The British Ambassador called at his request and handed me the attached *Aide-Mémoire*.[1] He said that his understanding of the term, "Angellopoulos monies in London" at the end of paragraph 2 was that it referred to some funds owed by the British Government to the Greek Government for materials supplied British forces in Greece.[2] The Ambassador said that he assumed that this message was sent after he had informed the Foreign Office that the Department was not ready to agree that any advances made by the British would be reimbursed directly or indirectly out of funds made available by the United States.

The Ambassador inquired whether he could say that the United States Government agreed to a communication to the Greeks along the line outlined above. I said that we had no objection to the British so informing the Greeks. We did not and could not commit ourselves to any date as of which this Government would be prepared to start advancing funds to the Greeks. This had to await the action of Congress. I did not see that the arrangements between the Greeks and the British contained in this message affected us.

DEAN ACHESON

[1] *Infra.*

[2] In a note of March 18, the British Ambassador advised Mr. Acheson that the Angellopoulos monies were the sterling equivalent in London of the drachmae provided for British troops in Greece by the Greek Government. The Greek claim on British sterling resulted from an agreement between the British and Greek Governments on October 17, 1944, commonly referred to as the "Angellopoulos Agreement". (868.51/3–1847)

868.00/3–1547

The British Embassy to the Department of State

SECRET

Ref: G58/—/47

AIDE-MÉMOIRE

His Majesty's Government in the United Kingdom consider it most important that they should at once inform the Greek Government of their proposals for bridging the gap between the 31st March and the date when American assistance becomes effective.

2. His Majesty's Government propose to modify in some degree the communication outlined in paragraph 6 of His Majesty's Embassy's *Aide-Mémoire* of March 4th. They now propose to inform the Greek Government that they can go ahead with the reorganisation of the

Greek forces on the line proposed by the Chiefs of Staff, involving expenditure at the rate of two million pounds sterling a month. For that purpose His Majesty's Government had already agreed to provide free of charge two million pounds sterling on account of equipment and they would now in addition make available one million pounds sterling on the assumption that the interim period will cover the first half of April. This one million pounds would be released from the Angellopoulos monies in London and it should be part of the arrangement that the Greek Government agree to this.

3. His Majesty's Government hope that the United States Government will agree to a communication on these lines being made to the Greek Government forthwith. They will realise that time is short before the expiry of the British commitment on the 31st March.

WASHINGTON, 15 March 1947.

868.00/3–1547

The Acting Secretary of State to the Secretary of State, at Moscow

PERSONAL AND CONFIDENTIAL WASHINGTON, March 15, 1947.

DEAR GENERAL MARSHALL: Supplementing my recent cable to you the status of work on the Greek and Turkish situation is as follows:

1. The two secret sessions which the Secretaries of War and Navy and I had with the Senate and House Foreign Committees, respectively, did not disclose opposition to the President's proposal. They did disclose the inevitable pain and anguish of the Congress in facing a difficult decision. This was manifested in a series of questions which are becoming almost standardized. Why can't the United Nations do something about this or do it all? Why do we have to provide military assistance? Where is this going to lead and why doesn't the Administration tell us the whole story and the whole cost now? Where is the trouble going to break out next? Are we going to give relief to Poland while we are combatting communism in Greece? I think that we can handle this situation but it may take a little time. The House Committee has asked for another secret session before public hearings begin. This will probably take place on Tuesday, March 18.

2. A bill has been prepared and we expect it to be introduced in the House on Monday, March 17. It provides for the grant of the necessary powers to the President, an authorization of $400,000,000 to be appropriated and an authorization of an immediate advance of $100,000,000 by the RFC to be reimbursed out of the appropriation when made. This will enable us to get started as soon as this bill is passed and not wait for the action of the Congress on the appropriation.

3. Senator Vandenberg's present attitude is that the legislation should start in the House and be acted upon by the Senate only after the House has passed the bill. When it gets to the Senate he thinks that the major load should be carried by the Administration although he is entirely willing to help. I am going to see Senator Barkley Monday in the hope that together we may persuade Senator Vandenberg to agree to concurrent action in the Senate with joint leadership by himself, Senator White, Senator Barkley and Senator Connally. Otherwise the respective authorizations may require almost a month.

4. The British have now agreed to inform the Greek Government that they will make two million pounds available without charge for the reorganization of the Greek Army and another million pounds available to be charged against the "Angellopoulos monies in London". I understand that this refers to some obligations of the British to the Greeks for supplies which the Greeks have furnished British forces in Greece. This is also on the assumption that we will be ready to act by the middle of April. I have agreed to the British so informing the Greeks but without any commitment as to whether or not we would be prepared to act by April 15. Prior to this communication the British had proposed that we reimburse them for any advances made, a proposal to which I refused to agree.

[Here follows discussion of matters other than the Greek and Turkish situations.]

DEAN ACHESON

868.00/3–1747

Memorandum by the Director of the Office of Public Affairs (Russell)

TOP SECRET [WASHINGTON,] March 17, 1947.

MEMORANDUM ON GENESIS OF PRESIDENT TRUMAN'S MARCH 12 SPEECH

On Friday, February 28, Mr. Acheson called a meeting in his office attended by Mr. Henderson, Director of the Office of Near Eastern and African Affairs; Mr. Hickerson, Deputy Director of the Office of European Affairs; Mr. Thompson, Chief of the Division of Eastern European (Russian) Affairs; a representative of the Legal Adviser's Office; representatives of the economic offices; and myself.

Mr. Acheson said that a note had been received from the British Government saying that they were discontinuing economic aid to Greece on March 31. A meeting had been held at the White House the previous day attended by Congressional leaders, Secretary Marshall and Mr. Acheson. The problem posed by the British note had been discussed and it had been decided to ask Congress to make the necessary appropriations and take other necessary action to enable the

United States to assist the present government in Greece. It had been agreed, however, that if such a request was to have any chance of success it must be couched in terms that would make clear the nature and gravity of the world situation. It could not be based solely in terms of assisting a former ally.

At the meeting in Mr. Acheson's office an agenda was worked out. Mr. Henderson was to carry on the discussions with the Greek Government concerning the nature and extent of their requirements. The economic offices were to make a study of the economic situation in Greece. The office of the Legal Adviser was to formulate the legislation which would be requested.

Mr. Acheson asked me to give consideration to the way in which the broad problem should be put up to Congress and the American public. He said that Secretary Marshall was leaving the following Wednesday for Moscow; that he did not wish the fact that the Moscow conference was about to be held to weaken any statement that should be made to Congress and the American people to an extent that would undermine the success of the request to Congress. On the other hand, it was obvious that the statement should not be any stronger than was necessary. Mr. Acheson said that it had been agreed at the White House that the President should personally address Congress and that a recommendation should be made whether that message should be broadcast or whether the President should address a separate message to the American public.

Friday afternoon I called a meeting of the SWNCC Subcommittee on Foreign Policy Information and laid the problem which Mr. Acheson had outlined before it. There was an hour and a half discussion of the problem. (The minutes of the meeting are attached.[1]) It was decided to set up a working party to prepare for the Subcommittee a report which Mr. Acheson could discuss with Secretary Marshall on Monday.

The working party met Saturday morning and there was further discussion for about two hours. The working party consisted of Mr. Thompson, Chief of the Division of Eastern European Affairs; Mr. Villard, Deputy Director of the Office of Near Eastern and African Affairs; Mr. Strong of the Office of Financial and Development Policy; Mr. Joseph Jones (detailed to PA from Mr. Benton's office); Mr. Victor Hunt of the Office of International Information and Cultural Affairs; representatives of the War and Navy Department; and myself. (Attached are minutes of working party meeting.[1])

Following discussion by the working party, it was decided that Mr. Thompson, Mr. Villard and I would draft a paper for the Subcommittee to be submitted at a meeting on Monday at 2:30.

[1] Not found attached.

I undertook to prepare a section on general policy in an effort to meet the question which Mr. Acheson had posed of how to couch the existing world conflict, i.e. whether as a conflict between U.S. and Russia, between free enterprise and socialism, between capitalism and communism, or however. Mr. Thompson agreed to prepare the section on the existing situation in Greece and Mr. Villard agreed to prepare the section on the background of the Greek problem.

Attached is the SWNCC report.[2] Pages 1 to 7 and 14 to 21 were drafted by me; pages 8 to 13 by Mr. Thompson; and several of the appendices by Mr. Villard.

I gave the SWNCC report to Mr. Acheson at 6 P. M. Monday. He discussed it with Secretary Marshall that evening and the next morning asked that the report be put in the form of a message to Congress. Joseph Jones of the Subcommittee was asked to put it in message form. (Attached is the President's speech.[3])

(Mr. Henderson had prepared a draft built around the necessity for continuing to combat "destructive forces in the world". Mr. Kennan had submitted a draft confined largely to the needs of the Greek people.)

FRANCIS H. RUSSELL

[2] For extract, see p. 76.
[3] Not found attached.

868.00/3–1747 : Telegram

The Chargé in the United Kingdom (Gallman) to the Secretary of State

SECRET
US URGENT

LONDON, March 17, 1947—7 p. m.

1679. From Douglas. Today Gallman and I called informally on Attlee, in his capacity as Acting Foreign Secretary, and on McNeil and Sargent.[1] In the course of the conversations I had with them, I was able to point out to each the significance of the President's address on Greece and Turkey, and the immediate importance, in view of the hearings and discussions in the Senate and House, of doing here whatever was possible to show support of the objectives mentioned by the President and of avoiding any action that might be interpreted to mean that Britain had no further interest in either Greece or Turkey, without at the same time giving the inference that they [*we?*] were pulling Britain's chestnuts out of fire. I then mentioned three specific ways in which the ends I had mentioned could be furthered. The first

[1] Hector McNeil, British Minister of State, and Sir Orme G. Sargent, British Permanent Under Secretary of State for Foreign Affairs.

of these was by retaining in Greece the British Military Mission; the second was supplying US immediately with data on Turkish military needs; and the third, by making available, not as a loan but as a gift, funds extended for general relief purposes in Greece between March 31 and the date on which funds from US, subject to Congressional approval, would become available.

Attlee, McNeil and Sargent showed appreciation of the significance of the President's address and of the desirability of avoiding actions giving the impression of lukewarm support of the objectives mentioned by the President, or of lack of British interest in Greece and Turkey.

With reference to the three specific questions I raised, Attlee said that the Cabinet was now considering the retention of the British Military Mission in Greece and that I was free to inform you that it was likely that the Cabinet would agree to its remaining there. As to Turkish military needs, he said such information as was now on hand would be made available immediately through the British Military Mission in Washington and that the Chiefs of Staff here were checking to see if any additional information on these needs was available in London, and if so that it would be transmitted to Washington forthwith. With reference to any funds made available for general relief purposes during interim period, Attlee said that he had just been informed by Dalton that these funds would be extended as a gift and not as a loan.[2] [Douglas]

GALLMAN

[2] Marginal notation: "See Deptel 1191 to London Mar 15th"; regarding this telegram, see footnote 2, p. 117.

868.00/3–1847

Memorandum by the Director of the Office of Special Political Affairs (Rusk) to the Under Secretary of State (Acheson)

CONFIDENTIAL [WASHINGTON,] March 18, 1947.

A number of arguments for and against sending a letter from the President[1] to the United Nations concerning proposed action by the United States in Greece and Turkey have been made. Arguments in favor of sending such a letter include:

(1) It would demonstrate to the Congress, the U.S. public and to the world that the President did not consider his proposals contrary

[1] A draft letter to be sent by Ambassador Austin (rather than by the President) to the Secretary-General of the United Nations was transmitted to Mr. Acheson by Mr. Rusk with a memorandum of March 18 (868.00/3–1847); neither printed.

to the spirit and letter of the U.N. Charter and would clearly be consistent with the Charter.

(2) It would help to meet the question being raised on the Hill and in the U.S. press as to why the U.S. did not take the Greek and Turkish questions to the U.N. Such a letter would also refute the Soviet press campaign which takes the line that the U.S. by-passed the U.N.

(3) It would assist in removing from public discussion the point that the proposed U.S. action undermines the United Nations.

(4) It might strengthen the hand of the United States in the United Nations in the not unlikely event that the question of U.S. action in Greece and Turkey is raised in one of the organs of the United Nations.

(5) It would serve as a useful background against which to launch discussion with other members of the Big Five in case that ultimately appears to be a useful course.

(6) It would open the way for periodic reports by the United States to the United Nations on the Greek-Turkish program if, later on, that proves to be a desirable course.

(7) It would lay the ground work at the outset for the transfer sometime in the future of part or all of the responsibility now lodged in the United States under the President's present program, to the United Nations and related specialized agencies in case that proves to be a helpful course of action after the emergency job is completed under the present emergency program.

(8) The Department has thus far been unable to accept a number of Senator Vandenberg's suggestions about relating this matter to the United Nations; a letter provides a good opportunity for meeting his views at least in part.

Arguments against the proposed letter include:

(1) It might establish a precedent requiring the United States to report to the United Nations in future instances where the United States wishes to render assistance directly to another nation.

(2) It would leave the assumption that the U.S. felt obligated to report such programs as those proposed for Greece and Turkey.

(3) It might be open to criticism as an afterthought, brought on purely by domestic political considerations.

(4) It might be interpreted as reflecting a "guilty conscience".

(5) It might concede a United Nations jurisdiction on matters on which we might wish to argue later that such jurisdiction does not exist.

(6) It might be interpreted as offering a degree of UN participation in our aid-to-Greece program which we are not in fact willing to accept.

(7) The treatment of the Turkish aspect is and must be weak. Furthermore, it is understood that the Turkish Government has not asked us directly for assistance, and might resent a statement by the U.S. reflecting even by implication on its efficacy as a government.

(8) The distribution of the letter to UN Members might be the occasion for action by the USSR in the United Nations designed to embarrass us.

(9) It might prejudge action by Congress to an extent which would be resented by the latter.

SPA recommends:

That the above letter be despatched by Senator Austin on the day on which legislation to give effect to President Truman's program is introduced to the Congress.

868.24/3–1847 : Telegram

The Chargé in Greece (Keeley) to the Secretary of State

SECRET
PRIORITY

ATHENS, March 18, 1947—5 p. m.

396. Deptel 263, March 4. *Note verbale* 21315, March 17, received today which, with Embassy's note of March 5 constitutes formal request for equipment required by Greek Army *Gendarmerie*, transmits detailed list which Military Attaché, on March 16, sent direct to War by safe-hand pouch carried by Ambassador Porter. Note and list follow by despatch.

Similar note (No. 21222, March 15) enclosed naval budget requirements which is not broken down into detailed items of equipment. Embassy endeavoring obtain desired details, and will forward them when received.[1]

KEELEY

[1] The Embassy in Greece transmitted the texts of the two notes and of other relevant notes in despatch 3935, April 23. The despatch noted that the list of equipment desired by the Greek Army and *Gendarmerie*, furnished in note 21315, had been prepared by the Greek military authorities in close collaboration with the British Military Mission and the American Military Attaché (868.24/4–2347).

Editorial Notes

The minutes of the meeting of Acting Secretary of State Acheson, Secretary of War Patterson and Secretary of the Navy Forrestal, held on March 19, 1947, stated in part: "Mr. Patterson said that he believes that some statement should be made setting forth the U.S. position why the UN was not used in our approach to the Greek-Turkish problems, and that we should explain to the UN, as well as to the public, that our action was necessary to supplement the purposes of the Charter of UN and also because of the inability of the UN to act in such a situation. Mr. Acheson said that our position in this connection had been discussed in detail with Senator Vandenberg and that in fact a letter had been drafted to the Secretary General of UN but after much consideration it had been determined not to send the letter because it was thought that it would only confuse the issue in the UN, and that any statement might be regarded by the Russians as a challenge . . . .

Mr. Acheson said that we might as well face the fact that UN will not settle problems of this type and that it is impossible for the UN to intervene in cases involving subversive movements." (868.00/3–1947)

Ambassador Austin, in a statement before the Security Council on March 28, expressed his "belief that the proposed United States programme of assistance to Greece and Turkey, together with effective action by the Security Council in the case of the northern Greek frontiers, would materially advance the cause of peace." He stated also: "The United States is giving momentum to the United Nations by its present policy, and it desires and welcomes corresponding interest and support from other members of the United Nations. We look forward to the time when such burdens may be carried through the United Nations. Therefore it is important that the United Nations should take an active interest in all that is required for the re-establishment of stability, to discourage and prevent threats of aggression of any kind, or threats to the independence of a fellow Member, and to afford its people an opportunity to enhance its welfare and dignity." (United Nations, *Official Records of the Security Council, Second Year, No. 30*, pages 622, 624.)

Two bills to provide aid to Greece and Turkey, H.R. 2616 and S. 938, were introduced into the first session of the Eightieth Congress. Messrs. Acheson, Clayton and Porter testified on the former measure before the House Committee on Foreign Affairs on March 20, 24 and 28, respectively; Messrs. Acheson and Clayton testified on the latter measure before the Senate Committee on Foreign Relations on March 24 and 25, respectively. Their testimony is printed on pages 1, 63 and 123 of the House hearings and on pages 4 and 63 of the Senate hearings and also in Department of State *Bulletin*, May 4, 1947, Supplement, page 835.

S. 938, as amended, was enacted into law on May 22, 1947. An undated analysis of the bill, prepared in the Department of State, stated in part: "The pending bill (S–938) contains provisions regarding procurement, accounting and administration at the Washington end which appear to envisage an operation similar to that of Lend Lease.

"The President is authorized to grant assistance [not to exceed $400,000,000] 'upon terms and conditions determined by him'. The money is to be appropriated by Congress but the bill calls for interim advances [not to exceed $100,000,000] by RFC (a device apparently calculated to make unnecessary the delay involved in the more usual authorization statute followed by an appropriation act). The President is authorized (Section 5) to exercise his authority through 'such

Department, agency, independent establishment, or officer of the Government as he shall direct'. While presumably this means that he may delegate the operations to a single entity, it may also be presumed that it is contemplated under the authority of this section to use multiple agencies for particular purposes and to do so by way of subdelegation. In other words, if the Secretary of State is delegated to coordinate for the President, the Secretary in turn would exercise procurement through the Treasury, engineering through the Army or the Interior Department, etc. This conclusion is supported by the provisions of Section 2(d) (II).

"The duties of the Washington back-stop organization seem to be primarily those of planning, organizing and reporting . . . .

"The problem is even more important, having in mind the success of the project, from the Athens end. Section 3 of the bill sets forth conditions which must be met by the Greeks. These conditions are to be set forth by an agreement, and the subject matter of the agreement is so crucial to the purpose and therefore the success of the program that it must necessarily occupy a major position in the American Mission. It is provided that the government in question shall agree (a) to permit free access of United States Government officials for the purpose of determining whether there is effective utilization of assistance in accordance with the undertakings of the Government; (b) to permit press and radio representatives to observe and report freely; (c) not to dispose, without authorization, of assistance received from the United States; (d) to provide for the security of the assistance received; (e) to repay only out of other funds.

"Section 1 leaves a wide scope for additional conditions: 'The terms and conditions determined by' the President under Section 1 would presumably also include the withdrawal or termination of assistance in whole or in part for failure to observe these conditions. Under this Section is the authority for exacting undertakings." (868.00/3–2847)

868.00/3–2247

Memorandum of Conversation, by the Secretary of State

[Extract]

SECRET [Moscow,] March 22, 1947.

NOTES ON A CONVERSATION WITH MR. BEVIN

Mr. Bevin called on me at 12:45 and left at 2:30. We had lunch together.

GREECE

He first brought up the question of Greece. Mr. Bevin stated that the British Cabinet had agreed to meet the proposal of Mr. Acheson

that the British carry the financial crisis in Greece after March 31, until our Congress had had an opportunity to act. Bevin said Britain had committed 18 million pounds for this purpose. He then stated that he had transmitted my request that the British not withdraw their military mission and the Cabinet have agreed not to withdraw it for the time being, and also to maintain the naval, air and police missions. However, in order to provide funds for the military mission, it would be necessary under their system to go back to Parliament, which would be a very undesirable procedure, having just obtained an authorization for 18 million pounds additional on the Greek situation. It was therefore the proposal of the British that some other arrangement should be made to meet the expenses of the mission and I believe Bevin said the British Government also proposed that the cost of the mission should be defrayed by the Greek Government, presumably out of money loaned by the American Government. He did not ask for a reply by me at this time, but requested that I give it consideration.[1]

[Here follows discussion of subjects other than Greece.]

[1] On March 21 the British Ambassador handed a communication to Mr. Acheson in reply to his inquiry of March 14 concerning retention of British Military and Naval Missions in Greece. The substance of the communication was similar to the British position as set forth by Mr. Bevin but noted additionally that the British were giving consideration to reducing the strength of the Military Mission. The British communication was quoted to the Secretary of State, at Moscow, in telegram 619, Moskco 17, March 21. (841.2368/3–2147)

868.515/3–2247 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

SECRET ATHENS, March 22, 1947—5 p. m.

424. ReEmb despatch 3753 March 7. In final conference yesterday between Prime Minister and members Porter Mission accompanied by Keeley [1] and Groves Prime Minister said Govt is energetically studying application of measures recommended by Porter and Currency Committee. In particular:

(1) Govt will maintain strict foreign trade control and hopes establish centralized foreign trade administration within few days. This project already approved in principle by Council of Ministers and details now being elaborated.

(2) Wages will be stabilized subject only to specific adjustments approved by Currency Committee. A special board will be established to consider civil service salaries.

(3) Gold sales by Bank of Greece will be rigidly controlled but due to psychological factor Govt considers it unwise to publicize dis-

[1] James H. Keeley, Jr., Counselor of Embassy in Greece.

continuance gold sales pending Congressional debate and action on US assistance program. Since March 13 gold sales have entirely ceased and trend completely reversed with private holders now offering gold to Bank in substantial volume at steadily declining prices. Bank's buying rate today dropped to 124,000 drachmas with long cue [*queue*] unaccommodated when bank closed for week-end. Prime Minister said he is determined to apply principles enunciated by the President.

MACVEAGH

867.00/3–2047 : Telegram

The Acting Secretary of State to the Embassy in Turkey

CONFIDENTIAL WASHINGTON, March 24, 1947—7 p. m.

164. We have discussed urtel 220 [1] with Amb Wilson [2] who feels that Turks should be told full facts of case with no attempt made to gloss over certain features of bill which may be unpalatable to them.

Text of Sec 3 of bill is as follows:

"As a condition precedent to the receipt of any assistance pursuant to this act, the Government requesting such assistance shall agree (*a*) to permit free access of United States Government officials for the purpose of observing whether such assistance is utilized effectively and in accordance with the undertakings of the recipient Government; (*b*) to permit representatives of the press and radio of the United States to observe freely and to report fully regarding the utilization of such assistance; (*c*) not to transfer, without the consent of the President of the United States, title to or possession of any article or information transferred pursuant to this act, nor to permit, without such consent, the use of any such article or the use or disclosure of any such information by or to anyone not an officer, employee, or agent of the recipient Government; and (*d*) to make such provisions as may be required by the President of the United States for the security of any article, service, or information received pursuant to this act."

It was necessary to incorporate such language in both the Greece–Turkey Bill and the post-UNRRA Relief Bill in order to overcome public misgivings and insure success of whole program.

Sec 3 was framed with an eye to Greece rather than Turkey.

From your 225 and 226 [3] it appears that Turks by and large are adopting a sensible attitude.

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[1] Dated March 20; it set forth the view of various Turkish political leaders that the supervisory conditions provided for in the proposed legislation on aid to Turkey were onerous (867.00/3–2047).

[2] Ambassador Wilson was in Washington on consultation.

[3] Both dated March 22; they reported further Turkish comment on the supervisory features of the proposed United States aid to Turkey (867.00/3–2247).

Wilson requests that foregoing be used in your discretion in answering questions.[4]

ACHESON

[4] According to telegram 239, March 26, 3 p.m. from Ankara, Chargé Bursley furnished the substance of this telegram to Turkish Foreign Minister Saka on March 26. The latter suggested that the objective of Section 3*a* could be attained by some plan which would prevent criticism of Turkey as allegedly controlled by a foreign power. (867.00/3–2647) The Department informed the Embassy in Turkey in telegram 175, March 28, that the "Difficulties mentioned urtel 239 and previous are very much in our minds. Amb Wilson confident we can work out arrangements meet situation both from US Congress and Turk viewpoints." (867.00/3–2647)

740.00119 Council/3–2647

Minutes of Meeting With British Foreign Secretary, Mr. Bevin, 12: 30 to 1: 30, March 26, 1947, at Moscow

[Extracts]

SECRET

Mr. Bevin called at the Embassy to see me today and brought with him a transcript of an interview he had had with Generalissimo Stalin on March 24. He went over the statements one by one, amplifying them with explanations of detailed remarks he had made which were not recorded complete in the brief summary he had furnished me.

. . . . . .

Regarding the statement which he and his government had made that the British military mission in Greece would be maintained for the "time being", it was made clear to him that this was an unfortunate statement with regard to political consideration of the United States for the appropriation of the necessary funds for Greece. He explained that this was in answer to a parliamentary question and he was quite certain that what Mr. Attlee really meant was that the mission was not to be maintained in Greece permanently, but was to be removed when its services were no longer needed—that is, as soon as the Greek Army organization had been developed to the point of managing its own affairs. He agreed to take this up with the Government and see if another statement might not be made explanatory of this view.

G[EORGE] C. M[ARSHALL]

868.00/3–2047

The Acting Secretary of State to the Chairman of the Senate Committee on Foreign Relations (Vandenberg)

WASHINGTON, March 28, 1947.

MY DEAR SENATOR VANDENBERG: I am enclosing the answers to the written questions regarding the pending Greek-Turkish aid bill which were transmitted with your letter of March 20, 1947.[1]

I have taken as full advantage as possible of your suggestion that many of these questions might be answered either in my general oral statement to the Senate Foreign Relations Committee or in oral statements during the course of the Committee hearings. In the written replies on many such cases I have included pertinent portions of statements already made to the Committee.

I believe that all of the questions submitted to me have been answered.[2]

Sincerely yours, DEAN ACHESON

[1] Not printed.

[2] The texts of the 111 questions and answers are printed in Department of State *Bulletin*, May 4, 1947, Supplement, pp. 866–895. For an account of the preparation of the answers, see Mr. Jernegan's article entitled "Postscript on the 1947 Greek Turkish Program", in the *Foreign Service Journal*, October 1966, p. 24.

868.00/3–2547

The Acting Secretary of State to Senator Henry Cabot Lodge, Jr.

WASHINGTON, March 28, 1947.

MY DEAR SENATOR LODGE: I wish to acknowledge and thank you for your letter of March 25, 1947 [1] suggesting an amendment to S. 938 which would read as follows:

"As a further condition precedent to the receipt of any loan, credit, grant, or other form of financial aid under paragraph (1) of section 1, the government requesting such aid shall agree not to use any part of the proceeds thereof for the making of any payment on account of the principal or interest on any loan made to such government by any other foreign government."

As I stated to you during the course of the Senate Foreign Relations Committee hearings, I am in general agreement with the objective of your amendment and would have no objection to the inclusion of such an amendment in the bill. As a drafting matter, I think the amendment might be more conveniently incorporated in the bill as an additional clause (*e*) in section 3, which would then read as follows:

[1] Not printed.

"Sec. 3. As a condition precedent to the receipt of any assistance pursuant to this Act, the government requesting such assistance shall agree (*a*) . . . . . [2] and (*e*) not to use any part of the proceeds of any loan, credit, grant, or other form of financial aid rendered pursuant to this Act for the making of any payment on account of the principal or interest on any loan made to such government by any other foreign government."

Sincerely yours, DEAN ACHESON

[2] Omission indicated in the original.

868.515/3–2847

The Chargé in Greece (Keeley) to the Secretary of State

CONFIDENTIAL ATHENS, March 28, 1947.
No. 3838

SIR: In continuation of the series of communications from the foreign members (Gregory and Patterson) of the Currency Committee to the Prime Minister, recommending measures to alleviate the present economic crisis in Greece, (see Embassy's despatches 3597 and 3753 dated February 4 and March 7, 1947, respectively) I have the honor to enclose a copy of a further letter dated March 10, 1947,[1] delivering a virtual ultimatum to the Greek Government on the necessity of stopping gold sales by the Bank of Greece, and disavowing further responsibility in case this is not done.

While the Embassy has long shared the view expressed by Gregory and Patterson that Greece cannot now afford the luxury—however desirable it may be in theory—of diverting scarce foreign exchange to the purchase and importation of gold for sale to private buyers; and the Embassy agrees with them, and the Porter Mission, that this practice should be terminated at the earliest practicable moment, nevertheless the Embassy does *not* believe that this step can safely be undertaken (1) before adequate controls on foreign trade, commodity prices, wages, etc. (as recommended in the Gregory–Patterson letter of February 28 to the Prime Minister—see despatch no. 3753 dated March 7) have been effectively established, and furthermore (2) before sufficient funds in dollar exchange are in sight to cover essential import requirements at least during the critical period of the next few months.

Fulfillment of the latter condition presumably will be basically accomplished by Congressional approval of the President's program of assistance to Greece. Effective establishment of the necessary economic controls and related measures by the Greek Government may take some time, since considerable governmental machinery for the

[1] Not printed.

purpose will have to be created and public acceptance of the controls established. Until these two conditions are realized, particularly as regards availability of foreign exchange, the Embassy believes that an official termination of gold sales cannot be undertaken without risk of seriously impairing the present relatively stable—but very sensitive—currency and commodity price situation.

Since President Truman's March 12 address to Congress on aid to Greece, the local trend in gold trading has been completely reversed; the private avidity to buy gold, which became increasingly conspicuous in the few days before March 12, suddenly turned into a rush to sell. The Bank of Greece buying price within a few days dropped from about 140,000 to 124,000 drachmas for the sovereign, and proportionately for the napoleon. Trading has now subsided, and daily purchases and sales by the Bank are at present insignificant. The public, and the Government, are anxiously awaiting the decisive action of Congress.

Until the situation in Greece, and in Washington in regard to Greece, "jells" more firmly, the Embassy feels that no radical change should be made by the Greek Government in its present policy of continuing the authority of the Bank of Greece to cautiously buy and sell gold for the purpose of stabilizing the currency.

Incidentally, the undersigned wishes vigorously to disassociate himself from the views of Gregory and Patterson expressed in paragraphs 3 and 4 of the enclosure, anent the "craven and utterly selfish attitude" of the Greek "business classes" regarding the purchase of gold. The private individual normally will protect himself as best he can under threatening circumstances, be he Greek, Russian, Chinese, or American. In this case the fault is in the Government's policy, not in the individual.

Respectfully yours,

For the Chargé d'Affaires, a.i.
H. Lawrence Groves
Counselor for Economic Affairs

740.00119 Council/3–3047 : Telegram

The Acting Secretary of State to the Secretary of State, at Moscow

SECRET WASHINGTON, March 31, 1947—7 p. m.

739. Secdel 1402. For Secretary from Acheson. Urtel 1091 Mar 30, Delsec 1369.[1] In preparing background documents for use of Congress

[1] In this telegram, Secretary Marshall stated: "In view of the reaction which the reported statement is causing in Britain and the use that is being made of it by Soviet propaganda organs telegraph me the text of any proposal made in the Department's presentation of conditions in Greece to Congress for transfer of Cyprus from British to Greek sovereignty." (740.00119 Council/3–3047)

in hearings on aid to Greece and Turkey, certain confidential working or study papers were included containing tentative positions and recommendations which had, however, not been approved on highest level as official US policy and should not have been included. Among these appeared following statement on Cyprus "We consider the question of Cyprus one to be settled bilaterally by Greece and the UK. However, we favor the cession of Cyprus to Greece if such transfer can be made to the satisfaction of the two countries involved and if due provision is made for the security of legitimate lines of communication in the Eastern Mediterranean and for the protection of the interests of the non-Greek population of the island."

At urgent Congressional request limited numbers of these documents were made available to correspondents for background and were not to be attributed to Dept or to represent fixed and final US policy. In rush of making these documents available, statement on Cyprus was included accidentally. Both Brit Emb here and Brit FonOff [2] in London have been informed of unauthorized nature of this statement. Particular document containing reference to Cyprus was withdrawn and revised version substituted which made no reference to Cyprus.

ACHESON

[2] Telegram 1830, March 24, from London reported that a British Foreign Office official had observed to an Embassy officer earlier the same day that "the statement in the secret documents on Greece . . . might cause serious trouble to British because of reference to cession of Cyprus to Greece by Great Britain". The Department in telegram 1460, April 2, instructed the Embassy in London to make an explanation to the British Foreign Office, along the lines set forth in telegram 739. (868.00/3–2447) Mr. Jernegan's article, previously cited, gives additional data on the treatment of Cyprus in the background documents.

868.24/4–247

Memorandum by Mr. William O. Baxter of the Division of Near Eastern Affairs to the Under Secretary of State (Acheson)

[WASHINGTON,] April 2, 1947.

In connection with the question asked of you yesterday it should be made clear that the United States has not *given* any military equipment to Greece. The following list contains items classed as military equipment which have been bought by Greece from the U.S. during the past three months under the surplus property credits made available to the Greek Government.

35 AT–6 training planes	19 Landing craft
19 Mine sweepers	1 Landing ship dock
1 Patrol craft	14 Aircraft engines

868.50/4–347

Memorandum by Mr. Ward P. Allen of the Executive Secretariat to the Acting Secretary of State

[WASHINGTON,] April 3, 1947.

The following is a summary of the recommendations contained in the attached tentative report of the American Economic Mission to Greece.[1]

A. *Amount of Aid* (pp. 13–18)

1. Military aid through June 1948—$181 million.

2. Reconstruction for 5-year period—$335 million total need. Most of the $151 million for the first two years must come from abroad and probably $30 million annually for the next three years also. This would provide a balanced budget and minimum civilian needs for the people.

B. *Measures to be Taken by Greece* (pp. 18–22F)

1. Increase revenues by simplifying the tax structure, improving income tax enforcement, and revising assessments and duties upwards.

2. Reduce expenditures by revising government auditing and accounting systems, strengthening the budget control of the Ministry of Finance, reviewing pension lists, and resisting increase in government salaries.

3. Augment foreign exchange by establishing a new exchange rate, seeking to restore pre-war European market, lifting embargoes on the export of olive oil, controlling imports, etc.

4. Begin administrative reform by reducing the number of civil servants, training personnel, and reorganizing the Ministry as per recent governmental recommendation.

5. Seek to improve the economy as a whole by:

a. Methods of direct control, including the development of labor dispute machinery, and the improvement of price and rent controls;
b. A program of reconstruction of public service and communication facilities pursuant to an overall plan (pg. 22C suggests a priority list);
c. A series of concrete steps to aid in industrial and agricultural recovery.

C. *Administration of the Program* (pp. 23–30)

1. It is suggested that separate from the mission a number of American technicians be employed as individuals by the Greek Government in key posts to participate in day-to-day operations.

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[1] Not printed; it was submitted on April 1, apparently informally, for interim use and comment by the Department. Ambassador Porter formally transmitted the tentative report, dated April 25, with his letter of the same date to Mr. Acheson, who made acknowledgement on May 3 (868.50 Porter /4–2547).

2. It is strongly recommended that the permanent mission be small (initially about 25), with groups of experts sent for limited periods as temporary members.

3. The mission should have two sanctions: (*a*) power to stop or curtail aid and (*b*) the obligation to publish quarterly reports on progress of Greek recovery.

4. The mission should exercise general supervision of all government finance and participate in the development of fiscal policies. It need not scrutinize each expenditure.

5. The mission should be the sole United States authority in Greece to supervise all American aid programs (including surplus property and Exim Bank), as well as all governmental or private imports.

6. The mission should be autonomous and separate from the Embassy, with general policies determined in Washington. The American military authority should be on the staff of the Chief of the Mission.

7. A United Nations adviser should be attached to the mission and some of the groups of experts for special studies can be furnished by the United Nations.

868.00/4–347 : Telegram

The Acting Secretary of State to the Secretary of State, at Moscow

CONFIDENTIAL WASHINGTON, April 3, 1947—7 p. m.

795. Moskco 41. Personal for the Secretary. Senate Foreign Relations Committee today unanimously reported Greek-Turkish assistance bill. Only substantial amendment was modified form of Vandenberg proposal regarding UN which Dept reluctantly agreed to. It provides that if the Security Council or General Assembly find that action taken or assistance furnished by UN makes continuance of aid by US unnecessary or undesirable and so notifies the President, the President shall withdraw aid. With respect to the finding by the Security Council amendment provides further that US waives exercise of veto. Other amendments agreed to were Vandenberg–Connally preamble principally on UN, Lodge amendment prohibiting use of funds for payment of principal or interest on loans to other foreign govts, and Lodge amendment making Chief of Mission sent to either country to supervise expenditure of funds subject to Senate confirmation. Present plan is to get bill to floor of Senate next week. House Foreign Affairs Committee continuing public hearings through next Wednesday. Prospect of final action before latter part of April not good.

[Here follow three paragraphs of discussion of legislation other than the Greek-Turkish aid bill.]

ACHESON

867.00/4–447 : Telegram

The Ambassador to Turkey (Wilson) to the Embassy in Turkey [1]

CONFIDENTIAL WASHINGTON, April 4, 1947—9 p. m.

185. For Bursley [2] from Wilson. Turk Amb [3] asked to see me yesterday and read me telegram from his Govt giving their reaction to pending bill for aid to Greece and Turkey. Gist of it was that they felt bill as now drafted contained principle of control to be exercised in Turkey and if this was so they could not accept aid.

I explained to Baydur impossible now to obtain amendment to change wording of bill. I told him, moreover, that in my view bill as drafted does not contemplate exercise of control by US in Turkey. What bill does in Section 3 para *a* (paragraph Turk govt objects to) is to provide that Turkey shall agree to permit US officials to observe manner in which assistance is utilized. I said that there will of course be control exercised in United States by US Govt in same manner as Eximbank exercises control over utilization of $25,000,000 credit through giving its approval or disapproval specific economic projects. In much same way, US Govt after consultation with Turkey, will determine what military equipment and other aid should be provided to Turkey, will procure, ship and deliver this equipment to Turkey. All that will take place on Turkish territory will be "observing" by US officials as to manner in which Turkey utilizes assistance given.

I pointed out to Amb that Greek and Turkish situations wholly different. Greece is on verge of collapse and has in effect requested US to send mission to reorganize Greek finance, economy, etc. There will also be an extension aid similar to UNRRA activties under control of US officials. Nothing of this sort has been requested by Turk Govt and nothing of this sort is contemplated by US Govt.

I also told Amb that I had recommended to State Dept that in order to emphasize difference between ways of handling program in Greece and Turkey, the person who under the bill will be appointed to head mission for observing utilization of aid in Turkey should be myself; one of my functions as Amb to Turkey has been to observe conditions in that country and under terms of proposed legislation I would observe and report to my Govt manner in which Turkey utilizes US assistance.

I said to Turk Amb that in view of my interpretation of bill and its application as stated above, I felt Turk Govt fears of US "control"

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[1] The Ambassador was in the United States for consultation.
[2] Herbert S. Bursley, Counselor of Embassy in Turkey; at this time, the Chargé.
[3] Huseyin Ragip Baydur.

being exercised in Turkey were groundless. He said he would report my views to his Govt.

I suggest you call on Erkin and give him my views of this matter as stated above. These views are of course personal and I am sending them to you without any check in offices of Dept. I feel, however, that they are sound and in accordance with principles and purpose of program to aid Turkey. If these views turn out to be correct and are approved by Dept, as I believe they will be, Turk Govt can accept this aid without any apprehension concerning "control". If, however, these views are disapproved and some element of control within Turkey comes into picture, Turk Govt will of course be free to decline assistance. Please add to Erkin that if I believed there were any thought or intention of seeking exercise control by US in Turkey, I should advise Dept to omit Turkey from bill.

Since dictating foregoing, I have shown it to Acting Sec who agrees with views expressed as covering situation at present stage, and who has explained matter to Congressional Committees in same manner. This is for your information only since it seems better not to bring Dept into picture at this stage in view possibility legislation may be amended later.

[WILSON]

868.00/4–747

The Acting Secretary of State to the Secretary of War (Patterson)[1]

WASHINGTON, April 7, 1947.

MY DEAR MR. SECRETARY: Although the Greek Assistance Program is still under consideration by the Congress, it is considered desirable that a start be made in planning the various activities which this program will include. In order to initiate and coordinate this planning among the various agencies of the Government which will have a relationship to the program, the Department of State proposes to create an Interdepartmental Interim Greek Assistance Committee to be composed of representatives of the following agencies:

Department of State
Treasury Department
War Department
Navy Department
Department of Agriculture
Department of Commerce
Bureau of the Budget

[1] Identical letters were sent on April 7 to the Treasury, Navy, Agriculture and Commerce Departments and to the Bureau of the Budget. The Department of Labor was invited to membership on April 14 (868.00/4–1447).

The Chairman of this Committee will be Mr. Willard Thorp, Assistant Secretary of State for Economic Affairs.

It would be appreciated if you would name a representative from your Department to this Committee and would advise us who this representative will be. The first meeting will be held at 2:30 p. m., Wednesday, April 9, 1947, in Room 474 Old State Building, Seventeenth Street and Pennsylvania Avenue Northwest.[2]

Sincerely yours, DEAN ACHESON

[2] The Interdepartmental Interim Greek Assistance Committee met for the first time on April 9 and discussed the relationship of the various departments to the Greek assistance program, the question of a basic agreement with Greece, various military, agricultural, tax, civil service reform, procurement and import-export programs, and the question of personnel (IGAC M–1, 868.00/4–947). For an account of the Department of State's coordination of the activities of the various federal agencies in connection with the Greek-Turkish aid program, see Department of State *Bulletin*, January 9, 1949, p. 55.

Statement by the United States Representative at the United Nations (Austin) [1]

[Extract]

. . . . . .

The fact that military aid to Greece and Turkey is contemplated under the proposals now before the Congress of the United States, and the fact that the Soviet representative made a number of references to this in his remarks to the Council at its last meeting, compels me to discuss two further aspects of the matter: first, the question whether the proposed aid to Greece and Turkey would constitute an unwarranted interference in the domestic affairs of those countries, and secondly, whether the proposed action by the United States would be inconsistent with the purposes and principles of the United Nations Charter.

The President's proposals to Congress have been made pursuant to requests from the established Governments of Greece and Turkey. The Executive did not propose intervention in the domestic affairs of those countries. Moreover, any such intention is specifically repudiated in the report of the Committee on Foreign Relations, recommending favourable action by the Senate on the Bill (S. 938) which provides for assistance to Greece and Turkey. On page 5 of that report, it is stated: "Section 3 provides that, before assistance is furnished, the Governments of Greece and Turkey shall agree to certain reasonable under-

[1] Made before the Security Council on April 10, 1947; reprinted from United Nations, *Official Records of the Security Council, Second Year, No. 35*, pp. 746–747. For Ambassador Austin's letter of May 8 to the Chairman of the House Committee on Foreign Affairs, see Department of State *Bulletin*, June 1, 1947, p. 1074.

takings, consistent with the sovereign independence of these countries, which provide the United States with proper safeguards against the improper utilization of assistance furnished."

As I have already stated, any agreements entered into with the Governments of Greece and Turkey in this matter, pursuant to this legislation, if passed, will be registered with the United Nations, and the Members of the United Nations will therefore be fully provided with an opportunity to determine if there is any unwarranted interference in the internal affairs of Greece or Turkey.

The report mentioned further states: "Such conditions are not, of course, intended to impair in any manner the sovereign independence or internal security of the two countries."

Rather than dwell further upon that aspect of the matter, I should prefer to rely upon any comments which the Governments of Greece and Turkey might wish to make at an appropriate time.

Depending on the substance of the legislation finally passed, the proposed military aid might take the form on the one hand, of providing small numbers of advisory personnel, and on the other hand, of providing military supplies and equipment. The purpose of the proposed aid is consistent with the purposes and principles of the United Nations Charter with respect to the maintenance of the integrity, domestic tranquillity, and security of the State, which are necessary conditions for economic welfare.

The emergency aid proposed both in the military and economic fields is in support of the United Nations policy of creating conditions of stability and well-being, which are necessary for peaceful and friendly relations among nations, based on respect for the principle of equal rights and self-determination of peoples.

. . . . . .

841.2368/4–1147 : Telegram

The Secretary of State to the Acting Secretary of State

TOP SECRET
URGENT

Moscow, April 11, 1947—7 p. m.

1318. Kosmos 32. Personal for Acheson from Marshall. The following letter has just been received from Mr. Bevin:

"Dear Mr. Marshall: You will remember that when we met on the 26th March we discussed the question of the retention of the British Military Mission in Greece. You asked me whether it would be possible for us to say that we would leave the Mission in Greece 'until their task is completed' rather than 'for the time being'.

I have now heard from my Government that they agree to leave the Mission in Greece until its task is completed, on the understanding that the Greek Government will pay for its maintenance in dollars from the United States loan.

When we talked, I understood from you that you thought your Government would be able to agree to this. I should be grateful if you could confirm that this is the case. If so, I suggest that the exact way, in which payment would be made, can be worked out in detail by our two governments and the Greek Government at a latter stage.

Yours sincerely, (signed) Ernest Bevin."

Please furnish me basis for reply.

[MARSHALL]

868.00/4–1147 : Telegram

The Ambassador to Greece (MacVeagh) to the Greek Prime Minister (Maximos)[1]

SECRET WASHINGTON, April 11, 1947—7 p. m.

While every effort is being made here to secure implementation of the President's program for aid to Greece, public opinion is being constantly disturbed by reports of official toleration of rightist excesses and the application of security measures to non-subversive political opponents of the govt. The impression created by these reports is that the President's program aims to assist a reactionary regime with all the earmarks of a police state, which is an idea unacceptable to the American people.

Officials of the Dept of State and many others in authority realize fully that Greece is in danger from the communist menace both within and without the country, and that drastic measures are necessary in such a situation. They also understand the difficulty of administering even-handed justice at all times and in all places under such circumstances. Nevertheless, they are being embarrassed, and the success of the President's proposals is being imperilled, by the reports above mentioned.

You will remember my concern over this matter expressed to you on numerous occasions. You will also remember your assurance to me that in my absence your policy would be in accord with the President's message. I would now respectfully emphasize again, but with a new urgency born of a critical moment, the advisability (1) of your Govt's giving some clear factual evidence of its political tolerance and broad national character by proceeding with equal vigilance and severity

[1] Transmitted to Athens in telegram 449 with the instruction: "Please convey following personal message to Mr. Maximos from MacVeagh." The Ambassador was in the United States for consultation.

against all lawlessness whether of the right or left, and (2) of its giving its actions in this respect the fullest and most persistent publicity. That the Government of Greece is "fascist" in mind and action is the argument which is telling more potently than any other against the President's program and it can be effectively answered only by the observed conduct of that Govt itself.[2]

[MACVEAGH]

[2] In telegram 522, April 14, 5 p. m., from Athens, Chargé Keeley reported that Ambassador MacVeagh's message was received at Athens on April 13 "and communicated Prime Minister same evening. He said he would shortly furnish for reassurance of the Ambassador copies of orders already issued by his direction to all security agencies to proceed with equal vigilance and severity against all lawlessness whether of the right or left. I reiterated previous comment . . . that equally important to issuance such orders is to see that they are obeyed and that more important than reassurance to Ambassador was to see that conduct of security agencies is so unmistakably impartial that observers, particularly foreign news correspondents, would so report instead of contrary. He said he fully agreed but that hatred engendered by left excesses is so great it is difficult to control rightist retaliation. However, I might assure Ambassador that he would continue to do his utmost to keep govt's actions in accord with his policy which would continue to be in harmony with President's message." (868.00/4–1447). Prime Minister Maximos' formal reply to Ambassador MacVeagh was conveyed by the Embassy in Athens in telegram 539, April 17, midnight (868.00/4–1747).

868.20/4–1147 : Telegram

The Acting Secretary of State to the Secretary of State, at Moscow

TOP SECRET
US URGENT

WASHINGTON, April 12, 1947—2 p. m.

904. Moskco 57. For the Secretary from Acheson. Reurtel 1318.[1] Amendment to Greece–Turkey bill reported by Senate Committee and agreed to by me provides as condition precedent to receipt of any assistance under Act that government requesting it shall agree "not to use any part of the proceeds of any loan, credit, grant or other form of financial aid rendered pursuant to this Act for the making of any payment on account of the principal or interest on any loan made to such government by any foreign government."

House Committee has under consideration broadening this provision. In opposing such action as unnecessary I stated to Committee categorically that we had no intention of using any part of funds to pay costs of British troops or missions in either country. House Committee is also considering over our objection limitation of US military personnel in each country to 100.

British proposal to be repaid in dollars from our loan would produce storm of protest here and undoubtedly an amendment specifically

[1] Dated April 11, p. 141.

prohibiting it, if it is not already covered by above Senate amendment as may be case.

British do not pay dollars for upkeep of mission and the sterling costs of approximately 1,000 officers and men, which would continue even if they moved out of Greece, are too trifling to warrant serious embarrassment to us which such picayune haggling would cause. (See ourtel 619, March 21). When British Ambassador made similar suggestion last month I told him very plainly that direct or indirect payment by US for British troops or missions in Greece was quite impossible.

We see no reason why Greek Government should not, if it is not already doing so, provide food and quarters for British mission.

I am sure this proposal does not come from Bevin but from Treasury. I am repeating your 1318 and this message to London asking Douglas, unless he hears from you to contrary by Monday to make vigorous attempt to get Treasury withdraw suggestion.

ACHESON

867.00/4–947 : Telegram

The Ambassador in Turkey (Wilson) to the Embassy in Turkey

SECRET WASHINGTON, April 13, 1947—10 a. m.

198. For Bursley from Wilson. Turk reaction reported your 275 Apr 9 [1] seems to be encouraging.

Word "administrator" does not appear in bill. It is provided that "chief of any mission" to a country receiving assistance under this act shall be appointed by President with advice and consent of Senate. Presumably I shall be appointed "chief of mission" for purposes of act and my functions will be those stated in Sec 3 Para *a* namely observing manner of utilizing assistance given. You might wish to advise Erkin informally of this since he appeared disturbed over use of term "administrator".[2]

[WILSON]

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[1] In telegram 275, April 9, from Ankara, Chargé Bursley reported that Secretary General Erkin had advised him earlier the same day of his appreciation of the helpful actions of Ambasador Wilson and that the Turkish Government would give the Ambassador all facilities to observe and report. The Chargé also stressed Mr. Erkin's dislike of the term "administrator" (867.00/4–947).

[2] In telegram 285, April 15, 2 p.m., the Embassy in Ankara reported that the substance of telegram 198 had been given to Mr. Erkin who felt that the ideas set forth would work satisfactorily (868.00/4–1547). In telegram 315, April 30, 5 p.m., Ambassador Wilson stated that upon his return to Ankara he had talked with the Turkish Prime Minister, the Foreign Minister, and the Secretary General of the Foreign Office, all of whom expressed the warmest appreciation of United States support for Turkish independence. At the same time, it was "evident govt is troubled by criticism from local opposition and from Soviet satellites to effect Turk govt planning to place country under US tutelage." (867.00/4–3047)

868.00/4–1447 : Telegram

The Ambassador in the United Kingdom (Douglas) to the Secretary of State

TOP SECRET
URGENT

LONDON, April 14, 1967—6 p. m.

2198. Personal for Acheson. ReDeptel 1624, April 12 [1] and Kosmos 32 top secret. Explained to Hector McNeil provision of the amendment to the Greece–Turkey bill reported by the Senate Committee and of your statement to the House Committee to the effect that we had no intention of using any part of the funds to pay costs of British troops or Missions in either Greece or Turkey. Likewise informed him of the possibility that the House Committee would place much tighter restrictions on the use of the funds than those embodied in the amendment reported by the Senate Committee. He understands that the proposal outlined in Bevin's letter to the Secretary would cause great criticism in Congress and in the United States. He will use his influence to persuade the Treasury to withdraw its suggestion and will attempt, he hopes with success, to make arrangements under which the Greek Government will pay all drachma costs of British Mission with the British Government assuming all sterling costs. If this meets with your approval, please advise me promptly so that I can inform him to proceed along these lines with the Treasury.[2]

[Here follows a paragraph about American intentions concerning collaboration with the British Economic Mission in Greece.]

Repeated to Moscow for Secretary Marshall as 175.

DOUGLAS

[1] Not printed; it quoted telegram 1318, Kosmos 32, April 11, from Moscow and telegram 904, Moskco 57, April 12, to Moscow, pp. 141, 143 (868.20/4–1147).

[2] In telegram 1651, April 15, to London, the Department advised Ambassador Douglas to inform Mr. McNeil that these arrangements appeared reasonable and that the Department hoped they would be approved by the Treasury (868.00/4–1447).

841.2368/4–1547 : Telegram

The Secretary of State to the Acting Secretary of State

TOP SECRET

MOSCOW, April 15, 1947—11 p. m.

1386. Kosmos 41. Personal for Acheson from Marshall. Your Moskco 57 refers.[1] I have this date sent the following letter to Mr. Bevin.

[1] Telegram 904, April 12, to Moscow, p. 143.

"I refer to your letter of April 11, in which you state that the British Military Mission will remain in Greece 'until their task is completed' on the understanding that the Greek Government will pay for its maintenance in dollars from the United States loan. You asked me to confirm that my Government would agree to this procedure.

I am informed that the British Ambassador in Washington made a similar suggestion last month and was told that direct or indirect payment by the United States for British troops or missions in Greece was quite impossible. It is my understanding that the British Mission does not pay dollars for its upkeep in Greece, and it seems to me that the sterling costs of approximately 1,000 officers and men, which would continue even if they moved out of Greece, are too inconsequential to warrant the serious embarrassment which would result if my Government made an effort to accede to such a request.

Further, an amendment to the United States bill now being considered provides, as a condition precedent to receipt of any assistance under the act, that the government requesting such assistance shall agree 'not to use any part of the proceeds of any loan, credit, grant or other form of financial aid rendered pursuant to this act for the making of any payment on account of the principal or interest on any loan made to such government by any foreign government'. I am informed that there is under consideration in the Congress a plan to broaden this provision, and in opposing such restrictive action the Acting Secretary of State stated that we had no intention of using any part of the funds to pay the costs of British troops or missions in Greece. It appears to me feasible to have the Greek Government, if it is not already doing so, provide food and quarters for the British Mission.

In view of the foregoing, I trust that your Government will find it practicable to bear this relatively small cost, or to make other arrangements for payment, without involving in any way expenditures of any portion of the proposed United States loan to the Greek Government. Faithfully yours, signed George C. Marshall."

[MARSHALL]

868.50/4–1647 : Telegram

The Acting Secretary of State to the Embassy in Greece

SECRET WASHINGTON, April 16, 1947—6 p. m.

474. In personal letter to Maximos dated Mar 17, Ambassador MacVeagh transmitted substance of memorandum from Ambassador Porter stressing importance of immediate action by Greek Gov on several measures proposed by American Economic Mission to minimize possibility of economic deterioration pending implementation of US aid program. On Mar 21, Maximos assured Economic Mission's staff that steps were being taken to establish a Foreign Trade Administration, expedite olive oil exports, and centralize in Currency Committee responsibility for handling government workers' wage demands. MacVeagh and Porter are concerned at apparent lack of progress

since their departure. Dept shares their concern, and requests that Emb inquire of Maximos concerning status of Foreign Trade Administration and olive oil export plan in particular, as well as other measures discussed in MacVeagh's letter to Maximos. Emb should emphasize to Maximos that clear demonstration of Greek Gov's willingness to do everything possible to help itself is essential to maintenance of present favorable attitude of US Congress and people towards Greece.

In this connection, it should be pointed out that bill now under consideration in Congress authorizing 350 million dollar relief to various countries including Greece provides that no relief shall be provided to any country unless its government has given assurances satisfactory to President that necessary economic measures have been or are being taken, insofar as possible, to reduce country relief needs and provide for its own reconstruction. Bill also provides relief shall cease whenever it becomes apparent assurances are not being carried out.

Emb should also point out that economic deterioration resulting from failure to act may seriously diminish effectiveness of whatever US aid becomes available.

ACHESON

868.00/4–1847 : Telegram

The Acting Secretary of State to the Secretary of State, at Moscow

TOP SECRET
US URGENT

WASHINGTON, April 18, 1947—6 p. m.

982. Moskco 71. Eyes only for Marshall from Acheson. I have just talked to Vandenberg who tells me that there has for some days been a whispering campaign to the effect that the Greek-Turkish aid program was formulated in your absence and you have not expressed yourself on it. Vandenberg says this campaign today came into the open in the introduction of a resolution by Senator Wiley to the effect that action on the Bill should be deferred until your return and the Senate has had the benefit of your views. This resolution will be referred to the Foreign Relations Committee where it will be defeated but Vandenberg would like very much to close the debate on the aid program on Tuesday with a brief statement from you indorsing the Bill in strong terms. He said that a one-paragraph statement to the effect that you consider this program indispensable and that you attach the highest order of urgency to it would enable him to close the debate in a highly effective manner next Tuesday.

You might wish to consider including in your statement reference to the fact that prior to your departure for Moscow you participated

in the discussions of this program and in the decision to go forward with it; and that the President telegraphed the text of his message of March 12 to you in Paris prior to its delivery in Congress and that it had your full approval.[1]

ACHESON

[1] See telegram 1013, p. 100.

868.00/4–1947 : Telegram

The Secretary of State to the Acting Secretary of State

TOP SECRET
URGENT

Moscow, April 19, 1947—7 p. m.

1467. Kosmos 52. Please deliver following message to Senator Vandenberg:

"Dear Senator Vandenberg: I understand some question has arisen as to my participation in the Greek-Turkish aid program.

"As you know, prior to my departure for Moscow, I participated in the formulation of this program and in the decision to go forward with it. When I reached Paris on March 6, the President telegraphed the proposed text of his message of March 12 and I informed the Department that I fully concurred.

"I personally, and for the State Department, attach the highest order of urgency to immediate passage of the Greek-Turkish aid legislation. In my opinion the program proposed is indispensable and I am in complete accord with the actions taken by Mr. Acheson for the Department and by the Foreign Relations Committee of the Senate, in urging the Congress to pass this legislation.

"Faithfully yours,

"Signed George C. Marshall."[1]

[MARSHALL]

[1] The Secretary of State, on May 5, sent a letter along somewhat similar lines to Charles A. Eaton, Chairman of the House Committee on Foreign Affairs; for text, see Department of State *Bulletin*, June 1, 1947, p. 1073.

841.2368/4–2347 : Telegram

The Secretary of State to the Acting Secretary of State

SECRET
URGENT

Moscow, April 23, 1947—7 p. m.

1519. Kosmos 60. For Acheson, from Marshall. Following letter from Bevin dated April 22 on British Military Mission in Greece appears to satisfy our requirements. Please give me Department's view on which to base reply.

"Dear Mr. Marshall: You wrote to me on April 15, about the maintenance of the British Military Mission in Greece.

"I fully appreciate the difficulties of the United States to which you draw attention, though I would ask you to bear in mind the Parliamentary difficulties which we too have to face in regard to the question of British forces in Greece.

"I am nevertheless happy to be able to inform you that His Majesty's Government agree that they should continue to bear the sterling cost of the Military Mission provided that the Greek Government furnish food and accommodation.

"If this arrangement, as I hope, is satisfactory to you, we will instruct His Majesty's Ambassador in Athens to inform the Greek Government that, after consultation with the United States Government, we are prepared to retain the Military Mission on the above basis. Yours sincerely, Ernest Bevin." [1]

[MARSHALL]

[1] In telegram 1062, Secdel 1488, April 24, to Moscow, Acting Secretary Acheson, in reply to Secretary Marshall, stated: "you may wish to express US appreciation to Bevin for agreed arrangements for financing Brit Military Mission as expressed in his letter to you of Apr 22 and inform him that we perceive no objection to having Brit Amb approach Greek Govt and will concert with Brit Emb Athens if necessary or desirable in urging Greek Govt to accept these arrangements." (740.00119 Council/4–2447) Telegram 1062 was repeated to the Embassy in London as No. 1794.

The Secretary left Moscow before receipt of telegram 1062 and in telegram 1860, April 29, from Washington, he instructed the Embassy in London to take appropriate action (841.2368/4–2347).

868.51/4–2447

Memorandum of Conversation, by the Assistant Chief of the Division of Near Eastern Affairs (Jernegan)

CONFIDENTIAL [WASHINGTON,] April 24, 1947.

Participants: Henry S. Villard, State Department
George M [*C*]. McGhee " "
General J. K. Crain " "
John D. Jernegan " "
Rear Admiral Frank L. [*Edmund T.*] Wooldridge, Navy Department
Captain G. A. Sinclair, Navy Department
Captain M. M. Dupré, Navy Department
Colonel T. W. Parker, War Department
Lieut. Colonel Offer, War Department

A group, which included all members of the SWNCC Subcommittee on the Near and Middle East, met as an *ad hoc* body to discuss problems affecting the preliminary allocation of funds as between the military, naval, and economic phases of the Greek-Turkish Assistance Program.

Admiral Wooldridge pointed out that the Navy Department had originally been given a tentative allocation of $10 million for its part in assistance to Greece, whereas present information indicated that

twelve or twelve and one-half million dollars would be needed merely for maintenance and supply of the Greek Navy in its present form. In addition, it appeared that it would be necessary to furnish certain amphibious craft, at a cost of between $4 million and $5 million, which had not been included in the original calculations. These craft would replace similar vessels now serving with the Greek Navy but which belonged to the British Navy and which the British had stated they must withdraw within six months. The Navy Department believed the Greek Navy would still need these vessels after the end of the six months period and it was therefore considered important that we be prepared to make replacements available. Since it was necessary to recondition the craft we would furnish, a task requiring some three months, the decision to do so could not be long delayed. In the light of the foregoing, the Navy Department felt that its preliminary allocation should be increased to about $17 million to enable it to make the necessary plans.

Colonel Parker stated the War Department's view as being that there should be for the present no change in the original tentative allocations since it was still impossible to determine what the needs would be in the various phases of the program or the relative urgency of different categories of expenditures.

After discussion it was agreed by the group that the Navy's preliminary allocation should be increased, tentatively, to twelve and one-half million dollars to cover logistic requirements and that a reserve fund of indeterminate size should be established out of the global amount of funds which would be available, this fund to be regarded as potentially including an additional $5 million for the Navy to cover the cost of supplying the amphibious craft if it should be determined that they were essential.

It was further agreed that the State Department should approach the British Government to see whether the British craft now serving with the Greek Navy could not be left on loan and so obviate the need for the U.S. to provide replacements.[1] This approach was to be based on the British assurance in their note of March 1[4], 1947 that the U.S. could continue to count upon British collaboration in supporting Greece and Turkey. Captain Sinclair was to provide the necessary factual information for the State Department's action. It was further suggested that if the British refused to extend the loan of the craft in question, they might be asked to sell them, the thought being that this might be a cheaper and more expeditious method of assuring their use to the Greek Navy than to recondition laid-up American craft.

[1] According to a marginal notation by Mr. Villard, Captain Sinclair later notified the Department that the Navy would approach the British Government on this matter.

It was pointed out that preliminary administrative cost estimates were urgently needed for planning purposes in connection with the Greek program as a whole and that it was also important to decide quickly how the initial $100 million to be obtained under the Greek-Turkish bill from the RFC should be allocated. With respect to this latter question, it was explained that we cannot be sure when the appropriations committees will approve the full $400 million figure and that this may easily not occur before July 1. Meanwhile it was essential to take care of the urgent needs of Greece.

It was agreed that the three Departments would each make estimates of their respective administrative costs in connection with the program, including costs attributable to the Turkish program, for the period ending July 1. It was further agreed that each Department would draw up a list of "must" expenditures and another list of "priority" expenditures for the period ending July 1.

A further meeting, not necessarily composed of the same persons, should be held in the next few days to correlate these estimates and arrive at agreed figures for administrative and other allocations.

868.00/4–2547 : Telegram

The Chargé in Greece (Keeley) to the Secretary of State

SECRET ATHENS, April 25, 1947—5 p. m.

579. In conference April 22, Groves and I discussed with Prime Minister substance of Deptel 474, April 16 with following results:

1. Prime Minister reiterated his previous statement that Ministerial Council has definitely agreed to establishment of centralized Foreign Trade Administration. However, Prime Minister considers this an extremely important agency in reconstruction program and expressed strong desire to delay finalizing enabling decree until after consultation with our forthcoming mission. Embassy considers this viewpoint sound.

2. Decision to authorize olive oil exports likewise has been approved by Council and Prime Minister stated that "within few days" enabling decrees will be issued. Plan foresees centralizing exports in agricultural bank which will thus acquire all foreign exchange proceeds but producers and exporters will get full benefit of higher foreign prices in drachmas after export taxes.

3. Prime Minister said Council also is definitely committed to obtain approval of Currency Committee for any increases for Govt employees. This commitment received successful test in recent demands of civil servants for Easter bonus.

Necessity of adopting promptly positive remedial economic measures wherever feasible was emphasized in accordance with Prime

Minister's verbal commitment to Ambassador MacVeagh before departure.

Prime Minister confirmed his intention in this regard but it was clear that he is anxious to have the views and backing of our prospective mission before casting die on major issues like Foreign Trade Administration. He outlined again his personal views favoring organization of a top Greek-American Committee with broad powers to establish entire reconstruction policy immediately after arrival our Economic Mission.

Meantime economic situation here holds relatively stable with gold transactions insignificant, labor situation threateningly quiescent and commodity price pressure upward.

KEELEY

868.20/4–2647 : Telegram

The Chargé in Greece (Keeley) to the Secretary of State

SECRET ATHENS, April 26, 1947—8 p. m.

590. Prime Minister yesterday asked Currency Control Committee through British member Sir Theodore Gregory to authorize necessary credits for increase of *gendarmerie* by 6000 as rapidly as possible (see mytel 570, April 24[1]). Gregory is however refusing assent pending indications of Department's views on matter. US member Patterson who is now absent in Turkey also told Embassy before departure that he would desire Department's guidance re authorization of credits for *gendarmerie* or army expansion in view of political, economic and military considerations involved.

In course of conversation this morning on other matters Prime Minister told me new recruits are needed urgently in Peloponnesus where present *gendarmerie* force of 2,500 is unable to cope with new flare-up of violence which threatens to get out of hand involving squabble between right wing partisans of Mavromichaelis and Zervas as well as Communists. There are no other Government combat forces in Peloponnesus he said, since army is concentrated and must remain in Thessaly and north except for small detachment of 500 which it is planned to transfer to Peloponnesus pending recruitment additional *gendarmes*.

[Here follow two paragraphs of further discussion of disorders in the Peloponnesus.]

With respect to rumored army increases Prime Minister confirmed Government's intention to take in young recruits for 3 months training

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[1] Not printed; it reported confirmation from the Greek Minister of War and the Chief of Staff that the Greek Government had authorized a temporary increase in the strength of the Army to 140,000 men, by induction of 30,000 new recruits through August, and an increase of 6,000 in the *Gendarmerie*, raising that group's strength to 36,000 (868.20/4–2447).

before releasing equivalent number older veterans thus upping army temporarily to 140,000 men. He also told me that as soon as aid bill passes Congress he intends to propose substantial increase in army in order to permit rapid liquidation of guerrilla provoked disorders and thereby open way for earliest inauguration of program of economic rehabilitation rather than delay latter while trying to restore order with smaller numbers. Recalling to Prime Minister recent evidences of opposition in American circles to feared "military adventures", I said he should not be too optimistic of US approval of large army increase. I added that unfavorable reaction of American public opinion might possibly be mitigated if sincere and specific measures for political reconciliation were undertaken simultaneously under some guarantee that would instill confidence in honest dissidents now fighting in hills.

According reliable intelligence sources proposed *gendarmerie* and army increases are causing concern in most centrist opposition circles where it is believe that Zervas and Greek General Staff are currently aiming at *gendarmerie* and army strengths of 50,000 and 200,000. On other hand, Venizelos personally admitted to me last night his belief that increase in armed forces is essential to quell guerrillas although show of real force he added must be accompanied by genuine amnesty "under American guarantee". Military Attaché Holly after further consultants with British and Greek military authorities also gives it as his professional opinion that an increase in the strength of the armed forces is an obvious military necessity.

KEELEY

867.00/5–1247

Report by the State–War–Navy Coordinating Subcommittee for the Near and Middle East [1]

SECRET [WASHINGTON, undated.]
SWNCC 358/1

SURVEY OF U.S. ASSISTANCE TO TURKEY

THE PROBLEM

1. To consider the size, composition, method of operation, and terms of reference of a group of assistants to be dispatched to Turkey for the purpose of assisting the U.S. Ambassador in determining Turkey's requirements for U.S. assistance within the scope of the Aid to Turkey Legislation.

[1] Circulated on April 28 and approved by the State–War–Navy Coordinating Committee by informal action on May 12.

FACTS BEARING ON THE PROBLEM AND DISCUSSION

2. Authority for assistance to Turkey will be included in legislation now under consideration by the Congress. It is estimated that this legislation will be passed during the week 27 April–3 May. Approximately $100,000,000 is expected to become available, subject to passage of necessary appropriations legislation, and subject to approval of the Department of State. The Department of State will have authority to allocate, within the limits of the total appropriations for assistance to Greece and Turkey, the portions to be provided for each country.

3. In his message to Congress of 12 March 1947 the President expressed the principle of assistance to Turkey and indicated its general scope and timing. The authority for such assistance is contained in a Bill currently being considered by Congress providing for a loan or gift to Greece and Turkey of up to four hundred million dollars. It is anticipated that approximately one hundred million dollars of this amount will be allocated to Turkey although the Bill itself does not contain any provision allocating the funds between the two countries. In addition to authorizing funds, the Bill contains authority for the President to detail a limited number of military personnel and civilian personnel of the U.S. Government to assist the countries in an advisory capacity, to transfer to Greece and Turkey military and civilian supplies, and to reimburse the Departments concerned for such supplies. It requires that expenditures be observed by U.S. Government representatives to insure their proper utilization.

4. Although British military authorities in Greece were able to provide reasonably accurate estimates of assistance required from the U.S. for the Greek Armed Forces, they are unable to provide similar estimates in the case of Turkey. The U.S. Ambassador in Turkey and particularly the Military and Naval Attachés have likewise been unable to determine the needs of the Turkish Armed Forces. It is concluded that any program of assistance to Turkey as envisaged by the legislation under consideration must be preceded by an overall study of the Turkish military and economic situation in order that the limited funds may be utilized most efficiently.

5. It appears necessary to dispatch to Turkey, with the least possible delay after the passage of the legislation, a small group of assistance [*assistants*] to aid the U.S. Ambassador to Turkey in making a survey of Turkey with the objective of making recommendations as to the most efficient expenditure of funds for assistance to Turkey within the limits of the program authorized by Congress. The current breakdown of the Turkish budget for its Armed Forces is approximately 60% for the Army, 30% for the Air Force and 10% for the Navy. In the group to assist the Ambassador, approximately twenty-six Army and Air Force representatives and twelve Navy representatives ap-

pears to be adequate. The State Department desires to include only one or two economists. These personnel estimates include the clerical assistance [*assistants*] required for the group since the U.S. Embassy does not have the facilities to support them while in Turkey. The Ambassador's group should consist of planning personnel to include strategic, operational, and logistical planners and specialists in the fields of communication, transportation and munitions. In order to avoid a dominant military aspect, civilian experts should be used wherever practical.

6. Although certain preliminary steps have been taken to assemble the group, it appears that the middle of May is the earliest estimated date of departure practicable. Assembling the personnel in Washington and briefing them prior to their departure will require at least three weeks. Since the group is small and since time is an important factor, it should proceed from Washington to Ankara by fastest transportation available.

7. Because the Turks are a proud people, jealous of their sovereignty, it is considered desirable to have the survey group operate under the U.S. Ambassador to Turkey, utilizing his established position to avoid any aspect of unwarranted U.S. interference in Turkish affairs. He should be directed to make the survey and should be furnished adequate assistance as discussed above.

8. The final objective of the survey will be the preparation of findings and recommendations to the U.S. Government as to how the appropriated funds can best be expended to achieve objectives of U.S. assistance to Turkey. These recommendations should cover a wide scope, including specific requirements of the Turkish Armed Forces for equipment and supplies, relative priority of various items, such economic and industrial assistance as might be required, reorganization desirable in the Turkish Armed Forces, additional training to be accorded Turkish Armed Forces by the U.S. and British, the part to be played by the British in further assistance to Turkey, relationship between U.S. and British personnel, if both remain in Turkey, the phasing of supply of required items, and the degree of supervision to be exercised over the utilization of any assistance furnished.

9. As the report will be prepared by the Ambassador, it is desirable that it be written in Turkey. This will also permit easy access to further material while the report is under preparation. The report should be joint in nature and should be submitted to the Department of State for consideration and as a basis for a U.S. Governmental decision.

10. Since it is estimated that preparation of the report will require approximately six weeks and since certain token shipments of equipment or supplies, or provision of other assistance to Turkey, might be required prior to the completion of the report, authority should be

given the Ambassador to recommend such interim assistance as he sees fit.

CONCLUSIONS

11. It is concluded that:

a. A group of special assistants to the U.S. Ambassador to Turkey should be furnished to assist him in making a survey of Turkey. It should be composed of not more than twenty-three individuals (including clerical assistants), with maximum representation as follows:

State Department	4
War Department (Army & Army Air Forces)	12
Navy	7

b. Planning personnel, including strategic, operational and logistical planners, should be included from all three Services. In addition, specialists on communications, transportation, and munitions should be provided. Full use should be made of civilian experts.

c. The personnel should depart from Washington for Ankara not later than 19 May 1947, proceeding by fastest transportation facilities available.

d. Terms of reference indicated [2] (Appendix) should guide the Ambassador in conducting the survey.

RECOMMENDATIONS

12. It is recommended that:

a. The above conclusions be approved by the State–War–Navy Coordinating Committee.

b. After approval by SWNCC, the terms of reference (Appendix) be transmitted to the U.S. Ambassador to Turkey by the Department of State.

c. Copies of the approved paper be forwarded to the State, War and Navy Departments for appropriate implementation and to the Joint Chiefs of Staff for information.

[2] See telegram 264, May 15, to Ankara, p. 172.

868.51/4–2947

Memorandum by the Chief of the Division of Investment and Economic Development (Havlik) to the Director of the Office of Financial and Development Policy (Ness)

[WASHINGTON,] April 29, 1947.

Subject: Eximbank Proposal to make no more Loans under Greek Credit

1. The Export-Import Bank memorandum [1] proposes alternative courses of action: (*a*) cancelling the unused balance of this credit, or

[1] Copy not found in Department of State files.

(*b*) deferring until after consideration some time in the future the extension of further credit under the $25 million authorized to be extended to Greece. The grounds for refusal of further credits are that statements in connection with the Greek Aid Bill imply that Greece is a poor credit risk.

2. We do not agree with the reasoning underlying the proposal to cancel. The Greek program now before Congress was worked out on the assumption that the Export-Import Bank credit will become available. It seems certain that in order to carry out reconstruction of war damages Greece will require the funds involved in the unavailed portion of this loan in addition to funds used for reconstruction under the Greek-Turkish Aid Bill. Consequently, the Export-Import Bank loan should not be cancelled.

With the large amount of United States aid of both military and economic nature in prospect, the position of Greece as a credit risk is obviously strengthened. Accordingly this loan should not be cancelled for reasons of credit risk.

3. It appears desirable to go ahead with projects which are nearly ready to be put into definitive form for financing, as to defer or cancel them would further delay Greek recovery. However, there would be no serious objection to deferring the extension of credit on new projects until the American Recovery Mission has had an opportunity to examine reconstruction projects in detail and to forward recommendations on projects which might be especially suitable for Eximbank financing.

4. The Greek desk agrees with the above analysis and recommendations.

868.00/4–2947

The Secretary of State to the Secretary of War (Patterson)

WASHINGTON, April 29, 1947.

MY DEAR MR. SECRETARY: Although the legislation authorizing Aid to Greece and Turkey is still under consideration by the Congress, the Department of State has been doing what preliminary planning it could at this stage, in order to be prepared to carry out the program at the proper time.

Our preliminary conclusion is that aid to Turkey should be primarily in the form of military supplies and equipment with the possibility of such economic projects as may be in support of the military supply program. It is felt that the position of Chief of Mission can be filled quite satisfactorily by our present Ambassador to Turkey, Mr. Wilson.

In the light of these conclusions I would appreciate it if the War Department and the Navy Department, to whom I am addressing a similar letter,[1] would jointly nominate a Planning Group composed primarily of military personnel, who would go to Turkey as soon as the legislation is passed. We would like to attach to this group at least one economist from the Department of State, for the purpose of studying possible economic projects related to the military program.

It would also be appreciated if the War Department and Navy Department would at the same time prepare proposed terms of reference for this Planning Group for submission to the Secretary of State. It is our thought that the Planning Group, while in Turkey, should study the present and long range military requirements of Turkey and should consult with the Turkish General Staff. It should then prepare its report and recommendations for submission through the Ambassador to the Secretary of State.

In view of the expected early passage of the Greek and Turkish Aid legislation I would appreciate it if we could have your reply as a matter of urgency.

Sincerely yours, G. C. MARSHALL

[1] Dated April 29, not printed.

Editorial Note

The Department of State, on April 30, released to the press the Report of the American Economic Mission to Greece; for text, see Department of State *Bulletin*, May 4, 1947, Supplement, page 898.

868.00/4–3047 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

SECRET ATHENS, April 30, 1947—6 p. m.

606. Prime Minister called on me this morning and after hearing my views of United States Congressional and Departmental thinking re aid to Greece maintained that recruiting for replacement of older classes of Greek army may be unavoidable but agreed that further talk of increasing army's numerical strength at this time would be unwise (Embassy's telegram 599, April 29 [1]). I have therefore some hope that present unseasonable meeting of this latter idea by Tsaldaris and others may shortly cease.

[1] Not printed.

In addition Prime Minister received most favorably my suggestion that Greek Government might usefully declare new amnesty on broad lines and invite UN to send observers to satisfy world opinion as to its implementation. In this connection he added that such observers should be "neutral", i.e. neither Anglo-Saxon nor Russian. He complained of lack of publicity given his Government's amnesty efforts hitherto but I pointed out that invitation to UN would be certain both to attract publicity and to put Greek Government on good wicket internationally. He himself gave full assent to idea that UN would be performing legitimate function and agreed that to have recourse to that organization within the present limited range of its possibilities is the duty of member states who wish to see it strengthened. The Department will have noted Ethridge's views (section 3 of his No. 48, Geneva, April 28 [2]) with which I agree in the main.

We also discussed delayed setting up of Foreign Trade Administration (Embassy's telegram 579, April 25) and Prime Minister stated his Government's readiness to proceed with this in advance of arrival of our mission if we insist and will furnish an acceptable replacement for Maben. In this connection perhaps it would be preferable for us to suggest several candidates in order to preserve to Greek Government some responsibility for choice of own employee.

[2] Identified also as telegram 168, not printed; but see footnote 1, p. 840.

868.20/5–347 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

CONFIDENTIAL ATHENS, May 3, 1947—noon.

620. Department will have observed from my telegrams 606, April 30 and 618, May 2 [1] that, while Prime Minister and Minister of Foreign Affairs have agreed with me as to inexpediency of proposing any permanent army increase at this time, there is still the question of a temporary army increase which would be brought about by recruiting of 30,000 for relief of older age groups (considered justified from military standpoint by MA, see Embassy's telegram 570, April 24 [2]) as well as the question of augmenting *gendarmerie* by 6,000 (Embassy's telegram 599, April 29 [3] and previous). On these specific proposals perhaps Department will be good enough to instruct me. Mean-

[1] Latter not printed; it stated that on May 1 Ambassador MacVeagh had urged Foreign Minister Tsaldaris "that there be no more official talk of increasing army numerically" and "that strict financial economy be observed in this critical period." (868.00/5–247)

[2] Not printed; but see footnote 1, p. 152.

[3] Not printed.

while, British Chargé has been instructed to inform Greek Government that British Government would "deprecate" such steps before official US views on matter are known.

In this connection, Chargé explains privately that in opinion of British FonOff it is duty of UK to "hold the fort" until US takes over here in order to prevent our being faced with *fait accompli*. He has promised to provide Embassy in next few days with estimate of cost of proposed increases, but believes off-hand that additional expenditure for temporary army increase alone might be as much as 100 billion drachmas (20 million dollars at official rate). Patterson (now returned from Turkey) states that he and Gregory feel that proposed army and *gendarmerie* increases would be "extremely dangerous" and possibly "disastrous" from financial viewpoint. He adds that Currency Committee has not been approached on matter by Greek Government, except for Prime Minister's unofficial remark to Gregory, but that it could not in any case consider question of such magnitude without prior clarification of official US attitude.

MACVEAGH

Editorial Note

Henry S. Villard, Deputy Director of the Office of Near Eastern and African Affairs, delivered an address on "Some Aspects of Our Policy in Greece and Turkey" at Charlotte, North Carolina, on May 5; for text, see Department of State *Bulletin*, May 18, 1947, page 997.

501.BC-Greece/5-547 : Telegram

The Secretary of State to the Embassy in Greece

SECRET WASHINGTON, May 5, 1947—8 p. m.

US URGENT NIACT

584. 1. Dept cannot agree that UN Commission report include recommendation that Greek Govt should invite observation by SC of new amnesty for political prisoners and Greek guerilla bands (Geneva's 214 May 2 to Dept from Ethridge [1] rptd to Athens) and Ethridge has been so informed. Meanwhile, however, US recommendations including this item have been circulated to all Delegations in Geneva. In view of general feeling in Commission and Ethridge's recommendation that Dept reconsider its position (Geneva's 227 May 4 [2] to Dept from Ethridge rptd Athens) Dept considers essential that Greece should itself take initiative on amnesty question immediately in order forestall Commission recommendation on subject which Dept

[1] *Post*, p. 838.

[2] Not printed, but see footnote 1 to telegram 313, p. 840.

believes primarily Greek internal matter. With opening given by PriMin (urtel 606 Apr 30) you should approach appropriate Greek officials along lines set forth paragraph 2 this telegram. Possibility has been considered in Dept that at your discretion you might suggest that Greek initiative on this question be taken by the King himself. Greeks have previously stated that their amnesty announcements have been disregarded by world press and perhaps favorable reaction would result if new King early in his reign should take such generous step by royal decree.[3]

2. Although US Govt realizes that amnesty is primarily Greek internal question and that under ordinary circumstances should be carried out by Greek Govt without observation or supervision it must be recognized that this question has been exploited by unfriendly critics of Greece and Greek attitude on amnesty has been widely misrepresented in world press. There is considerable body of opinion in US which believes that Greek Govt has not been sincere in its amnesty efforts. It should also be clearly known to Greek Govt that US Govt has long favored an effective amnesty which would clearly improve internal situation in Greece. Although we recognize great difficulties facing Greek Govt in its attempts to carry out amnesty, it now appears that this question, if not dealt with by Greek initiative, will almost inevitably figure in final report of UN Commission. Almost all Delegations favor its inclusion in one form or another. If Greece could immediately announce revised terms for amnesty as liberal as possible to be carried out with international observation which the Greek Govt itself will request, desires of majority of UN Commission would be met. In our view it would then be possible for Commission to note action of Greek Govt with approbation. Thus any recommendation concerning amnesty would be rendered unnecessary.

3. Because of time element any action along these lines must be taken at once. In Dept's view it would not be wise at this time to spell out in detail the exact form which the Greek request will take or the exact method of international observation contemplated. Dept would wish to consider various possibilities and consult with Greek Govt as to best means for implementing such action. Greek Govt announcement should simply state its intention of requesting international observation in very near future but not specify to whom that request will be made. In our view it would not be advisable at this time to make analogy to observation Greek elections as that might limit Greek request to parties of Yalta Agreement.

Sent Athens 584; rptd Geneva for Ethridge 298, London 1963.

MARSHALL

[3] King George II died at Athens on April 1. He was succeeded by his brother Paul on the same day.

868.20/4–2647 : Telegram

The Secretary of State to the Embassy in Greece

SECRET WASHINGTON, May 7, 1947—7 p. m.

603. Urtels 570 Apr 24 [1] and 590 Apr 26. Please advise appropriate Greek officials Depts opinion neither Army nor *Gendarmerie* should be increased in size pending further study of both military and economic implications. In discussing issue you should emphasize following:

1. Present aid program does not provide for financing costs of increased forces.

2. US Govt is not prepared to approve diversion directly or indirectly to the military of aid planned for stabilizing civilian economy and reconstruction without its concurrence. This would include diversion of any category of goods, whether imported or domestically produced, the supply of which is to be augmented from abroad under the aid program.

3. On basis of Greek estimates revenues and expenditures 1947–48, internal financing increased forces will result in serious inflationary pressure aggravating problems of maintaining price stability, of combating hoarding, of facilitating exports, and of effecting reconstruction.

4. Dept particularly concerned over proposed permanent increase in *Gendarmerie* and strongly believes no action should be taken at present to implement this decision. According to available information, increase is not required for anti-bandit operations and gives force to fears that *Gendarmerie* may be used for unacceptable political purposes.

For your info at time when aid bill is under debate, to augment forces under Zervas command strengthens accusations that reactionary elements Greek Govt are entrenching themselves with US approval and financial support.

5. If recruiting for relief older age groups is urgently necessary from military viewpoint (Para 1 urtel 620 May 13 [*3*]) such changeover should be accomplished without enlargement present strength and/or financial burden.

6. Without passing judgment at present on short run needs of military establishment, Dept has strong convictions re military expenditures after immediate crisis has passed:

(*a*) Current military burden would be far beyond capacity of Greek economy to bear even after substantial degree of recovery.

[1] Not printed; but see footnote 1, p. 152.

(*b*) Plans must be made now to reduce military expenditures drastically if Greece is to avoid financial collapse after present aid is terminated.

Please report Greek reaction to above.

Appreciate any further expression British views on subject.[2]

MARSHALL

[2] This telegram was repeated to London as No. 1999.

868.00/5–747 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

SECRET ATHENS, May 7, 1947—7 p. m.

654. I saw Minister for Foreign Affairs this forenoon and left with him *aide-mémoire* embodying substance of Department's telegram 584, May 5th. Prior to that I had exposed matter informally to Prime Minister and also off record to King. Last named felt that further talk of amnesty at this time might affect morale of armed forces engaged in all-out offensive and Tsaldaris also brought up this aspect while declaiming excitedly over danger of international observation if Russia should insist on participating. In reply these arguments I pointed out that generous and genuine amnesty of all willing to lay down arms might serve not only to influence foreign opinion but to enfeeble insurgents and also stressed, regards inviting observation, that Department's proposal is limited to declaration of intention giving time for consultation as to ways and means.

After much irrelevant talk chiefly comprising complaints by Tsaldaris that Ethridge and UN Commission are not supporting Greece sufficiently he said he would take matter up in Cabinet meeting immediately following our conversation. Meanwhile Greek papers this morning print reports from New York that "United States Government will propose that UN send commission to guarantee amnesty".

If we succeed in getting Greek Government to accept our suggestion [here follows a personal observation], I believe King will go along with it. However am not promoting idea that he personally assume initiatives since his position untried and capacity for effective leadership still problematical.

Sent Department 654; repeated Geneva for Ethridge.

MACVEAGH

868.00/5–947

Memorandum by the Acting Legislative Counsel (Sandifer) to the Secretary of State

[WASHINGTON,] May 9, 1947.

The Greek-Turkish Bill in the House passed about 6:30 Friday evening by a vote of 287 to 107.[1] All attempts to amend the bill were defeated. A slight change in language of a Committee amendment of Section 3 was accepted.

During the debate the following important points were made:

[Here follow four numbered paragraphs on the House debate.]

Representative Bender of Ohio and Smith of Wisconsin led the opposition to the Greek-Turkish legislation. They both submitted a number of amendments, all of which were rejected.

Most interesting of the amendments rejected was one proposed by Representative Judd which would have written into the act a provision making it clear that the United States was not to send troops to Greece or Turkey to serve either as occupation or combat troops. Mr. Mundt of South Dakota and Representatives Eaton and Bloom agreed to accept this proposal. It was defeated by a teller vote of 70 to 122. The proposed amendment grew out of a discussion as to whether language should be inserted to spell out the "limited" number of military personnel which could be sent to Greece and Turkey.

An amendment by Senator Smith to limit the funds available to $200,000,000 instead of $400,000,000 was defeated by a vote of 49 to 121.

An amendment which would have sent the matter to the United Nations for sixty days before the United States could take action suffered a similar defeat.

An amendment by Mrs. Douglas which would have required the Greek Government to grant amnesty to political prisoners and to hold an election within one year was defeated by a voice vote. A similar setback was suffered by Representative Mansfield who sought to oblige the Greek Government to review its tax scheme program.

DURWARD V. SANDIFER

[1] The Greek-Turkish aid bill had been approved by the Senate on April 22 by a vote of 67 to 23.

868.00/5–1047: Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

ATHENS, May 10, 1947.

669. Summary lead editorial *Messager d'Athenes* May 10 entitled Greece and American Proposal. Government circles observe that if

US amnesty proposal made on behalf of UN it violates paragraph 7 article 2 of charter and if made solely on US initiative it is flagrant contradiction of Secretary Marshall's statements that US does not intend interfere in internal Greek affairs. Proposal of supervised amnesty is negation of publicly announced principles to save mere form of those principles. Recourse made to devious methods, *viz.*, Greece herself should request supervision but this will not improve situation for there is no charter and no faith in international organization which can withstand proof that in fact, great powers through pressure on smaller states can undermine international law. Greece is again scapegoat of power politics and object of bargains at her expense.

In Geneva they are endeavouring conceal that which investigation commission was primarily charged to establish. They seek means to avoid placing too much blame on northern neighbors and instead of boldly forcing latter to renounce criminal tactics they speak of imposing on Greece commission which would guarantee to those Greeks who serve foreign cause, the same whose intentions have been denounced by President Truman, equal rights with those who are now honored for serving fatherland. To speak frankly, it is question of ensuring that Russia does not destroy with one veto all work of investigation commission.

Greek Government alone in Balkans has always allowed diplomatic representatives of friendly powers complete freedom observe public life, but control commission supervising matters within purview sovereign rights of free country is something new. Special law would be necessary according competent authorities. Even if Parliament consented it would be very difficult, perhaps impossible reconcile authority of such commission with constitution.

It is rumored that Communist chieftains now faced with failure revolutionary attempt, seek method save followers from final disaster and for future revolts, in short to win a new "Varkiza".[1] According these rumors Communists constantly assure Mr. MacVeagh they will accept amnesty which explains ardor with which American Ambassador supports amnesty and has recommended it to his Government. It is unbelievable that man who knows Greece and Greeks so well as MacVeagh and who loves them so deeply, could fall into same error as Macmillan, Leeper[2] and other authors of Varkiza. Of that agreement one can truly say it was more than crime. It was fundamental

[1] For the text of the Varkiza Agreement, signed at Athens on February 12, 1945, by representatives of the Greek Government and of the EAM, see *Foreign* Relations, 1945, vol. VIII, p. 109.

[2] Harold Macmillan, British Minister Resident, Allied Force Headquarters, Mediterranean; and Sir Reginald W. A. Leeper, British Ambassador in Greece.

error. It was mistake through which Communism amnestied for December rebellion achieved respite necessary to organize new revolt.[3]

Sent Department; repeated Geneva for Ethridge.

MACVEAGH

[3] According to telegram 670, May 10, 9 p. m., from Athens, on inquiry from Ambassador MacVeagh, Foreign Minister Tsaldaris denied that the editorial in the *Messager d'Athènes* represented official Greek views. The Ambassador pointed out to the Department, however, that the newspaper was subsidized by the Greek Government and was generally considered an organ of the Foreign Office (868.00/5–1047).

868.00/5–1047 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

CONFIDENTIAL ATHENS, May 10, 1947—10 p. m.

671. Substance Department's telegram 603, May 7 communicated to Greek Government in note to Foreign Minister.

Meanwhile Military Attaché learns that on May 2 National Defense Council unanimously approved plans providing for army call-up June 19 of 20,000 men who after nine weeks training would be assigned to units simultaneously with release same number veterans. Same process to be repeated by further call-up September 1 of 20,000 additional new men. Thus overall Army strength would be temporarily increased by 20,000 for five-month period mid-June to mid-November. In addition plans envisage call-up soon as possible of 10,000 men to supplement existing 80 battalions and increase total number to 90 thus increasing permanent army strength to 130,000. These plans subject to approval United States and Greek Governments and availability of supplies and equipment.

British military mission estimates that additional monthly cost of maintaining 20,000 troops under training would be 3,480 million drachmas in local expenditures and 150 thousand pounds sterling in foreign exchange.

As for drachma cost of 6,000 additional gendarmes British police mission agrees with Patterson that Greek Government estimate of over 4 billion drachmas monthly communicated my telegram 651, May 7 [1] is "conservative". British military mission estimate of additional monthly foreign exchange cost without imported rations is 35 thousand pounds sterling.

Final development this connection is reply by Foreign Minister Tsaldaris of May 6 to British Embassy note of May 3 "deprecating" any increase in army or *gendarmerie* without prior United States ap-

[1] Not printed.

proval (my telegram 620, May 3). Reply points out participation of British service mission chiefs in above mentioned decisions which also provide for United States Government approval prior to their implementation. Reply continues, "It is obvious Greek Government is unable perform elementary duty of maintaining public order without substantial increase in ceiling of *gendarmerie*" and adds "Greek Government has never failed act in concert with British and United States Governments but feels bound draw attention of two allied governments to dangers threatening development of internal situation in case adequate steps are not taken very promptly."

MACVEAGH

868.00/5–1047 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

CONFIDENTIAL ATHENS, May 10, 1947—11 a. m.

672. Mytel 654, May 7. Following is Greek Govt's *aide-mémoire* dated May 10 in reply to mine of May 7:

"The Political Council is studying with due attention the contents of the United States Ambassador's communication referring to the amnesty. The granting of amnesty to the surrendering rebels has been the policy pursued three last months by the present and previous governments, and has already had as a result the surrender of hundreds of rebels to the authorities, which put them under their full protection.

"It is natural, that in view of the granting of a more liberal amnesty, which presents many internal and external aspects, this subject be studied from all sides and with the utmost attention.

"Before reaching a decision on this matter, the Hellenic Government requests certain clarifications on concrete points of the American suggestion, which have a decisive bearing on the various aspects of the subject.

"(*a*) According to the American communication, the unilateral declaration of the Greek Govt regarding amnesty is supposed to remove the eventuality of a recommendation to this effect in the final report of the Investigation Committee to the Security Council. However, since such a declaration on the part of the Greek Govt would be noted in the report of the Committee, there is no doubt that the Security Council would give it equal consideration with all the other recommendations and therefore nothing would be gained.

"(*b*) The Greek Govt does not clearly discern in the American communication whether a declaration of intention regarding the granting of a more liberal amnesty is understood to mean an amnesty having as a prerequisite a general laying down of arms on the part of the rebels, or whether it means more liberal application of amnesty which has already twice been granted to all but civil criminals willing to lay down their arms.

"The Royal Govt wishes to have it made clear whether, regarding the application of the amnesty, it is suggested that foreign observers be invited to be present in Greece during the continuation of the bandit movement or only after its termination. It is obvious that the psychological repercussion of their presence would be quite different in each case, and that in the former the ability of the Greek state to bring the revolt to an end would be greatly enfeebled.

"The Greek Govt wonders whether, in the spirit of the American *démarche*, the announcement of intention to grant a more liberal amnesty, would if not followed by a general deposition of weapons on the part of the rebels mean the granting of all aid for the immediate dynamic suppression of the guerrilla movement.

"(*c*) The Greek Govt sees, neither in the *démarche* of Mr. MacVeagh, nor in the Ethridge plan, submitted to the Investigation Committee, those concrete assurances, to which Greece feels she is entitled, against the continuation of the fostering of the guerrilla movement from abroad.

"It wonders, how it would be possible to proceed to the announcement of an act so important in political consequences, without having beforehand the certainty that concrete and substantial measures are envisaged in the Investigation Committee's report for the termination of alien aid."

Sent Dept as No. 672, repeated Geneva for Ethridge.

For comment see my next following telegram.

MacVeagh

868.00/5–1047 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

CONFIDENTIAL ATHENS, MAY 10, 1947—1 p. m.

674. Mr. Maximos has asked me to convey the following message drafted by him: Prime Minister has called my attention to report appearing in nearly all papers here today as follows (from bulletin of USIS March [*May*] 8, 1947): "On criticisms, in connection with proposed US aid to Greece and Turkey, that Greek Government is not a democracy, Secretary commented that US does not consider that this Government is all that is desired, but he hoped it would develop into what is desired." [1]

[1] Remarks of this tenor were made by Secretary Marshall at his press and radio news conference on May 7. The pertinent section of the memorandum of the conference stated: "A correspondent asked if the State Department had any comment on the insistent criticism of the Administration's program for Greece and Turkey in both the Senate and the House debate where it had been stated that this country was a democracy supporting Greece, a government of reactionaries. Mr. Marshall stated that we considered that the present government of Greece was not all that we would like to see it, and we hoped it would develop a form of government more in accord with our own views."

In expressing again deepest gratitude and appreciation of Greek Government for interest shown by US to Greece, Prime Minister stated that Greek Government which is democratic by its provenance, and which in midst of most difficult conditions has always followed democratic methods, stresses that close cooperation with US in spirit of full mutual confidence is indispensable under present conditions and thinks that above statement is of nature to diminish its prestige and authority for fulfillment of task which US Government is also looking forward to. Prime Minister, therefore, hopes that the US Government will be good enough to provide some clarification of its views.[2]

MACVEAGH

[2] In telegram 687, May 12, from Athens, Ambassador MacVeagh commented further that the Prime Minister "personally understands very well that Secretary made declaration in good cause vital to Greece, but points out that connection of declaration with charges that Greek Government not 'democratic' has caused crop of rumors re US lack of confidence in him and forthcoming intervention in Greek political affairs. Rumors include US intention force out present government." (868.00/5–1247)

868.00/5–1047 : Telegram

The Secretary of State to the Embassy in Greece

CONFIDENTIAL WASHINGTON, May 14, 1947—8 p. m.

US URGENT NIACT

639. Because of urgency of time element and mercurial shifts in attitude of Greek Govt you are in better position than Dept to assess feasibility acceptable solutions of amnesty question. Dept therefore wishes to give you wide latitude of discretion in answering Greek *Aide-Mémoire* (urtels 672 and 673 May 10 [1]) and in discussing matter with Greek officials with view to achieving ultimate aim of Dept which is threefold:

(1) To present clear Greek record to world opinion;
(2) To obtain Greek initiative which might forestall SC action on Greek internal matter and SC criticism of character of Greek Govt.
(3) To improve Greek internal situation by effectively weakening guerilla movement.

Greek Govt should be made fully aware of extremely unfavorable publicity it is receiving on this question particularly in hitherto favorable US press. Although Dept realizes that Greek Communists and guerilla leaders are determined to thwart even sincere Greek attempts to carry out amnesty, the hard fact is that general public opinion in US believes Greek Govt is committed to policy intransigent annihila-

[1] Telegram 673, not printed.

tion of all opposition. Since amnesty problem has received so much recent publicity, it will unquestionably be discussed by the SC even if not included in report of Investigating Commission. All acts of Greek Govt both of policy and implementation are in world spotlight, consequently Greece should in our view take exceptional measures to win general sympathy and to keep her own record above reproach.

It would appear to Dept that Greek Govt could take action along following lines. Greek Govt could announce that it has again reexamined its amnesty decrees and finds them satisfactory. In order prove good faith of Greek Govt it will request neutral foreign observers of one or more powers to visit Greece to observe and report on carrying out of these amnesty terms. Greek Govt could make it clear, however, that fully satisfactory implementation of amnesty laws must necessarily await effective measures, taken in pursuance of SC decision, to seal the northern frontiers in a manner to prevent aid reaching the guerilla bands from outside Greece.[2]

Sent Athens 639; rptd Geneva for Ethridge 385.

MARSHALL

[2] Telegram 717, May 16, 4 p.m., from Athens, gave the text of a first person note based on telegram 639 which Ambassador MacVeagh had addressed to Greek Foreign Minister Tsaldaris. Ambassador MacVeagh reviewed the note in detail with the Foreign Minister who "said he thought it would give him basis for eventual declaration and I [MacVeagh] urged prompt action in order to put an end to growing crop of false reports." (868.00/5–1647)

868.00/5–1447 : Telegram

The Secretary of State to the Embassy in Greece

SECRET WASHINGTON, May 14, 1947—9 p. m.

640. Indications are that Greek Turkish Aid Bill may be signed by President within next two or three days. President will at that time make public statement.

Following steps will then be taken in order indicated:

(1) Dept will send note to Greek Govt in reply to Greek note of March 3. This will announce enactment of enabling legislation and indicate that US would welcome an indication from Greek Govt of its general plans for utilizing US assistance and of Greek willingness to enter into negotiations leading up to an agreement between the two Govts concerned on terms of utilization.

(2) In response to foregoing Greek Govt should then address note to US outlining in broad terms its economic program and its desire to conclude at earliest possible time agreement acceptable to both Govts for implementation of US Aid Program. Draft suggestion of items which Dept feels essential should be included in such note will be telegraphed to you within next few days for discussion with Greek Govt.

(3) Negotiations will then be started for signing of agreement between US and Greek Govts.

You should inform PriMin of foregoing proposed schedule in order that Greek Govt will not address formal communication to US immediately upon signing of bill but will await note from US Govt. We expect, of course, that public statements will be issued in Athens by Greek Govt or Greek leaders when bill is signed but these will not constitute direct and formal communications to US Govt.

MARSHALL

868.50/5–1547

The Department of State to the Greek Embassy

MEMORANDUM

Reference is made to the note from the Department of State to the Government of Greece dated April 4, 1945 [1] concerning bills for civilian supplies provided to the population of Greece by the combined military authorities of the United States, the United Kingdom, and Canada. A combined bill for these supplies totalling $27,834,163 (United States dollars) will shortly be presented to the Government of Greece by the Supreme Allied Commander in the Mediterranean Theatre.

The Governments of the United States, United Kingdom, and Canada have now reached a final settlement of their respective shares of this bill, which have been determined to be as follows:

To the Government of the United States	$17,507,688
To the Government of the United Kingdom	$9,714,123
To the Government of Canada	$612,352

The Government of the United States proposes that settlement of the obligation of the Greek Government to the Government of the United States for its share of the combined claim be accomplished by the inclusion of this obligation in the settlement between the two Governments of financial and related problems arising out of the war.

It is understood that the Governments of the United Kingdom and Canada are addressing similar communications to the Government of Greece.

WASHINGTON, May 15, 1947.

[1] Not printed.

Editorial Note

On May 15, 1947, at Washington, Major General Donald H. Connolly, the Foreign Liquidation Commissioner, and the Greek

Chargé entered into an agreement under which the United States extended to Greece a further line of credit for the purchase of up to $10,000,000 worth of United States surplus property; for text, see United Nations Treaty Series, volume 184, page 250.

This agreement was the fourth involving sale of surplus property to Greece. For information on the three agreements entered into in 1946, which extended credits to Greece totaling $45,000,000, see footnotes 26 and 96, *Foreign Relations*, 1946, volume VII, pages 175 and 232.

867.00/5–1247 : Telegram

The Secretary of State to the Embassy in Turkey

SECRET WASHINGTON, May 15, 1947—9 p. m.

264. Terms of reference for survey mission to Turkey as agreed by State, War and Navy follow: [1]

1. The survey of Turkey will be conducted by the US Amb to Turkey.

2. An over-all study of the Turkish Armed Forces will be conducted to include the Turkish economic and industrial potential for national defense and to determine recommendations for assistance to Turkey, within the limits of appropriated funds, to include the following:

a. Specific requirements of Turkish Army, Navy, and Air Forces for equipment and supplies, including a relative priority of various items.

b. Detailed economic and industrial assistance, including specific projects or types of projects, which would improve the efficiency and/or the self-sufficiency of Turkish Military establishment.

c. The desirability and feasibility of reorganization of Turkish Armed Forces designed to improve their efficiency and/or reduce the burden of maintenance of present large forces.

d. Training of Turkish Armed Forces to be provided by US or British.

e. Objectives, type, composition, and size of any US mission required in Turkey.

f. Continuing participation of British in furnishing assistance, economic or military, to Turkey.

g. Relationship of US and British missions, if both are required or desired in Turkey.

h. Phasing of supply of required items.

i. The degree of supervision to be exercised by US over the utilization of assistance furnished Turkey, and the method of exercising such supervision.

3. The US Amb to Turkey will consult with appropriate departments of Turkish Govt, the Turkish Armed Forces, British missions

[1] See SWNCC 358/1, p. 153.

or other British Armed Forces personnel in Turkey, and such other agencies or individuals as he considers desirable.

4. To support his recommendations the Amb will prepare a report of his findings, which he will submit to Dept of State not later than 15 July 1947.

5. Prior to consideration of his recommendations by US Govt, or during course of his study, should the Amb find it necessary or desirable that interim assistance should be furnished Turkey, he may so recommend.

6. The basic objectives of US assistance to Turkey, as stated below, will serve as guidance in conduct of survey:

a. The maintenance of present strong Turkish determination to resist Soviet aggression. (This will require continued confidence in US as a source of actual and potential support and the maintenance of a sufficiently strong and well-equipped Turkish Army to give Turks a feeling that their own defenses are strong.)

b. Maintenance of Turkish economic well-being so that social unrest will not open way for Soviet-Communistic penetration. (This involves reduction of economic burden of Turkish Armed Forces to a point at which Turkey can eventually support them without outside assistance.) At present time the strength and productivity of Turkish economic system should be increased both to promote the general welfare of Turkish people and to permit Turkey to maintain by herself adequate defense forces.[2]

MARSHALL

[2] These terms of reference were incorporated in letters of May 23 by Secretary of State Marshall to the Secretary of War and the Secretary of the Navy. The letters requested that Maj. Gen. Lunsford E. Oliver and Rear Adm. Ernest E. Herrmann, the senior Army and Navy members of the Planning Group under the United States program of aid to Turkey, be directed to proceed to Ankara as quickly as possible (867.00/5–2347).

868.50/5–2047

Memorandum by Mr. William O. Baxter of the Division of Near Eastern Affairs to the Director of the Office of Near Eastern and African Affairs (Henderson)

[WASHINGTON,] May 20, 1947.

In connection with the attached memo [1] suggesting the possibility of a request from the Greek Government concurred in by the U.S. Government to Secretary-General Lie to assign a United Nations liaison officer to Greece to cooperate with the U.S. Aid Mission, I attended a meeting this afternoon in Mr. Stokes office. It was the general

[1] Not printed; the "Memorandum for Discussion in United Nations Liaison Committee" on official relations between the United Nations and the American Mission for Aid to Greece was drafted by Isaac N. P. Stokes, Associate Chief of the Division of International Affairs, on May 13.

consensus of the meeting that such an action at this time might prove dangerous. It would appear that the United States was trying by this means to forestall any attempt of the United Nations or the Security Council to observe our aid program and might be an open wedge for the extensive kind of observation recently proposed by Mr. Gromyko. It was suggested that after the U.S. Mission is operating in Greece, it might make suggestions to the Greek Government that the latter request the assistance of technical experts of various sorts from appropriate United Nations organizations.

In the meantime, however, no action or definite recommendation will be made by the Department though the views of Senator Austin and Mr. Johnson [2] will be informally solicited.[3]

[2] Herschel V. Johnson, United States Deputy Representative on the United Nations Security Council.

[3] Marginal notation by Mr. Henderson: "I feel that it would be unfortunate for us to make any move to encourage UN observers to watch over our activities in Greece. The mere presence of such observers might encourage the Communists and their sympathizers to sabotage our efforts. I believe the Greek Government would not want observers, particularly at this stage. I see no reason for the views of anyone to be obtained with regard to a matter which is so clear as this."

868.00/5–2047: Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

CONFIDENTIAL ATHENS, May 20, 1947—9 p. m.

734. My telegram 717, May 16.[1] Minister Foreign Office has informed me that he will issue following declaration to press tonight.

"The Greek Government, upon its formation, declared that it considered it its duty to uphold the law against the violence of the armed bands and to make secure the Greek peoples' life and freedom. At the same time, in its desire to bring internal strife to an early end, it proclaimed its determination to apply all possible measures of appeasement and pacification.

"In the application of its promises the government first proceeded to make a general revision of deportations which have been greatly reduced in numbers. It also proceeded to order the immediate suspension of all deportations without exception of old men, of women and children and issued a law which amnestied acts of rebellion committed by all those reporting to the authorities in a fixed time limit, also guaranteeing an effective protection of their return to a peaceful existence.

"Now that UN interest and American aid have brought the country assurance of security and economic reconstruction, the government feels that it can reexamine previous amnesty decrees as well as leniency measures already applied.

"The government having found the measures applied to have been useful is prepared to reapply them generously and for such time as may be consistent with the exigencies and safety of the state.

[1] Not printed; but see footnote 2, p. 170.

"The Greek Government wishes, moreover, to declare that—as a government of a democratic country carrying out its policy with open doors—it has the intention of requesting impartial foreign observers of one or more countries to visit Greece to observe the fair and equitable treatment accorded anyone desirous to take advantage of the clemency of the state and put himself under its protection.

"Naturally the timing and other modalities of the request will be determined in due time by the Greek Government.

"The Greek Government in proceeding to make this statement feel it necessary to proclaim that fully satisfactory implementation of the amnesty must necessarily be contingent on effective measures to be taken in pursuance of the final decisions of the Security Council to seal the northern frontiers of Greece in such a manner as to prevent any further aid reaching the guerrilla bands from outside Greece."

Sent Department 734; repeated Geneva for Ethridge.

MACVEAGH

Editorial Note

On May 22, 1947, President Truman signed Public Law 75, an Act to Provide Assistance to Greece and Turkey; for text, see 61 Stat. 103. The statement made by the President at the signing of the legislation, as well as the texts of the Act and of the regulations for carrying out its provisions (Executive Order 9857, May 22), are printed in Department of State *Bulletin*, June 1, 1947, pages 1070–1073.

868.00/5–3147

Memorandum by the Acting Secretary of State to President Truman

SECRET WASHINGTON, May 23, 1947.

I am attaching for your consideration a proposed basic agreement [1] between the United States and Greece setting forth the general terms and conditions which shall govern the furnishing of assistance to Greece by the United States.

I am also attaching a draft note [1] which we would propose that the Greek Government send to this Government, in advance of the conclusion of the basic agreement, outlining the plans of the Greek Government which will lay a basis for American assistance in recovery and reconstruction in Greece. This note is incorporated by reference in an appropriate manner in the proposed basic agreement. Both the agreement and the note will be registered with the United Nations.

Under this proposed procedure, the initiative and responsibility for domestic reconstruction measures in Greece lie with the Greek Government where they belong, while at the same time the United

[1] The draft agreement and draft note were dated May 22; see telegrams 730 and 731, May 31. to Athens, pp. 185, 182.

States Government exercises full control over the expenditure of United States funds and over Greek Government programs intimately affecting the success of the American assistance program.

If you approve the draft agreement and note, Secretary Marshall intends to send them immediately to Athens for discussion and negotiation with the Greek Government.[2]

DEAN ACHESON

[2] President Truman gave his approval in a marginal notation on May 31.

868.00/5–2347 : Telegram

The Secretary of State to the Embassy in Greece

CONFIDENTIAL WASHINGTON, May 23, 1947—6 p. m.

690. You are instructed to present following note to Greek Govt:

"In response to an appeal by the Greek Govt in its note of March 3, 1947 to the Govt of the US, and through it to the American people, for financial, economic, and expert aid to assist the Greek people in restoring their country, the President of the US on March 12, 1947, requested from the Congress the necessary authority to permit him to extend the help requested.

The Govt of the US now informs the Greek Govt that the President has been authorized to extend assistance to Greece under the provisions of an Act of Congress signed May 22, 1947.

The Govt of the US will welcome an indication from the Greek Govt of its general recovery program and assurances that the proffered assistance will be effectively utilized. This Govt will also welcome assurances from the Greek Govt that it is prepared to enter into negotiations leading to a mutually acceptable agreement between the two Govts on the terms under which American aid will be extended."

Dept's suggestions for items to be included in Greek reply to foregoing will be telegraphed soonest. It is Dept's intention, and you should so inform Greek Govt, that text of US note will not be released at this time but that US note and Greek reply will be made public as soon as Greek reply agreed upon and received by Dept.

MARSHALL

868.00/5–2347 : Telegram

The Secretary of State to the Embassy in Turkey

CONFIDENTIAL WASHINGTON, May 23, 1947—6 p. m.
US URGENT

286. You are instructed to present following note to Turk Govt.

"The Govt of the US refers to past discussions between the Govts of the US and Turkey regarding the latter's need for various kinds of

assistance. This Govt is pleased to inform the Govt of Turkey that the President has been authorized to extend such assistance by an Act of Congress signed May 22, 1947.

The Govt of the US is now prepared to enter into discussions regarding the type of assistance which is best suited to Turkish needs and the American Ambassador in Ankara is being instructed accordingly.

This Govt will welcome an assurance that the Turkish Govt is prepared to enter into negotiations leading to a mutually acceptable agreement between the two Govts on the terms under which American aid will be extended." [1]

In your discretion you may inform Turk Govt Dept does not intend to publish note at this time. Release of exchange of notes is contemplated when reply recd from Turk Govt.

MARSHALL

[1] Ambassador Wilson presented this note to Foreign Minister Saka on May 26. Mr. Saka, in a note of May 27, replied that the Turkish Government was prepared to enter into such negotiations (telegrams 387, May 26, 6 p.m., and 391, May 27, 6 p.m., 867.00/5–2647, 5–2747).

868.51/5–2447 : Telegram

The Secretary of State to the Embassy in Greece

SECRET WASHINGTON, May 24, 1947—2 p. m.

MOST URGENT NIACT

697. Dept requested by Brit Embassy here to conclude understanding concerning arrangements for supply of equipment for Gk military forces. As background, UK covered foreign exchange costs, estimated 2 million pounds sterling, such supplies arriving in Greece between Mar 31 and Apr 30, out of Angellopoulos funds. However UK had made no provision for reimbursement arrivals after May 1.

Dept contemplates exchange of notes between UK and US establishing arrangement under which

A. Brit undertakes to continue furnishing minimum essential requirements Greek armed forces until American supplies arrive: (1) food consumption for 170,000 men through Oct 47; (2) minimum gasoline, fuel oil, ammunition and maintenance supplies on scale required by present Greek forces; and (3) such additional supplies which may be requested by US.

B. US would agree pay UK for supplies issued by Brit to Gk forces after May 22, 1947, effective date of Act. Such issues would include new arrivals after May 22 and issues from existing Brit stocks in Greece to which title had not passed to Gks before May 22 but would exclude initial equipment program 2 million sterling which we would expect Brit to continue to fulfill upon Gk demand and free of charge. Also excluded from payment would be other items which Brit had previously agreed to provide Gks free of charge and items covered by payment by Gks from advances made by Brit Govt (Angellopoulos funds).

Intent B relieve British financial burden for aid to Greek military after effective date of Act and assure arrival UK goods still undelivered to Greeks without, however, putting ourselves in position reimbursing British for supplies furnished Gk military from May 1 to May 22. Belief here that for most part arrivals UK supplies in Greece after May 1 would still be undelivered to Gks and in British stockpiles on May 22. Amount US liability re such stocks unknown but probably would not be large, say $5 to 8 million.

Notes would provide for clearance Gk requirements and Brit supply program by American missions as soon as practicable. Brit program could be amended by American mission. Dept will endeavor to secure Brit agreement that US not responsible financially for issues and arrivals not in accordance with amended program; but US would have to bear full financial liability including cancellation costs on new programs specified A above.

Notes would also provide representatives US and UK service departments work out accounting and reimbursement procedures in more detail later. US would request Brit keep detailed records ad interim.

UK Emb here pressing strongly for assurance from US on basis of which it can continue Greek military supply program. Above proposal discussed here with representatives War and Navy. Dept requests your reactions before May 27 if possible.[1] Sent Athens as 697 repeated London as 2257.

MARSHALL

[1] In telegram 775, May 27, the Embassy in Athens advised that the British military forces in Athens agreed in principle with the arrangements set forth in telegram 697. The Embassy further stated that it had no comment of its own to make. (868.51/5–2747)

868.00/5–2647 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

CONFIDENTIAL ATHENS, May 26, 1947—7 p. m.

765. Mytel 674, May 10. Can Department give Prime Minister some answer his message or at least authorize me make him reassuring remarks in its name? Matter may be more serious than meets eye involving possible resignation at critical time of most non-partisan, moderate and cooperative personality in Government. Feel his message should not be taken as a mere sign of personal sensitiveness but as indication of Prime Minister's precarious position vis-à-vis Tsaldaris and other party leaders. Most likely successor would be Tsaldaris with consequent difficulties for our mission which anyone who met him in Washington will understand.

When originally attempting dissuade Maximos from sending message, I expressed belief Secretary's reference to Government not intended specifically indicate non-confidence in Cabinet under his leadership but only hope for improvement of general governmental conditions in which he interested as much as we. However, he insisted stating interpretation widespread here in former sense, especially among politicians and yesterday convoked me privately to say Cabinet showing tendency regard Department's lack of reply as confirmation this point of view. I then attempted calm him by reference Department's denial to press that Ambassador instructed to bring about change of government (USIS bulletin May 10) but he replied that while I might be uninstructed to take any action, Secretary's statement might still have been intended show dissatisfaction with his conduct of affairs and that inability confute this argument rendering his position in Cabinet progressively difficult.

MACVEAGH

868.20/5–2647 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

CONFIDENTIAL ATHENS, May 26, 1947—9 p. m.

771. Deptel 671 May 20.[1] Following is text *aide-mémoire* handed me May 25 by FonMin in reply my note 206, May 12 concerning proposed increase in Greek armed forces:

"Greek General Staff is convinced and has brought to the govt indisputable evidence of fact army is not at this moment occupied in suppressing armed rebellion but in fighting an undeclared war.

This war in which enemy's objective is destruction not only of armed forces but also of unarmed population and of wealth of entire provinces and which is waged on front of over 1,000 kilometers obviously constitutes great strain on army which is called upon to defeat enemy purpose.

Being responsible to govt for morale and efficiency of army, the General Staff has examined in close collaboration with British Military Mission needs for coming months. Necessity of certain increases in strength of army, some temporary others more permanent, was unanimously admitted as imperative and relevant proposals submitted to high military council and National Defense Council.

These proposals were made under express reserve that their execution would be subject to concurrence of US Govt. Assent of the two councils was obtained under same reserve.

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[1] Not printed; it instructed the Embassy in Athens to take appropriate steps to expedite a reply by the Greek Government to the Embassy's note of May 7 as set forth in telegram 671, May 10, p. 166. It also gave the Department's assumption that the Greek Government would not proceed with plans to increase its armed forces pending investigation by the United States of the economic and military implications relative to the aid program (868.20/5–1047).

Greek General Staff is inclined believe that necessity for these increases will also be appreciated by the American Military experts and the importance of time factor taken into consideration.

Greek Govt fully realize that military expenses are non-productive and would not willingly agree to diversion of funds this purpose. They, nevertheless, feel obliged consider reestablishment law and order as all important basis for any future reconstruction plan." [2]

MACVEAGH

[2] In telegram 799, May 30, from Athens, Ambassador MacVeagh advised that in view of the exigencies of the situation Colonel Lehner was recommending a temporary increase of 20,000 recruits to replace veterans of long service in the Greek Army (868.20/5–3047). Col. Charles R. Lehner's letter of instruction of May 19 designated him head of the War Department Group of the United States Mission to Greece and directed him to proceed to Athens on or about May 20. The initial composition of the Group was set at 25 officers, 3 enlisted men and 25 War Department civilian employees. (868.00/5–1947)

867.00/5–2847

Memorandum by the Secretary of State to President Truman

SECRET WASHINGTON, May 28, 1947.

I am attaching for your consideration a proposed basic agreement between the United States and Turkey setting forth the general terms and conditions which shall govern the furnishing of assistance to Turkey by the United States. To the extent considered appropriate, the agreement follows the text of the proposed agreement with Greece which Mr. Acheson sent to you on May 23, although a more simple document is regarded as adequate to accomplish the more restricted nature of the program of assistance to Turkey.

If you approve the draft agreement,[1] it will be sent to Ankara for negotiation with the Turkish Government.

G. C. MARSHALL

[1] The draft agreement was dated May 28; see telegram 309, June 4, to Ankara, p. 190.

868.51/5–847

Memorandum by Mr. George C. McGhee, Special Assistant to the Under Secretary of State for Economic Affairs (Clayton), to the Assistant Secretary of State for Occupied Areas (Hilldring)

CONFIDENTIAL [WASHINGTON,] May 28, 1947.

Subject: State Department Plan for Implementing the Greek-Turkish Loan (Aid Program)

I have delayed replying to your memorandum of May 8 on the above subject pending further developments of the Greece–Turkey

Aid program. We have, in the meantime, discussed this matter in the Interim Greece–Turkey Assistance Committee.[1]

With the passage of the enabling legislation without amendments restricting expenditures for any particular part of the program, it would appear that the Department has an edict to proceed with the expenditure of the initial $100,000,000 in accordance with the testimony presented before Congress.

I agree that there is some slight risk that the Appropriation Bill might earmark funds for particular purposes or exclude certain portions of the program. In this event programs started under the initial $100,000,000 would have to be altered and some dislocation might result. However, it is believed that this is a slight risk and one which we must take. We propose to allocate funds only as actually required to implement the various programs as they are developed, which will mean that funds committed to any particular program will be kept at a minimum.

[1] The Interim Greek Assistance Committee in the Department of State held its first meeting on April 8, 1947. It was renamed the Greece–Turkey Assistance Committee by the time of its second meeting two days later (Minutes of Meetings, 868.00/5–2647). The announcement by the Department of State setting forth the membership and functions of the Committee is printed in the Department of State *Bulletin*, April 27, 1947, p. 777.

868.00/5–1247 : Telegram

The Secretary of State to the Embassy in Greece

CONFIDENTIAL ATHENS, May 28, 1947—6 p. m.

717. Urtels 674 May 10, 687 May 12,[1] 765 May 26. You are authorized to present following views to PriMin for his private info and for whatever confidential use he considers necessary with cabinet members but not to serve as basis for any public statement.

Assure PriMin that my remarks in press conference May 7 were not meant as criticism his leadership Greek Govt. I am fully aware that his influence has been one of moderation and cooperation with us in our desire to aid Greek people and to lessen stultifying political factionalism, and I greatly appreciate his work along these lines.

In reply to PriMin's request for clarification of US views you should point out that my remarks to press are similar to previous public statements by US officials. As President made clear in his address to Congress March 12, Greek Govt, like other Govts, is not perfect. We cannot condone its past mistakes or mistakes which it may make in the future. US desire for moderation has been made clear on

[1] No. 687 not printed, but see footnote 2, p. 169.

many occasions and that desire remains today. We hope that Greek leaders will be increasingly able to subordinate short-sighted personal and political considerations to more patriotic ideal of national unity. We cannot look with favor on excesses of either extremes whether represented in the Govt or not. Although we have no intention of attempting to change Greek Cabinet or indicating our preference for individual ministers, continued presence in Cabinet of such irreconcilables as Zervas is not reassuring.

For your info we are well aware that alternative to present PriMin suggested first paragraph urtel 765 would be most unfortunate.[2]

MARSHALL

[2] According to telegram 798, May 30, from Athens, Prime Minister Maximos requested that Secretary Marshall be "informed that he has been greatly touched by latter's message. This has given him renewed courage in his efforts to carry to a successful conclusion the heavy task which has fallen on his shoulders." (868.00/5–3047)

868.00/5–3147 : Telegram

The Secretary of State to the Embassy in Greece

SECRET WASHINGTON, May 31, 1947—1 p. m.

731. Deptel 640, May 14. This telegram and one immediately following contain respectively (1) draft suggestions for Greek note (2) draft proposed agreement on US aid, both of which have been submitted to President and approved by him. Pl transmit text of both drafts to Greek Govt.

For your info, it is Dept's view that the general statements suggested for Greek note would have better effect coming from Greek Govt in that form than if embodied in more formal agreement between US and Greece. Although Dept holds no brief for exact wording of proposed note and would be willing to consider changes proposed by Greek Govt, we would wish to give consideration to any variance before note is officially presented. All points contained in our draft are considered important and are so closely related to our proposed agreement that substantive changes in note would raise serious difficulties. It is hoped therefore that Greek Govt will be agreeable to presenting note substantially as suggested. The element of time is also important consideration.

Begin text draft note: Draft of note from Greek Government to United States Government

The Greek Govt acknowledges the note of the US Govt of May , 1947, informing it that the President of the US has been empowered by Congressional action to extend assistance to Greece. The hearts of the Greek people are profoundly touched by this proof of the generos-

ity and good will of the American people and of the benevolent interest of a great and friendly nation in the welfare of Greece. The Greek Govt, on its own behalf and on behalf of the Greek people, wishes to express its deepest appreciation for this magnanimous response to the request of the Greek Govt and takes this opportunity to repeat that it turned to the US for aid only because the devastating results of the war were such as to render impossible the enormous task of reconstruction with the resources remaining to Greece after years of conflict and enemy occupation.

The Greek Govt wishes to give assurances that any assistance it may receive will be used in conformance with the purposes for which it may be made available. Aid given for military purposes will be used in the restoration and maintenance of internal order. Aid furnished for the economic recovery and physical reconstruction of the country will be expended in a manner which will have a lasting beneficial effect on the country as a whole.

The Greek Govt also wishes to make known at this time its own plans for action which will lay a basis for American assistance in Greek recovery and reconstruction.

The Greek people realize that ultimate solution of their problem requires great and continuous effort by themselves. They are aware that the extensive aid of the US will not alone be sufficient to meet the large costs of restoring public order and reconstructing productive facilities over a period of years. The Greek Govt will lead its people in their effort to achieve these ends. This responsibility entails the composing of internal differences, the collection of more revenues, the rebuilding of foreign trade, the conservation of foreign exchange, the reconstruction of public works, the improvement of government administration, assistance and guidance to agriculture and industry, establishment of protective labor measures, encouragement of democratic organizations among economic and social groups, measures to control inflation and assure equitable distribution of supplies and services, and the restraint of excesses and extravagances on the part of any segment of the population. The Greek Govt will undertake these and all other necessary measures to marshal Greece's own resources to the fullest extent in attaining the ends for which American assistance may be extended. This organization of Greek effort will require economic contributions and cooperation from all.

The Greek Govt is ever mindful that primary responsibility for the economic welfare of the country rests with the Greek Govt, and it is therefore proceeding with plans for the early institution and vigorous administration of those measures which will enable full use of capital, productive facilities, manpower resources and natural wealth to be found in Greece. Certain measures proposed by the Greek Govt are stated in general terms in this note; these and other measures will be developed further after consultation with American advisors.

In order to achieve budgetary balance and economic stability at the earliest possible time the Greek Govt will undertake to rehabilitate its national and local revenue system by all necessary measures including the modernization of tax administration, elimination of tax evasion and the use of every practicable source of revenue. Full regard will be given to the equitable distribution of the tax burden and to the

333-774—72——13

principle of ability to pay. Measures will be taken to control and curtail expenditures of the Govt. The Govt audit and accounting system will be strengthened, and the budget will be published and used as an effective control of expenditures.

With a view to steadily increasing the ratio of official acquisitions of foreign exchange to import requirements, a program will be undertaken to increase the amounts of foreign exchange coming into the Greek economy through normal commercial channels. Vigorous efforts to increase exports, including the resumption of the export of olive oil and the rebuilding of foreign markets, will be made. Measures will be adopted to assure the operation of Greek shipping in a manner which will provide the greatest benefit for the national economy. Existing regulations on the import and export of foreign exchange will be enforced and strengthened by all possible means. To make the most effective use of available exchange, imports will be limited to those which are essential to the Greek economy, and they will be brought in as an integral part of a national import program which includes goods purchased with American aid. The planning and administration of the program of public and private imports and exports will be centralized in a Foreign Trade Administration headed by an American technician in the employ of the Greek Govt.

To guard against further inflation, a vigorous program will be undertaken to hold down prices and to establish an equitable relationship between prices and wages. As further deterrents to inflation, rent control and rationing of commodities will be continued and controls on credit and banking will be instituted.

The agricultural and industrial production of the country will be increased by Govt guidance and financial assistance. Unduly restrictive taxes, detrimental employment practices and monopoly regulations will be re-examined, and all unnecessary deterrents to production eliminated. To this end the Greek Govt will encourage increased labor productivity while fostering the right of workers to organize and join free democratic labor unions and to engage in activities to promote their mutual protection and economic status.

In order to fill its increasingly active role in guiding the recovery and reconstruction efforts during the American aid program, the Govt will undertake an extensive program to improve its governmental organizations and civil service, which were so disrupted by the long years of war.

The Greek Govt wishes to take this opportunity to renew its request to the US Govt for American personnel who can assist in the Greek recovery effort, including a special American Mission to administer the extension of American aid, observe its use by the Greek Govt and advise the Greek Govt. In order to expedite recovery in Greece and because of the large financial contribution of the US to Greece, the Mission should participate in the development of revenue and expenditure policies, approve Govt expenditures for activities which directly or indirectly involve the use of American aid, take part in the planning of the import program, and approve the use of foreign exchange. The Greek Govt would also wish the Mission to assist in execution of reconstruction projects, improvement of public administration, technical training of civil servants and other personnel, continuation of the health program, development of exports, programming and disposi-

tion of Govt purchased supplies, promotion of agricultural and industrial recovery, and regulation of wages and prices. In general the Greek Govt will wish to consult with the Mission before taking any economic steps which might affect the success of the American aid program.

In addition to the members of the Mission who will act as representatives of the US Govt, the Greek Govt wishes the assistance of the US Govt in employing a limited numbered of American experts to act in technical and executive capacities within the Greek Govt. The Govt will continue a Currency Committee consisting of Greeks and foreign experts with functions modified to fit in with those of the American Mission. As mentioned above, a Foreign Trade Administration, headed by an American technician, is also planned.

In the light of the recent legislation by the Congress of the US and of the views expressed by the US Govt in its note of May , 1947, and by the Greek Govt in this note, it is suggested that the two Govts should enter into a formal agreement on these matters. *End text draft note.*

MARSHALL

868.00/5–3147 : Telegram

The Secretary of State to the Embassy in Greece

SECRET WASHINGTON, May 31, 1947—1 p. m.

730. Following is text draft agreement referred to Deptel immediately preceding:[1]

Begin text draft agreement—Agreement on aid to Greece

The Govt of Greece having requested the Govt of the US for financial, material and technical assistance to avert economic crisis, promote national recovery, and restore internal tranquillity; and

The Congress of the US, in the Act approved May 22, 1947, having authorized the President of the US to furnish such assistance to Greece, on terms consonant with the sovereign independence and security of the two countries; and

The Govt of Greece, in a note to the Govt of the US of ————, 1947, having proposed certain measures within Greece which it deems essential to the effective use of US assistance and of Greece's own resources in promoting reconstruction and recovery in Greece as soon as possible; and

The Govt of the US and the Govt of Greece believing that the furnishing of such assistance will help to achieve the basic objectives of the Charter of the United Nations and will further strengthen the ties of friendship between the American and Greek peoples:

The undersigned, being duly authorized by their respective Govts for that purpose, have agreed as follows:

ARTICLE I

The Govt of the US will furnish the Govt of Greece such assistance as the President of the US may authorize to be provided in accordance

[1] *Supra.*

with the Act of Congress approved May 22, 1947, and any Acts amendatory or supplementary thereto.

ARTICLE II

The Govt of Greece will make effective use of any assistance furnished to Greece by the US and of Greece's own resources in order to advance reconstruction and secure recovery in Greece as soon as possible. To this end the Govt of Greece has already undertaken, and hereby agrees, to effectuate the measures proposed in its note of ————, 1947 to the Govt of the US and will take such further action as may be appropriate.

ARTICLE III

The Govt of the US will send to Greece a mission to be known as the American Mission for Aid to Greece (hereinafter referred to as the American Mission). The Chief of the American Mission designated by the President of the US will represent the Govt of the US on matters relating to the assistance furnished under this Agreement.

ARTICLE IV

The Chief of the American Mission will determine, in consultation with representatives of the Govt of Greece, the terms and conditions upon which specified assistance shall from time to time be furnished under this Agreement. Under the direction of the Chief, the Mission will provide such advisory assistance and will exercise such functions as are necessary and proper to assist the Govt of Greece to make the most effective use of any assistance furnished to Greece by the US and of Greece's own resources and thereby to advance reconstruction and secure recovery in Greece as soon as possible. Certain of these functions are contained in the measures proposed by the Govt of Greece in its note of ————, 1947.

ARTICLE V

The Govt of Greece will furnish all practicable assistance to the American Mission to facilitate the performance of its functions, the movement of Mission personnel to, in or from Greece, the employment of Greek nationals and residents, the acquisition of facilities and services, and the performance of other activities of the Mission. The personnel of the American Mission and the property of the Mission and of its personnel shall enjoy in Greece the same privileges and immunities as are enjoyed by the personnel of the US Emb in Greece and the property of the Emb and of its personnel.

ARTICLE VI

The Govt of Greece will permit the members of the American Mission to observe freely the utilization of assistance furnished to Greece by the US. The Govt of Greece will maintain such accounts and records, and will furnish the American Mission such reports and information, as the Mission may request for the performance of its functions and responsibilities.

ARTICLE VII

The Govt of Greece and the Govt of the US will cooperate in assuring the peoples of the US and Greece full information, consistent with the security of the two countries, concerning the assistance furnished to Greece by the US. To this end—

(1) representatives of the press and radio of the US will be permitted to observe freely and to report fully regarding the utilization of such assistance; and

(2) the Government of Greece will afford the American Mission opportunity for, and will cooperate with it in providing, full and continuous publicity within Greece, including periodic reports by the Mission, as to activities under this Agreement and the purpose, source, character, scope, amounts, and progress of such assistance.

ARTICLE VIII

The Govt of Greece will make such provisions as may be required by the President of the US for the security of any article, service, or information received pursuant to this Agreement. It will not transfer, without the consent of the President of the US, title to or possession of any such article or information nor permit, without such consent, the use of any such article or the use or disclosure of any such information by or to anyone not an officer, employee, or agent of the Govt of Greece or for any purpose other than that for which the article or information is furnished.

ARTICLE IX

The Govt of Greece will not use any part of the proceeds of any loan, credit, grant, or other form of aid rendered pursuant to this Agreement for the making of any payment on account of the principal or interest on any loan made to it by any other foreign government.

The Govt of Greece will not, except with the approval of the Govt of the US, allocate any funds or make available any foreign exchange for payment of principal or interest or both [2] on the foreign indebtedness now in suspense of the Govt of Greece and of all public and private debtors.

ARTICLE X

Any or all assistance authorized to be provided pursuant to this Agreement will be withdrawn—

(1) If requested by the Govt of Greece;

(2) If the Security Council of the United Nations finds (with respect to which finding the US waives the exercise of any veto) or the General Assembly of the United Nations finds that action taken or assistance furnished by the United Nations makes the continuance of assistance by the Govt of the US pursuant to this Agreement unnecessary or undesirable;

(3) Under any of the other circumstances specified in section 5 of the aforesaid Act of Congress or if the President of the US determines that such withdrawal is in the interest of the US; or

(4) If the Govt of Greece does not take reasonable steps to effectuate those measures proposed in its note of _____, 1947 or subsequently agreed upon which are essential to reconstruction and recovery in Greece.

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[2] In telegram 739, June 2, to Athens, the Department directed the Embassy to delete the words "or both" (868.00/5–3147).

ARTICLE XI

This Agreement shall take effect as from this day's date. It shall continue in force until a date to be agreed upon by the two Governments.

ARTICLE XII

This Agreement shall be registered with the United Nations.

Done in duplicate, in the English and Greek languages, at Athens, this _____ day of _____, 1947.

For the Government of the United States

For the Government of Greece

End text draft agreement.

MARSHALL

867.20/6-347

Memorandum by the Director of the Office of Near Eastern and African Affairs (Henderson) to the Under Secretary of State (Acheson)

TOP SECRET [WASHINGTON,] June 3, 1947.

Subject: British Desire for Consultation Regarding Composition of Turkish Armed Forces.

The Problem: The British Foreign Office has communicated to Ambassador Wilson in Ankara and to the Department here its desire for discussions between British and American military authorities in Washington to reach "final decisions" on the size and composition of the Turkish Army. A suggestion of the same sort was made by the British in February, when the question of American aid to Turkey first arose. It is now being made again as a result of a statement by Ambassador Wilson to the British Ambassador in Ankara that we hoped that British military and naval instructors would remain in Turkey. The British say that there will be no difficulty regarding their naval and air force instructors, but that they must know just what is to be done with the Turkish Army in order to decide whether it would be useful for them to leave ground force instructors in Turkey. They apparently envisage that the American and British governments should decide the kind of army Turkey should have and then inform the Turks.

Specifically, the British request that we agree (*a*) to hold joint discussions regarding future composition of the Turkish armed forces, such discussions to take place in Washington after the return of the American Survey Mission, and (*b*) to instruct our Survey Mission now to make its investigations and prepare its report with a view to these subsequent discussions.

Discussion: Ambassador Wilson, in his telegram no. 405 of May 31,[1] (Tab A, attached) expresses the view that we should not attempt to impose upon the Turks any hard and fast decision as to what their armed establishment should be, although we should of course give them whatever advice they may request on the subject. He considers that our task is primarily to determine the most effective use of the $100 million we intend to spend to aid Turkish national defense and that our assistance should not be conditioned upon Turkish acceptance of our views on the size and composition of their armed forces. He fears that it would create an unfortunate impression on the Turks if they thought that the British and ourselves were conferring independently in order to make decisions regarding what Turkey should do. He further points out that our survey group is obtaining information from the Turks which the latter have not given to the British and do not wish us to pass on.

NEA is in general agreement with Ambassador Wilson's views. Since we are particularly anxious to avoid the appearance of dictating to Turkey, we do not feel that we should attach any hard and fast conditions to our assistance with respect to the future composition of the Turkish armed forces, although our military people will undoubtedly have occasion to make suggestions to the Turks in this respect. We have every reason to believe that the Turks will give such suggestions serious consideration. We also feel that it would be unfortunate to commit ourselves to the British in any way which would restrict our freedom of action or lead the Turks to believe that we were making decisions jointly with the British without their knowledge or concurrence. However, we recognize that the British have a continuing interest in Turkey, and it had been our thought that the British would continue to help there through the provision of technical instructors and in such other ways as they may be able to afford. We should not, therefore, attempt to exclude them from the picture. In the particular instance, the British appear to have a logical argument when they say that they cannot decide regarding the continuance of their ground force instruction group unless they know what sort of ground force Turkey is to have and what kind of equipment it will use.

Recommendations: It is recommended that NEA be authorized to seek War and Navy Department concurrence and then to carry out the following:

1. The British Embassy here be advised, informally, that we do not wish to attempt to dictate to the Turks what they should do with their armed forces, and that we would therefore not wish to engage in formal conversations leading to "final decisions" in this regard.

[1] Not printed.

2. The Embassy to be told, however, that we recognize the British interest in this subject and their need for information in order to plan their instruction program in Turkey. Consequently, we would be glad to have informal consultation in Washington following the return of the American Survey Mission from Turkey, at which time the Mission would of course furnish the British with such information as it obtains regarding Turkish plans and our own plans with respect to the supply of the Turkish armed forces. (It would be understood by our representatives in such conversations that they would not convey to the British any information supplied by the Turks which the latter requested be withheld from the British.)

3. The Embassy to be advised that it would be undesirable to summon either the British or American Service Attachés from Ankara to take part in the informal consultations here, because this would undoubtedly arouse speculation on the part of the Turks and magnify the importance of the talks.[2]

Attachments: Tab A: Ankara telegram no. 405, May 31, 1947.
Tab B: Paraphrase of Foreign Office telegram of May 29, to Ankara.[3] Copy left at Department June 2, 1947.

L[OY] W. H[ENDERSON]

[2] Marginal notation by Mr. Acheson: "I agree and suggest you look at one of the answers to the Vandenberg questions, in which I said that there would be no agreements with the British." Mr. Acheson was referring, presumably, to his answer to Question 93, namely that "There is no agreement with the British Government with reference to the implementation of the proposed plan of assistance to Greece and Turkey. The United States is free to act in agreement with the Greek and Turkish Governments, respectively." (Department of State *Bulletin*, May 4, 1947, Supplement, p. 890).

[3] Not printed.

867.00/5–2747 : Telegram

The Secretary of State to the Embassy in Turkey

SECRET WASHINGTON, June 4, 1947—6 p. m.

309. Following is draft agreement (Embtel 392[1]) approved by President:

Begin text agreement Agreement on Aid to Turkey

The Government of Turkey having requested the Government of the United States for assistance which will enable Turkey to strengthen the security forces which Turkey requires for the protection of her freedom and independence and at the same time to continue to maintain the stability of her economy; and

The Congress of the United States, in the Act approved May 22, 1947, having authorized the President of the United States to furnish such assistance to Turkey, on terms consonant with the sovereign independence and security of the two countries; and

[1] Dated May 27, not printed.

The Government of the United States and the Government of Turkey believing that the furnishing of such assistance will help to achieve the basic objectives of the Charter of the United Nations and will further strengthen the ties of friendship between the American and Turkish peoples:

The undersigned, being duly authorized by their respective Governments for that purpose, have agreed as follows:

ARTICLE I

The Government of the United States will furnish the Government of Turkey such assistance as the President of the United States may authorize to be provided in accordance with the Act of Congress approved May 22, 1947, and any Acts amendatory or supplementary thereto. The Government of Turkey will make effective use of any such assistance in accordance with the provisions of this Agreement.

ARTICLE II

A Chief of Mission to Turkey designated by the President of the United States for the purpose will represent the Government of the United States on matters relating to the assistance furnished under this Agreement. The Chief of Mission will determine, in consultation with representatives of the Government of Turkey, the terms and conditions upon which specified assistance shall from time to time be furnished under this Agreement, except that the financial terms upon which specified assistance shall be furnished shall be determined from time to time in advance by agreement of the two Governments. The Chief of Mission will furnish the Government of Turkey such advice as may be appropriate to help in achieving the objectives of the assistance furnished under this Agreement.

The Government of Turkey will permit the Chief of Mission, and members of his staff designated by him, to observe freely the utilization of any such assistance, and will furnish the Chief of Mission such reports and information on the utilization and progress of assistance furnished as he may request for the performance of his functions and responsibilities.

ARTICLE III

The Government of Turkey and the Government of the United States will cooperate in assuring the peoples of the United States and Turkey full information, consistent with the security of the two countries, concerning the assistance furnished pursuant to this Agreement. To this end—

(1) representatives of the press and radio of the United States will be permitted to observe freely and to report fully regarding the utilization of such assistance; and

(2) the Government of Turkey will give full and continuous publicity within Turkey as to the purpose, source, character, scope, amounts, and progress of such assistance.

ARTICLE IV

The Government of Turkey will make such provisions as may be required by the President of the United States for the security of any article, service, or information received pursuant to this Agreement.

It will not transfer, without the consent of the President of the United States, title to or possession of any such article or information nor permit, without such consent, the use of any such article or the use or disclosure of any such information by or to anyone not an officer, employee, or agent of the Government of Turkey or for any purpose other than that for which the article or information is furnished.

ARTICLE V

The Government of Turkey will not use any part of the proceeds of any loan, credit, grant, or other form of aid rendered pursuant to this Agreement for the making of any payment on account of the principal or interest on any loan made to it by any other foreign government.

ARTICLE VI

Any or all assistance authorized to be provided pursuant to this Agreement will be withdrawn—

(1) If requested by the Government of Turkey;

(2) If the Security Council of the United Nations finds (with respect to which finding the United States waives the exercise of any veto) or the General Assembly of the United Nations finds that action taken or assistance furnished by the United Nations makes the continuance of assistance by the Government of the United States pursuant to this Agreement unnecessary or undesirable; and

(3) Under any of the other circumstances specified in section 5 of the aforesaid Act of Congress or if the President of the United States determines that such withdrawal is in the interest of the United States.

ARTICLE VII

This Agreement shall take effect as from this day's date. It shall continue in force until a date to be agreed upon by the two Governments.

ARTICLE VIII

This Agreement shall be registered with the United Nations.

Done in duplicate, in the English and Turkish languages, at Ankara, this (fill in date) day of (fill in month), 1947.

For the Government of the United States

For the Government of Turkey

End text agreement[2]

MARSHALL

[2] In telegram 430, June 6, 8 p. m., from Ankara, Ambassador Wilson reported that he had handed the draft agreement to Turkish Foreign Minister Saka the same day (867.00/6–647). Beginning that day there were many exchanges of telegrams between the Embassy in Ankara and the Department of State concerning clarifications sought by the Ambassador and detailing his negotiations with Turkish officials, who requested several changes in the draft agreement. These telegrams are filed under 867.00.

868.20/5–3047 : Telegram

The Secretary of State to the Embassy in Greece

SECRET WASHINGTON, June 6, 1947—noon.

781. Urtels 771 May 26; 779 [*799*] May 30 [1] and Lehner's MID 185 May 27. Dept assumes you concur temporary increase 20,000 Greek Army recommended Colonel Lehner and Brit military. Increase also approved here by War Dept.

If Dept assumption correct, you may inform Greek Govt that US Govt concurs in temporary increase maximum 20,000 for Greek Army to replace veterans long service. Such increase for period approximately three months at end of which Greek National Army should be reduced promptly to original ceiling of 120,000. US Govt will expect Greek Govt to minimize internal financial expenses of such temporary increase, as any unnecessary or excessive local expenditures would constitute drain on Greek budget and resources of economy and indirectly diminish net contribution assistance civilian economy from US funds becoming available under Act. US Govt reserves judgment re necessity further call-up Sept 1 of 20,000 additional new men (urtel 671 May 10) and re permanent increase suggested third para Greek *Aide-Mémoire* May 25.

Following forurinfo. If after consultation Lehner above three months period covering temporary increase either excessive or inadequate, you are authorized to make appropriate change in reply to Greek Govt.

Dept understands costs temporary increase 20,000 offset in part by factors mentioned urtel 799, but further clarification helpful. On basis present financial program for Greece, any net dollar increase Army costs would be absorbed in tentative 150 million military program.

If possible pls ascertain Greek Govt internal costs proposed 20,000 Army increase.

MARSHALL

[1] Not printed, but see footnote 2, p. 180.

867.00/6–647 : Telegram

The Ambassador in Turkey (Wilson) to the Secretary of State

CONFIDENTIAL ANKARA, June 6, 1947—7 p. m.
PRIORITY

428. Department's telegram 316 [*313*], June 4.[1] Survey group of Army, Navy and State Department to advise me in making recommendations for most effective utilization of US aid to Turkey arrived

[1] Not printed.

in Ankara May 22. They at once began series daily meetings with officers Turk General Staff and other officials Turk Government. They have made most satisfactory progress and have obtained complete cooperation all Turk authorities. On June 3 members survey group with Turk opposite numbers [divided into working?] parties for visits to various sections Turkey for on ground studies of problems involved in survey. They are expected return Ankara by end June when we shall begin drafting our report. Pending their return and preparation of specific recommendations re utilization aid, I wish submit to Department following general views based on personal observation since my return from Washington and on experience gained by survey group to date.

1. Passage of legislation by US Congress to provide aid to Turkey has had most encouraging effect here. It has been wholeheartedly welcomed by Turk Government and people. It is regarded as a positive measure for maintenance of peace and stability in Middle East and as effective contribution to strengthening United Nations. Government and people are relying heavily on aid program and would fail utterly to understand any reluctance or delay on our part in implementing it.

2. My observations since returning here have served to strengthen even further my conviction that aid by US to assist Turkey is essential for maintenance peace in this area.

3. US aid is of great moral significance to this part of world as indicating US determination to support principles of UN.

4. On assumption US aid will take form largely of strengthening Turkish national defenses, this should also have beneficial effect on Turkish economy. Unless US furnishes needed supplies and equipment Turkey would be obliged to use foreign exchange and held reserves to acquire them, thereby weakening financial and economic position.

5. Preliminary investigations in many fields of possible application of aid program have revealed extensive need for aid in form of equipment, supplies and technical advice. These investigations reveal even greater need for such assistance than was at first anticipated. There is ample evidence that funds to be made available can be applied on effective projects, many of which are of urgent character. It is clear that program which will be of inestimable assistance to Turkey is being developed and that benefits of aid program should be fully as effective as anticipated.

6. With this aid from US and with such further assistance as Turkey hopes to obtain from International Bank for economic projects, Turkey should be able to carry out successfully development of country's economic resources against background of strengthened national security.

WILSON

868.00/6–747

Memorandum of Conversation, by the Director of the Office of Near Eastern and African Affairs (Henderson)

SECRET [WASHINGTON,] June 13, 1947.

The Greek Ambassador [1] called upon me this afternoon in order to deliver the attached *aide-mémoire* no. 3618 of June 7.[2]

Upon handing this document to me, he said his Government had asked him informally to stress the difficult position in which it finds itself. The Government of Greece is fighting for the very life of Greece; the struggle is desperate; the enemies of Greece know no restraint and do not hesitate to resort to any tactics which might give them an advantage. The Greek Government, on the other hand, is handicapped. Greek officers are increasingly hesitant to take decisive actions of a nature called for by the situation because of pressures brought to bear upon them by the representatives to Greece of Great Britain and the United States. The officials of Greece are losing confidence in themselves and the officers of the Greek Army hesitate to give the proper orders. The morale of the soldiers is suffering because they believe that the guerrillas with whom they are fighting will in any event be granted some kind of an amnesty and therefore will not have to suffer for their crimes. The guerrillas, on the other hand, are encouraged by the thought that if they win, they will have Greece; if they lose, they will have an amnesty.

He said that it was hoped that the American Government would carefully review the situation in which Greece finds itself and would issue directives which would permit the Greek Government to take such measures as it might feel necessary in order to save Greece without fear that the officials who give the orders for the taking of such measures would be subjected to censure by the British and American Governments.

He said that he would appreciate it if he could have the reaction of the American government to the points made in the *aide-mémoire* after the Department had had an opportunity to study that document.

L[OY] W. H[ENDERSON]

[1] Vassili G. Dendramis, who had presented his credentials to President Truman on June 9; for the texts of the remarks made at that occasion, see Department of State *Bulletin*, June 29, 1947, pp. 1302, 1303.

[2] *Infra.*

[Annex]

The Greek Embassy to the Department of State

SECRET
No. 3618

AIDE-MÉMOIRE

It becomes daily clearer that it is not simply an internal rebellion, widely organized and systematically supported from outside, with which Greece is confronted. The case is far different: Greece finds herself in a veritable state of war, an undeclared war, which, in its present phase, she is compelled to wage alone and unaided. The war was initiated under the pretext of an ideological crusade on behalf of the allegedly oppressed sections of the population; today it clearly appears, and is avowed, to be an aggressive operation, openly aimed at the suppression of Greece's independence.

The Soviet Union's attitude during the Moscow Conference, together with that of the Slav bloc in general toward the Security Council and the Commission of Investigation, establishes certain facts: (1) The new orientation given to American policy in the Eastern Mediterranean through President Truman's initiative in Greece and Turkey has not proved a restraining influence upon Soviet aggressiveness, such as might have been anticipated from the experience of analogous circumstances, in Argentine [*Azerbaijan?*] and Iran in 1946; (2) on the contrary, Soviet policy in spite of the Truman Doctrine has been of a highly provocative order in the Eastern European sector, as is shown by events in Hungary, by the indications of increased pressure against Turkey and intensified maneuvering in Arab countries, and above all, by the Soviet Union's undisguised designs against the very existence of Greece as an independent state. Those designs are made manifest by the systematic campaign of abuse against Greece's representatives in Moscow and Belgrade, by the undermining of Greece's position in every quarter, and most of all, by the intensification of the war on her northern frontiers, where the attacks recently launched against Florina and Kilkis have shown that the guerrilla activities have now been transformed into full-scale modern warfare, in which not only are the most up-to-date equipment and material made available to the insurgent forces but, as is commonly reported, an international brigade is making its way to the front-line by way of Yugoslavia and Albania.

In spite of the gravity of the situation Greece's efforts still remain unsupported; indeed those efforts are constantly being hampered. It is not merely a question of the long interval between the virtual cessation of British and the arrival of American aid. Almost every day the

Greek Government receives insistent representations from the United States or British Governments to the effect that it should follow a certain line of action, avoiding this measure or adopting that. The result of these representations can only be to discourage those who are fighting for their country's independence and to embolden Greece's enemies, whose leaders are at work, actively and with impunity, in the heart of Athens.

To cite but a few instances: Urgent requests are made to the Greek Government to suspend the execution of traitors at the very moment when a parallel recommendation is made for the execution of members of the Right who have engaged in vendetta activities. At other times intervention takes the form of a request for a fresh amnesty or—as in recent weeks—of insistent pressure against the implementing of a decision to raise the strength of the *Gendarmerie* by 6,000 men and that of the Army by 35,000, though an assurance had been given that nothing would be done without the assent of the United States Government.

The Greek Government has repeatedly drawn attention to the impending perils, only to receive the reply that its reports concerning growing military concentrations in Albania, Yugoslavia and Bulgaria are either exaggerated or unfounded, although there is accumulating proof that there is substance to these reports; while, to counter its natural anxiety, recommendations are made for "greater patience and optimism".

In these circumstances the Greek Government is compelled to continue its efforts under the double handicap of inadequate means and a disturbed public opinion; it faces a foe who is able to act officially and without hindrance through the Communist party. Conversely, the Government is precluded, by reason of the afore-mentioned counsels, from adopting even such measures as have already been authorized in the great democratic countries such as the United States.

It will readily be appreciated that under such conditions the Greek Government is unable to foresee how long the situation can be kept under control or how long a collapse of the army's morale can be averted. The Government's endeavors in both these directions are based upon the expectation that the Security Council will take effective steps to safeguard Greece's independence. Should those steps prove inadequate, however, and Greece remain unaided, her Allies will bear sole responsibility for future events which will not be confined to the Eastern Mediterranean alone and to the loss of Greece's independence but will involve the complete disturbance of the present political balance, to the advantage of the Slav bloc.

It may be stressed in this connection that a disaster in the Near East may arise in either of two ways: (*a*) The present offensive against

Greece may have as its exclusive purpose the subordination of Greece to a unified Balkan bloc, or (*b*) The Soviet attitude toward Greece constitutes a factor of negotiation and bargaining in the Soviet policy toward the United States. In either eventuality the consequences of Greece's destruction would be equally dire, and for that reason it is imperative that her Allies should make a single uniform approach to the Greek problem.

Furthermore, it is hardly credible that, in disregard of the experience of the years 1935–39 and 1944–45, the situation could be allowed—through dilatoriness, excessive optimism or a policy of appeasement envisaging a reversal of Soviet policy—to develop into a fresh disaster, of which the eclipse of Greece would be but the opening phase.

But were such an event to materialize, it could not at any rate be argued that the Greek Government had failed to give timely warning.

WASHINGTON, June 7, 1947.

868.00/6–1347

The Secretary of State to the Secretary of War (Patterson)

WASHINGTON, June 13, 1947.

DEAR SECRETARY PATTERSON: With the passage of legislation authorizing aid to Greece, it is planned that arrangements be made to define the responsibilities of the War Department in connection with the program for Greece. I understand that documents are being drafted which will describe the working arrangements for the program and determine the responsibilities of the War Department. In the meantime, arrangements must be concluded with the British Government for the continuation of certain supplies and equipment for the Greek Armed Forces which this government will not be in a position to procure.

For the purpose of negotiating such an intergovernmental agreement, it is requested that the War Department furnish us with a statement of the requirements to be procured from British sources in order to support the Greek Armed Forces.

Faithfully yours, G. C. MARSHALL

867.00/6–1347 : Telegram

The Chargé in the Soviet Union (Kohler) to the Secretary of State

Moscow, June 13, 1947.

2133. *Pravda* June 12 "on American plans for 'moderization' of Turkey" by G. Vershinin stresses military provisions in aid to Turkey.

Summary follows.

Objections Turk public opinion don't in least trouble new "trustees" Turkey. They behave in this country as though they owned it and they plan establish control American advisers over spending credits by Turkey on "moderniz[ation]" of army. Having proffered their "aid" Americans at same time showed complete disregard for Turk sovereignty, entrusting to special military representatives not only determination of program of works to be carried out on Turk territory but also direction of their carrying out political tasks which are at basis of "Truman Doctrine" correspond admirably to interests American industrialists. Not only is surplus war material and some part products American war industry being sold off to Turkey but in addition all this being done under full American control.

Unending stream highly placed Americans coming to Turkey. Other such American military missions are expected. Members are discussing with Turk staff "requirements" of country for armaments. Conversations are concerned with motorization Turk infantry, supplies arms of high fire power and contemp[orary?] antiaircraft guns, reorganization old and construction new aerodromes, modernization and extension war factories, reconstruction harbors, etc. Even new uniform for various types Turk troops being discussed. American missions also visit all important strategic areas Turkey.

Very program of work US military missions in Turkey and list questions which are to be "study" American specialists bear witness to fact that from military viewpoint Turkey has ceased be independent country.

American capital penetrating deeply into economy country. Already branches American banks have been opened in Istanbul and Izmir, and branch American firm, American Middle East Co., which unites more than sixty American industrialists, has been established. American trusts are allowed to prospect widely for oil.

Under American pressure all restrictions for foreign capital have been abolished thus extraordinarily favorable conditions have been created for influx American capital. In fact USA has gained in Turkey fulfillment its beloved principle "open door and equal opportunity".

In sphere economics Turkey also losing independence. British are having yield place to stronger and wealthier rival. Prospect being colony USA is deeply alarming democratic circles in Turkey. One can understand alarm of simple people in Turkey. They are disturbed by fact Turkey has become one of objects for application of alien "doctrine" which threatens Turk sovereignty.

Department please repeat Ankara 26.

KOHLER

867.00/6–1747 : Telegram

The Ambassador in Turkey (Wilson) to the Secretary of State

CONFIDENTIAL ANKARA, June 17, 1947—5 p. m.

PRIORITY

458. Survey group interrupted field studies to prepare estimates required Department's telegram 333, June 11.[1] Would like to emphasize that estimates are purely provisional and to some extent guess work. It is likely present estimates will require substantial revision which will be reflected in final report of July 15. Present estimates assume only dollars 100 million available. Breakdown into categories made with view to applying funds in such way as to strengthen Turk military resistance without adding additional financial burden. Program devoted entirely to urgent military need by express preference Turk Government. Government hopes economic program can be financed through International Bank and other sources.

Dollar estimates made on tentative assumption that certain categories may be obtained US surplus prices. Following initial approximations have been furnished by ground, air and navy groups and are lumped where possible:

[Here follow sixteen numbered paragraphs indicating the several categories of aid and their dollar amounts. The categories comprised arsenals and repair shops; training aid; ammunition; communication and electronic equipment; medical equipment; ordnance equipment; aircraft; airdromes; meteorology; ships; torpedoes, depth charges, mines and minesweeper gear; net and boom material; fuel oil; general naval supplies; ports and highways; and engineering equipment.]

Tentative program outlined above designed within $100,000,000 limit to rehabilitate, augment, improve balance and otherwise strengthen Turkish armed forces toward general end of enhancing Turkish over-all defensive position and to increase Turkish self-sufficiency.

Assuming final recommendations will be acted upon promptly survey group contemplates and urges that major part expenditures be made early in program, probably by mid-fiscal year '48. Most of remainder before end fiscal year. Assume provisions will be made for out-payments after end fiscal year '48 of funds obligated before that

[1] Not printed; the estimates were required for budgetary purposes (867.00/6–647).

date, in event necessary to complete a training program for students in US, or in event there are delays in delivery of manufactured equipment. In event this assumption not correct, please advise immediately.[2]

Re last sentence urtel:

A. Minister of Agriculture announced recently that due to drought in March and April, cereal crops will be 20 to 30 percent below normal. Tobacco crop may be 30 percent below record 1946 crop. Raisin crop estimated at 50 percent of 1946. These losses will be offset to small extent by olive crop 30 percent above normal.

B. On June 12 Council of Ministers decided that 119,000,000 additional lira must be made available for national defense during 1947. 32,000,000 will be transferred from other budget items and 87,000,000 additional will be appropriated. It was stated that additional appropriations would be covered by revenues running higher than originally estimated. However such revenues might have been used for other purposes including reductions of floating debt had not national defense requirements been deemed so urgent.

C. Observations to date by group indicate Turkish roads, railroads and ports in poorer condition than anticipated and much industrial equipment in need of modernization. While it appears Turkish Government will not request that any substantial amount of current aid funds be utilized in these fields, it appears that development and maintenance of adequate transport facilities and maintenance of efficient industrial operations will create a heavy drain on Turkey's foreign exchange resources, even if supplemented by foreign credits.[3]

WILSON

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[2] In telegram 362, June 20, the Department informed the Embassy in Ankara that this assumption was correct (867.00/6–1747).

[3] In accordance with paragraph 5 of Department's telegram 264, May 15, p. 172, Ambassador Wilson, in telegram 462, June 18, recommended two interim programs. The first required "road construction equipment urgently needed by Turkish Army to prevent certain roads of great strategic importance from becoming impassable during next rainy season." The other involved guns, tools, etc., for the Turkish fleet. (867.00/6–1847) The Secretary of State, in letters of July 29, informed the Secretaries of War and Navy that the Department approved the interim military and naval programs. The letter to Secretary Royall stated that the Department was prepared to allocate required funds on the request of the War Department; the Secretary of State informed Secretary Forrestal that the Department had allocated $304,000 to the Navy Department, as requested in his letter of July 16. (867.00/7–2947)

868.00/6–1347 : Telegram

The Secretary of State to the Embassy in Greece

CONFIDENTIAL WASHINGTON, June 17, 1947—8 p. m.

856. Urtel 880 June 13.[1] Importance attached by Emb to suggestion for immediate dispatch to Greece of Griswold [2] and other top ranking AMAG officials fully appreciated by Dept but practical difficulties will prevent Griswold from leaving Washington for at least two weeks. Recruitment now proceeding for top personnel some of whom will be ready to leave for Greece within next week.

Meanwhile frequent press releases in Washington on Mission planning and program should have effect of reassuring Greek public that Mission's work is not being unduly delayed. If, in your opinion, a personal communication from Griswold would help morale situation, you may convey following message from him to PriMin Maximos.

"It is with sincerest desire to be of assistance to the Greek people that I have accepted the appointment as Chief of the American Mission for Aid to Greece. I am aware of the many difficult problems facing you and your Govt in attempting to restore conditions which will allow your country to progress along the road to peaceful prosperity.

Numerous administrative arrangements and the necessity to familiarize myself with background material will require my presence in Washington for at least the next two weeks. You may be assured however that I am most eager to reach Greece at the earliest practicable moment as it is of extreme importance for the work of our Mission to proceed without delay. I am looking forward with great pleasure to my early arrival in Greece and to the opportunity it will afford me to present my respects to you in person."

MARSHALL

[1] Not printed.

[2] In telegram 768, June 5, the Department instructed the Embassy in Athens to notify the Greek Government of the White House announcement on June 5 that Dwight Palmer Griswold, former Governor of Nebraska, had been appointed Chief of the American Mission for Aid to Greece (868.00/6–547). For the Department's announcement of the appointment, issued on June 13, see Department of State *Bulletin*, June 22, 1947, p. 1219.

Governor Griswold, in a broadcast over the Columbia Broadcasting System on July 9, described the program and organization of the Mission; for excerpts, see *ibid.*, July 20, 1947, p. 141.

868.00/6–1847 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

SECRET ATHENS, June 18, 1947—6 p. m.

919. Deptel 830, June 14.[1] Foreign Minister denied to me last night any knowledge of *aide-mémoire* presented by Greek Ambassador.

[1] Not printed; it quoted in telegraphic style the Greek Embassy's *aide-mémoire* of June 7 (see p. 196) and requested Athens to furnish suggestions for a reply (868.00/6–1447).

After consulting his secretary he said believed document based on circular instructions sent all principal Ambassadors several weeks ago directing them stress on all appropriate occasions Greek Government's views substantially as stated. However appeared genuinely surprised at Ambassador's action and hence Dendramis may have exceeded instructions in making matter so formal. British colleague uninformed of any parallel *démarche* in London.

Childish and petulant inaccuracies concerning alleged foreign "intervention" in Greek affairs are unfortunately very characteristic of Tsaldaris in certain moods and any answer the Department may think it worthwhile to return in this regard can be unequivocal. This Embassy has never "requested Greek Government to suspend execution of traitors" or "execute members of the right" though it has urged Greek Government to comply within Commission's desire for postponement of certain executions to permit pertinent questioning of prisoners (Deptel 146, February 8 [2]) and has at times expressed view that law should be applied equally on both right and left (Deptel 449, April 11 [3]). Amnesty proposals were expressly put forward as advice on Greece's interest (mytel 717, May 16 [4]) and officially accepted as such. Since assurances received that armed forces will not be increased without consent of US Government which is involved financially (mytel 771, May 26) no "pressure" in this matter has been applied and actually consent has been given for temporary army increase of 20,000 men (Deptel 791[*781?*], June 7[*6?*]).

As regards rest of document I fear seriousness of situation not exaggerated (mytel 881, June 13 [*12*] [5] and Gibson's 80 [*48*] from Salonika, June 14 [6]) and consideration set forth only strengthen my conviction that important military decisions likely necessary in opening stages AMAG's work (mytel 675, May 10 [5]).

In reply my question what he would propose as best remedial action in our power at present Tsaldaris replied SC decision on border report of paramount importance and our aim should not be as he fears it is to avert Russian veto but rather to attract it. In this connection he urged that veto would be good thing as freeing western powers to take such action as they may deem appropriate whereas what is most to be feared is Soviet agreement to inadequate recommendations leaving opportunity open for indefinite continuance of present clandestine but highly effective tactics.

MACVEAGH

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[2] *Post*, p. 818.
[3] See footnote 1, p. 142.
[4] See footnote 2, p. 170.
[5] Not printed.
[6] Not printed; Raleigh A. Gibson was Consul General at Salonika.

Editorial Note

The agreement on aid to Greece was signed at Athens by Ambassador MacVeagh and Greek Deputy Prime Minister and Minister for Foreign Affairs Tsaldaris on June 20, 1947; for texts of the agreement and of the related notes of May 26, June 15 and June 18, see Department of State Treaties and Other International Acts Series (TIAS) No. 1625, or 61 Stat. (pt. 3) 2907.

868.48/6–2047 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

SECRET
PRIORITY

ATHENS, June 20, 1947—5 p. m.

931. For Henderson NEA. Rountree[1] and Patterson advise that although general economic situation has thus far remained relatively stable in anticipation arrival AMAG position in regard to essential supplies such as cereals and milk has now become so critical owing to delays that unless immediate relief forthcoming breakdown of bread rationing and milk distribution to infants and pregnant women seems certain before aid program as now planned gets under way. (Please see my telegrams to which I asked urgent reply in my telegram 881, June 12[2]). I need not emphasize devastating affect this would have on political and security situation.

Most pressing factors are:

1. As of today Government has balance of less than $150,000 excluding currency cover of $3,000,000. Goldstock all in coins in Athens equivalent about $4,000,000. Sterling 3,500,000 pounds excluding currency cover. All dollar import applications being rejected.

2. Even assuming no continuation maritime strike, Greece will have by first part August no stocks of cereals to meet bread ration. To avoid complete cessation this ration therefore absolutely essential that August allocation 35,000 tons at cost approximately $4,000,000 arrive early August which means that orders must be placed within maximum two weeks. If present orders for July arrival are held up by maritime strike, Greece will be unable to meet rations by mid-July.

3. As reported Embassy's telegram 901, June 16,[2] milk stocks virtually exhausted and immediate shipments must be made at least for infants and pregnant women if widespread hunger and sickness to be prevented. If Department not to make emergency shipment under post-UNRRA relief program, necessary that at least $2,000,000 in orders be placed by Greeks at once.

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[1] William M. Rountree of the Office of Near Eastern and African Affairs; at this time, attached to the Embassy in Greece for preliminary AMAG matters.

[2] Not printed.

4. In order prevent breakdown both military and civil transport, orders for $500,000 petroleum products unobtainable for sterling must be placed immediately for July arrival.

5. Sterling balance of no use in meeting foregoing requirements totalling $6,500,000. Gold cannot be sold in sufficient time to meet crisis. Believe unwise for psychological reasons transfer for current small currency cover but even assuming this is done, deficit would be $3,400,000. In addition other essential though not too critical supplies must be ordered currently since stocks agricultural and industrial raw materials, etc., in general very low as result stringent import programs since December. Estimate needs for latter $2,000,000 for next few weeks bringing immediate deficit to $5,400,000. If currency cover not used, deficit $8,400,000.

Strongly urge Department take over direct responsibility shipments at least of wheat and milk and that immediate advance be made to Greek Government under aid program for other vital dollar expenditures with all such expenditures to be made only with specific approval of Embassy pending arrival Griswold which should by all means be expedited for above as well as other reasons of rapidly increasing vital character (my telegram 880, June 13 [3]).

Please telegraph reply soonest.

MACVEAGH

[3] Not printed.

868.00/6–2147

The Greek Embassy to the Department of State [1]

No. 4171

AIDE-MÉMOIRE

With reference to the *Aide-Mémoire*, reference No. 3618 of June 7, 1947,[2] presented to the Department of State by this Embassy, it is now desired to submit the following further considerations:

Although the question of an increase in Greece's armed forces has indeed been examined in the light of financial and economic factors, it has not been linked with the American program of aid to Greece. On the contrary, in a written communication of 12 May 1947 addressed to the Ministry for Foreign Affairs, the American Ambassador in Athens emphasized that, independently of that program, the question under reference, if dealt with exclusively within the framework of the Greek Budget, would aggravate the problems of maintaining currency stability and of fostering exports, reconstruction work, etc., and that accordingly there was an imperative need for reducing military

[1] Handed to the Director of the Office of Near Eastern and African Affairs (Henderson) by the Greek Ambassador on June 24.

[2] *Ante*, p. 196.

expenditure when the crisis resulting from the rebel warfare came to an end.

The American Ambassador added that in his opinion the proposed increase in the *Gendarmerie* gave rise to serious misgivings, not only on economic and military grounds, but also on grounds of political expediency. This clearly shows that the attitude of the United States Government toward an increase in the Greek armed forces was not prompted solely by economic considerations.

In a subsequent communication of 11 June 1947 the American Ambassador stated that his Government agreed to the recruitment of army personnel but solely for the purpose of replacing personnel due to be released. An increase would, however, be effected thereby only during the coming three months, after which period the total army strength would revert to 120,000 men. In consequence, virtually no advantage would accrue to the army.

Furthermore, no reply has yet reached the Greek Government regarding the proposed increase of the *Gendarmerie* by 6,000 men.

In these circumstances, the situation, in the matter of the inadequacy of the country's armed forces, remains as critical as ever.

It seems therefore expedient that it be made clear whether the United States Government considers that the Greek Government should be at liberty, without hindrance or diplomatic intervention, to suppress the Communists' activities in Greece. If so, it would be appreciated if appropriate instructions could be transmitted to the American Ambassador in Athens.

WASHINGTON, June 21, 1947.

867.00/6–2547 : Telegram

The Secretary of State to the Embassy in Turkey

SECRET WASHINGTON, June 25, 1947—noon.

370. Urtel 405 May 31.[1] Dept has told Brit Emb that appropriate War and Navy officers will be glad discuss informally plans for American aid to Turkey and anticipated future composition Turk armed forces. However we did not intend dictate to Turkey composition of armed forces and consequently would not wish to engage in any formal discussions leading to "final decisions" regarding what Turks should do. Emb indicated it thought this would be sufficient.

[1] Not printed; but for substance, see Mr. Henderson's memorandum of June 3 to Mr. Acheson, p. 188.

For your info Dept feels it necessary keep Brit informed and interested in support of Turkish forces and we propose provide them sufficient data to enable them to plan future work of their military advisers in Turkey. We will not supply any info which Turks may indicate they do not want given to Brit.

If question should be raised again you may say we think it unnecessary and undesirable that Brit Service Attachés in Turkey come to Washington for discussions.

Foregoing represents views of War and Navy as well as State.

MARSHALL

868.00/6–2747

The Secretary of War (Patterson) to the Secretary of State

WASHINGTON, 27 June 1947.

DEAR MR. SECRETARY: Reference is made to your letter of 13 June 1947, file ED, wherein you request the War Department to furnish a statement of the requirements to be procured from British sources in order to support the Greek Armed Forces.

Until such time as supplies from U.S. sources can be made available to Greece, certain limited and vital supplies and equipment are being met from British sources. For the purpose of your negotations, interim requirements to support the Greek Armed Forces from British sources are as follows:

a. The supply of food to the Greek Armed Forces through 31 August 1947, on the same scale and feeding strength as now used.

b. Subject to screening by the U.S. mission, provision until further notice (i.e., until such time as the U.S. can take over) of minimum essential amounts of gasoline, fuel oil, and lubricants as mutually agreed upon between the U.S. and British missions in Greece.

c. Subject to the screening of requirements by the U.S. mission, provision of necessary ammunition and maintenance supplies for British equipment now on hand as mutually agreed upon between the U.S. and British missions in Greece.

The nature and extent of any reimbursement to the British for the supplies to be provided from British sources should be determined by the Department of State. The War Department will furnish any available information to assist in making this determination.

It is requested the War Department be furnished, at an early date, the pricing policy under which costs for British supplies and equipment will be determined.

Sincerely yours, ROBERT P. PATTERSON

868.00/6–2747

The Secretary of State to President Truman

WASHINGTON, June 27, 1947.

MY DEAR MR. PRESIDENT: As the American aid program for Greece gets under way, it is felt that an essential condition for its success is the expeditious supply from the United States of materials and equipment which the American Mission for Aid to Greece considers necessary for the restoration and operation of the Greek economy. This is applicable not only to materials and equipment to be purchased with the financial assistance of the United States, but also to items ordered by the Greek Government and private Greek enterprises, where such items are judged by the American Mission important to the Greek program.

I am advised that the supply situation in the United States continues such that for a number of key items procurement difficulties will probably be encountered. To overcome these, it will be necessary to obtain the cooperation of all agencies of the Government. I would appreciate it, therefore, if you would advise the appropriate agencies of the urgency of this program and of the necessity of according it full support. I would also like to suggest for your consideration the possibility of there being established through the Office of the President a working group to assist the Department of State in carrying out such activities as may be necessary to expedite procurement under the program.[1]

Faithfully yours, G. C. MARSHALL

[1] For the White House announcement on July 2 of the creation of the interagency group to expedite procurement under the Greek aid program, see Department of State *Bulletin*, July 13, 1947, p. 96.

868.00/7–247 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

TOP SECRET ATHENS, July 2, 1947—7 p. m.

1020. Prime Minister came to see me this morning and said has been informed by security and military authorities that immediate action necessary against Communist leaders Athens to prevent some leaving country to join Zachariades and Porfyrogennis in promoting mooted separate Greek Government and others from launching series of crippling strikes.

Prime Minister added action likely take form of arrests of principal Communist leaders remaining here such as Partsalides and a number

of organizers on lower levels. Said he hesitated place matter wholly in hands Zervas (Minister Public Order) and is thinking of constituting small unofficial committee consisting of Zervas, Stratos (Minister War), Ventiris (Chief GS) and perhaps Alexandris (Minister Justice). Incidentally he said he has done utmost to get rid of Zervas but latter now enjoying strong support Tsaldaris who threatened resign if Zervas removed.

Prime Minister asked my advice and also that of General Livesay [1] whom he had requested be present. I replied that matter an internal one regarding which I could not advise officially and also that it falls entirely outside General Livesay's terms of reference. However I took occasion stress once more Department's hope for maximum unity among all national minded Greeks under existing conditions (Deptel 717, of May 28) and pointed out that since Communist menace now clearly threatening integrity of country this would seem afford best possible reason for leaders beginning to get together without delay. In addition I said I felt that any new and strong national defense move undertaken at this time would unquestionably have better chances of success here and be better received abroad if it represented not merely a Governmental policy but one approved and supported by all Parliamentary parties. I therefore expressed the thought that he might consider broadening his committee to include opposition members or at least try to secure the advance blessing Sophoulis for any action proposed in order to give it a non-partisan and national character. In latter connection I added that Sophoulis strong reaction published today (mytel 1018 July 2 [2]) against anti-national tendencies of Communist Party might afford some hope of success. Prime Minister said he felt considerable cogency in above and asked whether he could use my name in possible conversations. This I felt unable authorize but added he might very well stress strongly the already well known US attitude regarding unity and that I felt this should give him a most potent argument particularly at this moment when US on very point of instituting closest collaboration with Greece through AMAG Mission.

MacVeagh

[1] Maj. Gen. William G. Livesay, Chief of the War Department Group of AMAG, who replaced Colonel Lehner because of the necessity of designating a general officer for this position. General Livesay's letter of instructions, dated June 12, 1947, directed him to proceed to Athens on or about June 17. The initial composition of the Group was set at 28 officers, 10 enlisted men and 26 War Department civilian employees.

[2] Not printed.

868.00/7-347

Memorandum by the Coordinator for Aid to Greece and Turkey (McGhee)[1] to the Under Secretary of State (Lovett)[2]

[WASHINGTON,] July 3, 1947.

Subject: Greek and Turkish Aid Appropriations

Discussion:

Both from the attitude of members of the House Appropriations Committee during Hearings just completed and the press report attached,[3] it appears that the House Appropriations Committee may either:

a. Appropriate less money for the Greek-Turkish Aid Programs than the $400 million authorized in the enabling legislation, Public Law 75, or

b. Appropriate a portion of the total, say half, with the remainder to be appropriated after another hearing at a later date.

Either course of action would, in the opinion of those working on the Aid Programs, completely prejudice the success of the Aid Missions for the following reasons:

a. It is impossible to plan such programs for a lesser period than a year.

b. It would be difficult to procure certain scarce items required for these programs unless orders can be placed well in advance.

c. Greece, Turkey and the rest of the world would interpret such action as a retrenchment in our policy, leading to possible abandonment of the "so-called" Truman doctrine.

Governor Griswold in effect told the House Committee that he would under such circumstances resign from his position as Chief of Mission.

Mr. Rayburn, Minority Leader in the House, has been consulted with respect to possible action which might be taken to remedy the above situation and recommends the course of action given below:

Recommendations:

It is recommended that Secretary Marshall be requested to arrange a meeting with Speaker Martin, asking him to include Mr. Taber and

[1] George C. McGhee was designated Coordinator of Aid to Greece and Turkey on June 18; for the Department's announcement of his appointment to this position, see Department of State *Bulletin*, June 29, 1947, p. 1303.

[2] Initialed by the Secretary of State.

[3] Clipping from the Washington *Evening Star*, dated July 3, 1947; the headline read "House Group Critical of Foreign Aid Plan, May Halve Its Funds".

any others whom Mr. Martin may wish, at which he will state in as forceful language as possible the consequences from the standpoint of United States foreign policy if the House Appropriations Committee recommended anything less than the full amount authorized in the Greek-Turkish Aid Act.

Concurrences:

Dwight P. Griswold; A–P; AA/L; NEA.

868.00/7–247: Telegram

The Secretary of State to the Embassy in Greece

TOP SECRET WASHINGTON, July 3, 1947—7 p. m.

967. 1. Dept approves attitude taken by you during conversation with PriMin reported urtel 1020, July 2, and offers following views for your guidance in subsequent discussions of specific questions raised by Maximos.

2. Greek Govt is responsible to Greek people for preserving law and order in Greece and for protecting Greek political independence and territorial integrity. If, therefore, Greek Govt comes to conclusion that arrest of Communist leaders is necessary for it to live up to its responsibilities, we should not interpose objections.

3. It would of course be preferable that consent of leaders of all Parliamentary parties be obtained in advance for such arrests to be made provided delay in obtaining such assent would not further weaken position of Greek Govt.

4. It is assumed that Greek Govt will exercise particular care to ensure that persons arrested are in fact leaders of Communist Party and that they have been engaged in subversive activities or are conspiring to do so. Simultaneous arrests of persons merely on grounds that they have been critical of Greek Govt might give rise to repercussions which would offset advantages to be gained from displaying firm attitude toward Communists. It is further assumed that Greek Govt when arresting Communist leaders would make clear that these leaders are not being arrested for their thoughts or ideas but for individual illegal acts or for participating in conspiracies or in organized subversive activities. Mass arrests based purely on political grounds would, we believe, seriously prejudice Greek case now under active discussion by SC.

MARSHALL

868.00/7–747

Memorandum by the Coordinator for Aid to Greece and Turkey (McGhee) to the Under Secretary of State (Lovett)

[WASHINGTON,] July 7, 1947.

Discussion:

The President suggested to Governor Griswold in his meeting with him on July 3, 1947, the desirability of meeting with yourself and Mr. Marshall prior to his departure for Greece, to discuss the broader aspects of his assignment which could not be covered in his Letter of Instruction. I understand that the President also suggested the desirability of Mr. Snyder and Mr. Harriman,[1] or in his absence Mr. Foster,[2] being present.

It is believed that it would be desirable, in addition, to have present Mr. Henderson and Mr. Villard of the Department and, if you agree, Mr. Patterson and Mr. Forrestal, in order to cover thoroughly the political and strategic aspects of Governor Griswold's Mission. Governor Griswold has indicated that he would like to have Mr. Forrestal and Mr. Patterson present.

In order to discuss purely political aspects of the Mission which need not be raised with the other Cabinet Members it is believed desirable to have a preliminary meeting with only Departmental officers present. Governor Griswold's Letter of Instruction may be discussed at this time.

Recommendation:

It is recommended that:

a. A meeting be called including yourself, Mr. Marshall, Governor Griswold, Mr. Snyder, Mr. Harriman, Mr. Forrestal, Mr. Patterson, Mr. Henderson, Mr. Villard and myself to discuss with Governor Griswold the overall political and strategic aspects of his Mission, if possible before noon July 9, 1947.

b. Before this meeting it is recommended that a meeting with only the above Departmental officers present be held with Governor Griswold to discuss purely political aspects of Governor Griswold's Mission and his Letter of Instruction.

Concurrences:

Governor Griswold; Loy Henderson.[3]

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[1] W. Averell Harriman, Secretary of Commerce.

[2] William C. Foster, Under Secretary of Commerce.

[3] Mr. Henderson, in a marginal notation, suggested that Mr. Rusk also be present.

868.00/7–747 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

SECRET ATHENS, July 7, 1947—1 p. m.

1040. Rendis, ex-Liberal Minister of Foreign Affairs, called Saturday on behalf Sophoulis and said latter had received communications from EAM containing certain fair-sounding proposals re appeasement as means ending present strife (see mytel 1038, July 6 [1]). He said Sophoulis, knowing control of EAM by Communist Party and having taken firm stand against that party's increasingly anti-national attitude, does not wish fall into trap, but feels some reply his part necessary to avoid accusation he opposed to peaceful settlement. Rendis asked my advice.

In reply I emphasized once more that while my Government has no intention of intervening in Greek internal politics or of indicating preference for any individual as Minister, it does hope today as it has hoped for long time that all national-minded Greek leaders will be able subordinate purely political interests to patriotic ideal of unity at a time of crisis (Deptel 717, May 28). I pointed out that present EAM maneuver cannot be considered apart from general Communist campaign against Greece's independence and territorial integrity, and added that therefore any reply might best be made, in my opinion, after concerting with all national elements, thus avoiding character of purely party reply, which could only continue serve Communist aim of exploring [*exploiting*?] divisions in national ranks. I said I have been in Greece long enough to understand political difficulties in way of forming national government, but that I thought at least a beginning of unity could be made on question national defense and that this approach of EAM to Sophoulis might well provide opportunity. I suggested that Sophoulis take EAM document to his old friend Maximos and that patriotic heads of Greek political [parties] get together to decide on common attitude against enemies of Greece.

Rendis could think of no argument against such a course and promised repeat whole conversation to his chief. Meanwhile I had seen Prime Minister earlier in day, and he had told me he feels that

[1] Not printed.

now is time to get Liberals into government, which he believes could be done if Tsaldaris were personally less intransigent and Sophoulis would agree participate through some of his juniors and not insist on premiership for himself. I also saw Papandreou this morning and he said same thing. As for Maximos personally, he said he is willing cede his place even to Sophoulis if that would result in unified national government but that other Ministers are squarely against this solution, and Papandreou said he feels Maximos the ideal chief of coalition. Perhaps if the Department sees Tsaldaris in US, it may be willing to emphasize desirability of political union, but pending any miracle of broad collaboration among jealous Greek politicos, it would not seem impossible that if some sort of accord could be started on vital national defense problems, this might lead to further developments in day of inter-party cooperation once AMAG commences function.

MacVeagh

Editorial Note

Ambassador MacVeagh and Greek Prime Minister Maximos signed an agreement at Athens on July 8, 1947, providing for United States relief assistance to the Greek people; for text, see Department of State, Treaties and Other International Acts Series (TIAS) 1637. The agreement was entered into pursuant to Public Law 84, enacted into law on May 31, 1947. The proposals by the United States were accepted by the Greek Government without change. (Telegrams 810, June 11, 7 p. m., to Athens and 1047, July 7, 2 p. m., from Athens, 868.48/6–1147, 7–747).

In a letter of June 24, 1947, Richard F. Allen, Field Administrator of the United States Foreign Relief Program, informed Governor Griswold that the relief mission in Greece would be an integral part of the American Mission for Aid to Greece (868.00/6–2447).

On August 29, the Department announced that "a total of approximately $17,000,000 in vital relief supplies for Greece is to be procured under the United States foreign-relief program for the period July through September 1947." For the full text of the announcement, see Department of State *Bulletin*, September 7, 1947, page 482.

868.00/7–947

Memorandum of Conversation, by the Deputy Director of the Office of Near Eastern and African Affairs (Villard)

SECRET [WASHINGTON,] July 9, 1947.

Participants:

The Secretary of State
The Secretary of War
The Secretary of the Navy
The Secretary of the Treasury
Ed. H. Foley, Jr., Assistant Secretary of the Treasury
William C. Foster, Acting Secretary of Commerce
Governor Dwight P. Griswold, Chief, American Mission for Aid to Greece
Governor Robert Leroy Cochran, Deputy Chief, AMAG
Robert A. Lovett, Under Secretary of State
Loy W. Henderson, Director, NEA
Henry S. Villard, Deputy Director, NEA
Dean Rusk, Director, SPA
George C. McGhee, C/GT

The meeting was called at Governor Griswold's request in order that he might consult with top-ranking officials of the United States Government before his departure as Chief of the American Mission for Aid to Greece. Mr. Lovett explained the purpose of the meeting and invited Governor Griswold to open the discussion.

Governor Griswold asked several questions as to the policy of this Government in Greece and requested information for his guidance in regard to a number of matters. He indicated that he was interested particularly in such questions as the possibility of reorganizing the Greek Government; his relations with Ambassador MacVeagh and the jurisdiction of each; the course to be followed in the event that the fighting in Greece developed into a civil war such as had taken place in Spain; the security of members of his staff in case the situation proved serious; and what advice he should offer to the Greek Government in the event of a large-scale attack by Communist forces. Governor Griswold said that he might be inclined to be more firm in his attitude toward the Greek Government than the Ambassador; and that he had been led to believe by newspapermen with whom he had talked that his immediate task should be to change or reorganize the Greek Government.

At the request of the Secretary, Mr. Henderson outlined the Department's policy with respect to the composition of the Greek Government. Mr. Henderson said that we agreed entirely with Governor

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Griswold in his feeling that certain changes might be necessary, and that the Mission would probably encounter obstructions or a lack of cooperation from certain officials, who would have to be eliminated. In doing so, it would however be necessary to proceed discreetly, in order to avoid creating resentment on the part of other officials as well as the Greek people. It would be desirable that any changes in the Government which might seem desirable should be effected in such a manner that the Greeks would feel they themselves had brought about the changes. For this purpose it would probably be advisable to establish regular channels of discussion at a high level. We felt strongly that in all matters affecting the political situation in Greece or possible changes in high level Greek officials it would be important for Governor Griswold to have the advice of Ambassador MacVeagh, who is, by experience and familiarity with the problem, in a position to offer sound guidance.

The Secretary agreed with Mr. Henderson, pointing out that all our activities in Greece would be under close scrutiny and subject to criticism from various sources in any event. It would be expected that the Communists in particular would attack the operations of the Mission, but there was little we could actually do about this.

Mr. Rusk said there were two points in which we were interested from the United Nations standpoint. We had undertaken to do everything feasible to permit United Nations observation of our activities in Greece and our record should therefore be designed to avoid charges of imperialism. On the other hand, the Security Council was seized with the Greek problem and we should remember that our case rested on the proven activities of Greece's northern neighbors in assisting the Communist movement in Greece.

The question of Governor Griswold's public relations was discussed. It was felt that great caution should be exercised by the Mission in its relations with the press, particularly in regard to dealing with newspapermen who were interested in the sensational side of the picture. Secretary Forrestal suggested that before leaving for Greece Governor Griswold should have a frank talk with such persons as Sulzberger of the *New York Times*, Roy Howard of the Scripps-Howard papers, and the heads of the United Press and Associated Press. It would be advisable to discuss with them their representation in Greece and to suggest such changes therein as might be feasible *before* and not after Governor Griswold reached Greece.

The Secretary stress[ed] the need for cooperation in dealing with the press and warned that members of the Mission should be careful not to indulge in indiscriminate conversation on political matters.

868.00/7–947 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

[Extract]

SECRET ATHENS, July 9, 1947—9 p. m.

1078. Following my conversation with Rendis (my telegram 1040, July 7) Sophoulis visited Prime Minister. According to latter who called on me early this morning no conclusions were reached on political collaboration owing continued Sophoulis insistence on premiership. However in regard EAM proposals it was agreed that while Government cannot enter into negotiations with persons in arms against state EAM might be advised Government willing grant general amnesty under international observation if rebels lay down arms. It was also agreed that no undertaking could be accepted in this matter from EAM which is simply front for Communists but only with KKE (Communist Party of Greece) which alone is capable of furnishing assurance that rebels will in fact depose weapons. Maximos said that neither he or Sophoulis have any idea Communists likely accept such terms but Sophoulis urged opportunity be given them in order to "unmask" them definitely. Today's press reports gist of above as Government's position and Maximos said he will see Sophoulis again and try to get him to convey message to EAM if as he fears it proves impossible secure acceptable third party as intermediary.

Meanwhile in view of possible sudden recurrence of problem of arresting Communist leaders and organizers I had conveyed Department's views (Department's telegram 967, July 3) to Prime Minister by letter July 5. This he read to Council of Ministers last night when security and military chiefs again pressed matter. While giving assurances that nobody would be arrested except on basis of fully established record of engaging in subversive activity or conspiracy and not for mere political beliefs all competent ministers declared arrests immediately imperative in view overwhelming evidence of Communist coup being planned Athens before arrival AMAG and refused accept further responsibility for safety of Government or public unless given permission act. PriMin therefore conceded authority proceed. Authorities in charge are Minister of War (Stratos) Navy (Venizelos) Air (Cannelopoulos and Public Order (Zervas) with addition Ventiris (Chief of Army General Staff).

[Here follows information that some 2,500–3,000 persons had been arrested, beginning at 2 a. m., July 9. Ambassador MacVeagh concluded his message with his opinion that the EAM proposals were being made "chiefly to confuse foreign opinion while subversive sentiment being worked up locally to dangerous heights."]

MACVEAGH

868.00/7–1047 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

ATHENS, July 10, 1947.

1086. Following is official communiqué on mass arrests:

"For long time government has been aware of efforts of KKE leadership to carry fight against state into urban centers and capital. Fully informed on preparations of Communist chiefs, government has been following movements and efforts of KKE criminal organism with calm attention uninfluenced by enormity of new crime against nation. Tens of thousands of criminals of all sorts from all corners Greece had concentrated especially in capital but also in other urban centers. Daily new evidence came into hands of judicial, administrative, and military authorities proving crime imminent and would not be delayed for more than 24 hours. Day and hour were fixed June [*July*] 10 at 1 a. m. (This refers to news from government sources of interception of message from bandit chief Markos to KKE, Athens calling for application "plan G" or general uprising at that hour.)

In view this knowledge, government felt it necessary immediately carry out preventive arrests, partly to forestall any criminal act by those in plot and partly to afford judicial authorities necessary time to carry on their task efficiently by investigations under way."

[Here follow comments by Greek leaders and newspapers.]

MACVEAGH

868.00/7–1047 : Telegram

The Secretary of State to the Embassy in Greece

TOP SECRET WASHINGTON, July 10, 1947—9 p. m.

1014. For MacVeagh. During informal conversation with Henderson July 9 Tsaldaris said he was disturbed at contents of telegram just received from his Govt. This telegram indicated that FonOff had received from you note stating that you had been instructed by your Govt to inform Greek Govt that communist leaders should not be arrested until after approval therefor had been obtained from a reorganized Greek Govt which would include members of all Parliamentary parties.[1] Tsaldaris said that situation re communists was urgent and that Govt could not afford delay taking action while new govt was being negotiated and organized. Henderson told him there was apparently some kind of misunderstanding since we had not made such

[1] In telegram 1150, July 17, from Athens, Ambassador MacVeagh informed Mr. Henderson that "Alleged 'note' referred to by Tsaldaris would appear to be my personal letter to Maximos closely paraphrasing Dept's expressions in Deptel 967, July 3 and referred to Mytel 1078, July 9. Believe I have not deviated from Dept's position and government here has given me no signs of misunderstanding." (868.00/7–1747)

suggestion. Following an inquiry made of you in July by PM, we had telegraphed you that in our opinion it would be preferable that Greek Govt before taking steps to arrest communist leaders should obtain in advance approval of leaders of all Greek Parliamentary parties provided such approval could be obtained without delays which would cause further deterioration of situation in Greece.

Henderson added that we had, however, repeatedly informed you that US Govt was extremely anxious that there should be maximum degree of unity among all national-minded Greeks in present emergency and that we considered it extremely important that all Greek leaders regardless of party or personal rivalries begin to cooperate for purpose of saving Greece.

Tsaldaris said that he had had enough experience with coalition govts to know that if new govt embracing all Parliamentary parties should be set up it would fritter months away in long-winded debates and would accomplish little. In order to meet present emergency Greece should have a compact determined govt which would understand what situation demands and would be sufficiently flexible to act quickly and decisively.

MARSHALL

868.00/7–1147

The Secretary of State to Governor Dwight P. Griswold, at Washington [1]

TOP SECRET WASHINGTON, July 11, 1947.

MY DEAR GOVERNOR GRISWOLD: The American Mission for Aid to Greece is embarking upon a task of exceptional difficulty and of great significance in the foreign relations of the United States. I need not emphasize the importance of the issues with which you will be confronted at this juncture in world affairs. So deeply concerned is this Government in the success of your Mission that I am outlining below, for your strictly confidential information and guidance, the political considerations which motivate the policy of this Government today in its relations with Greece and especially in providing the assistance requested by the Greek Government in its appeal to the Government and people of the United States on March 3, 1947.

I. The situation in Greece today should be viewed against the background of a world-wide Communist effort to subvert governments and

[1] Drafted by Mr. Villard and transmitted to the Executive Secretariat by Mr. Henderson with his memorandum of July 10. The memorandum contains the concurrences of Messrs. Rusk and Armour and notes that the instruction to Governor Griswold was to be handed to him before his departure for Greece on July 10 or 11. (868.00/7–1047)

institutions not already subservient to the Soviet Union. The American Embassy in Athens is fully informed as to the facts regarding Soviet aims and objectives and you should rely heavily on the Ambassador for advice as to how they apply to the problem in Greece. For example, under the direction of the Soviet Union, the government and Communist Party of Yugoslavia, and to a lesser extent those of Bulgaria and Albania, have been carrying on activities the purpose of which is: 1) to set up in Greece a Communist-controlled government which would force Greece into a Soviet-dominated Balkan bloc; and 2) to separate Macedonia from the remainder of Greece in order to make Grecian Macedonia part of a Yugoslav or Balkan Federation. These activities have included, in particular, the despatch of arms and military equipment to Greek guerrillas, the training and sending to Greece of reinforcements for the Greek guerrillas and the extension of aid through many other means to the Greek subversive Communist movement. In addition there is a possibility that organized Communist groups are now being made ready in other countries to go to Greece to furnish direct military support to the guerrillas.

In this connection you should have in mind that the activities of the American Mission are designed to assist the Greek Government in meeting the threat of an aggressive Communist movement and that the major considerations in this situation are of a far-reaching political nature.

II. The overall political objectives of United States policy in Greece may be summed up as follows:

(*a*) Maintenance of the independence and integrity of Greece, specifically to keep Greece from falling into the Soviet orbit; and
(*b*) development of the economy of Greece on a self-sustaining basis as soon as possible.

The difficult and inconclusive battle with Communist-inspired armed bands which the Greek Government has been waging on its northern boundaries is directly responsible for the instability of the political situation and the serious deterioration of economic conditions, which have kept the country in a state of unrest and effectively prevented post-war reconstruction. Obviously, no reconstruction can take place while such armed groups defy the authority of the state and foster economic chaos, with the ultimate objective of seizing control of the government by force. In fact, the reports received by the United States Government clearly indicate that unless substantial support is immediately given to the Greek Government in its efforts to restore internal security and to bring about economic improvement, Greece will be forced to succumb to Communist pressure seeking the establishment of a Soviet-controlled dictatorship.

The main problem confronting us in Greece, therefore, is to so strengthen the internal security and the general economic structure of the country that the government can be relieved of the danger presented by an armed subversive minority and can proceed peacefully to the building up of an independent, democratic nation. We desire to see stable conditions restored as soon as possible, in order that Greece may assume full responsibility for its political and economic welfare and be left free to develop its trade and economic resources on a self-supporting basis.

III. We desire to see in Greece a government whose members are firmly united in their loyalty to Greece and who are primarily interested in keeping their country from falling under Communist control or Soviet domination. They should not only place patriotism above personal or party interests, but they should have the courage and strength of character to pursue their objective with complete single-mindedness of purpose. In a word, they should be devoted to the ideal of a free and independent Greece in accordance with the best traditions of their country.

In order that it may enjoy the respect and confidence of all loyal elements of the Greek population, it is our belief that the Government of Greece should rest on as broad a basis of representation as possible. Ideally, members of the government should be drawn from the political parties of the left, the center, and the right, but not so far to the left that they are disposed to make concessions to, or deals with, the Communists or so far to the right that they would refuse to cooperate with non-Communists for the good of Greece. The Government should thus be able to command the support and loyalty of all patriotic Greeks. It may be impossible to attain such an ideal in the immediate future. In any event, however, Greece should have a Government the basic aim of which is to oppose with determination the subversive forces seeking to undermine the Greek state and to destroy its liberty of action.

IV. We are aware of the fact that in its efforts to combat the subversive movement, there is a tendency on the part of certain elements in the Greek Government to employ strong measures and to make use of strong and determined personalities, such as Mr. Zervas, Chief of the *Gendarmerie*. We should realize that stern and determined measures, although of course not excesses, may be necessary to effect the termination of the activities of the guerrillas and their supporters as speedily as possible.

As the work of the American Mission makes itself felt, it may be feasible for us gradually to bring about the elimination of objectionable elements from Greek public life, whether they are extremists of

the right or of the left. But we cannot afford to intervene in Greek political affairs to the extent of imposing a government of our own choice for the sake of satisfying a segment of public opinion in this country or elsewhere, since this would be certain to arouse antagonism on the part of the Greek people and impair their confidence in the objectives of the American Mission.

V. It is possible that during your stay in Greece you and the Ambassador will come to the conclusion that the effectiveness of your Mission would be enhanced if a reorganization of the Greek Government could be effected. If such a conclusion is reached, it is hoped that you and the Ambassador will be able to bring about such a reorganization indirectly through discreet suggestion and otherwise in such a manner that even the Greek political leaders will have a feeling that the reorganization has been effected largely by themselves and not by pressure from without. It should be borne in mind in this connection that there are elements in the United Nations (which is at present seized of the Greek problem) who will be observing with the utmost care our activities in Greece and who will not hesitate if opportunity is given them to charge before the United Nations that the United States is interfering in the internal affairs of Greece.

VI. We are fully cognizant of the need for reform in Greek economic as well as political life, and we believe that determined efforts should be made by the Mission to reconstruct the Greek economy on a basis that will do away as far as possible with corrupt practices and profiteering. We believe that the tax burden should be distributed equally, that labor and agriculture should be urged toward greater production, and that living standards should in general be raised. But judgment should not be passed against the existing regime because it fails to meet American economic or financial requirements. Rather should a comparison be made with the regimes of other Balkan countries, keeping in mind as well the disruption caused by the extreme hardships and handicaps suffered by Greece since its invasion by the enemy during the war. In bringing about needed economic reforms, just as in the case of political reforms, great care should be taken not to offend Greek susceptibilities. For unless we exercise tact and discretion in our handling of the various problems which will confront us, we shall not only arouse the resentment and suspicion of the people of Greece, thereby making our task doubly difficult, but we shall play directly into the hands of the subversive elements seeking by every possible means to discredit our activities.

VII. During the course of your work you and the members of your Mission will from time to time find that certain Greek officials are not, because of incompetence, disagreement with your policies,

or for some other reason, extending the type of cooperation which is necessary if the objectives of your Mission are to be achieved. You will find it necessary to effect the removal of these officials. It is important that such a removal be effected quietly and in a manner which will create a minimum amount of resentment from fellow officials and the Greek people. You will probably find it desirable to establish regular channels through which you may present to the Greek Government your views regarding incompetent or uncooperative Greek officials.

VIII. You will appreciate the possibility that in line with the tactics which the Communists will undoubtedly follow of attempting to discredit, sabotage, and otherwise nullify the work of the American Mission, Communist influence may attempt to reach members of the staff of the Mission itself. It goes without saying, therefore, that you should constantly be on your guard to see that the personnel of the Mission not only continue completely loyal to our ideals and objectives in bringing aid to Greece but that they do not become prejudiced, through outside influence, against any Greek officials or Greek Government opposed to the Communists. It is particularly important that all members of your staff, including any Greek nationals, in conversations with persons other than American officials, refrain from criticism of the existing regime. Such a practice would directly serve the Communist purpose of discrediting the members of the present government in order to replace them with those who are less intent on maintaining the independence of Greece. In any case, all personnel of the Mission should be under strong discipline not to indulge in indiscriminate conversation regarding Greek political affairs and not to make charges except through established channels against Greek officials.

IX. It should also be kept in mind that the British have made a heavy contribution since the liberation of Greece to the maintenance of the Greek armed forces and to the efforts of the Greek Government to restore the economy of the country. These activities of the British, which have been directed toward the same common end of preserving the integrity and independence of Greece, are deserving of respect. The remarks made above with regard to indiscriminate conversations or criticisms concerning Greek officials or the Greek Government apply therefore with equal force in the case of the British. I hope you will caution your staff on this subject as well.

X. Careful attention should be given to the problem of the labor unions in Greece. A determined attempt is being made by Communist elements to obtain control of the unions which, if successful, would create a situation likely to negate completely the work and the objec-

tives of the Mission. Our aim is to encourage in Greece the development of a free democratic labor movement concerned primarily with genuine trade union objectives. If the unions should fall under Communist domination, they would be in a position to paralyze reconstruction work and to thwart effectively our efforts to rehabilitate the Greek economy.

XI. You will have the benefit of the wisdom and practical experience of the American Ambassador in Athens. The external and internal political problems of Greece are of direct concern to the Embassy, and I am confident that the Ambassador, to whom I am sending a copy of this letter, will be ready to lend you every assistance in his power and to consult and advise with you regarding your plans and difficulties. The Ambassador should be kept closely informed of the progress of your Mission toward economic rehabilitation and reform in order that he may be able fully to discharge his duties in the political field. This cooperation between you and the Ambassador should extend also to the matter of your first appearance before His Majesty King Paul and other high officials of the Greek Government. The questions which you might touch upon at that time and the opinions which you should express can most appropriately be discussed beforehand with the Ambassador.

The responsibilities of the Ambassador, I may add, include in particular the problem of bringing about changes in the Greek Government, the question of holding new elections, and the matter of amnesty for political prisoners. Your views will of course be particularly welcomed and helpful as your familiarity with the situation grows, but the Ambassador's judgment should be a principal determinant in the formulation of our policy in regard to these and related matters.

I rely on your own good judgment and tact in shaping that policy and wish you the greatest success in the arduous task you have undertaken.

Sincerely yours, G. C. MARSHALL

868.00/7–1147 : Telegram

The Secretary of State to the Embassy in Greece

SECRET WASHINGTON, July 11, 1947—8 p. m.

1021. In his interview with Secretary Marshall on July 9 Tsaldaris expressed his Govt's appreciation of American aid and stressed problems of Greek frontier violations and urgent need for strengthening Greek armed forces. Tsaldaris stated Greece prepared to accept US suggestions regarding course of action to be taken regarding Greek

frontier violations in event USSR vetoes US resolution before SC. He said much of Greek-Yugo frontier wide open because Greek armed forces insufficient. Tsaldaris referred to possibility US and other friends of Greece might establish some kind of international police force to patrol Greek frontier but stated he would not now press for info re US position in case of Soviet veto of UN Border Commission.

Tsaldaris declared if Greek Govt had means and freedom of action to strengthen its army at once it was confident it could put down disorders within three months but that it could make no move in this direction without US assent. Secretary informed Grk FonMin that question of enlargement of Greek army was matter which should be discussed at length with Mr. Griswold and his military advisors in Greece who after studying the matter on the spot would give him appropriate answer. Tsaldaris gave impression that he believed army should number at least 150,000 and should be reorganized in order to achieve high proportion of front line troops.

In response to FonMin's question, Secretary stated that he would be glad to see him again before his departure from US.

Subsequent conversation of Tsaldaris with Griswold, Under Secretary and other Dept officials [1] followed same lines as above.

MARSHALL

[1] Memorandum of conversation, July 9, 3:45–5:15 p. m., by William Witman, 2d, not printed. Mr. Witman was Second Secretary of Embassy in Greece, temporarily in the Division of Near Eastern Affairs (868.00/7–947).

868.00/7–1147

The Ambassador in Greece (MacVeagh) to the Secretary of State

[Extract]

SECRET ATHENS, July 11, 1947.

No. 5185

SIR: I have the honor to transmit herewith a report, as published in the EAM English-language press bulletin, of the speech delivered on June 27 to the French Communist Congress at Strasbourg by Mr. Miltiades Porfyrogennis, Secretary of the Control Committee of KKE and legal expert of the Party. Also transmitted are texts of the Government News Bulletin's comment and of the remarks and declarations made to the press in regard to Mr. Porfyrogennis' speech by Government and opposition leaders (Messrs. Tsaldaris, Gonatas, Papandreou, Sophoulis, Tsouderos and Mylonas) and by the ELD Socialist Party.[1] These have already been reported to the Department

[1] Enclosures not printed.

in summary form in my telegrams No. 1018 of July 2 and 1034 of July 3.[2]

The gist of Mr. Porfyrogennis' remarks lies in his assertion that Communist objectives in Greece can only be achieved through the military action of an expanded "Democratic Army", in his appeal to world Communism for "definite, tangible and total assistance", and in his announcement that as a result of "Anglo-American intervention and monarcho-fascist intransigence" the situation in Greece "is crystallizing towards the formation of a Free Democratic Greece with its own Government and its own status as a State". These remarks, as the Department will observe from the enclosures, have drawn strong condemnation from representatives of virtually the whole gamut of Greek non-Communist opinion, though the important liberal leader, Mr. Sophoulis, as well as the ELD Socialist Party, a fellow-travelling group whose only political significance is the apparent appeal of its title to progressive opinion outside of Greece (see my despatch No. 5110 of June 23 [3]) take the opportunity of blaming the government and the Right generally, for things having come to such a pass.

[Here follows further general comment by the Ambassador.]

I realize that the above is very much in the realm of speculation. But the matter itself is speculative, though it may not remain so long. Perhaps the most that can be said with finality regarding Soviet policy towards Greece at the present time is that the Truman Doctrine, as implemented to date, has by no means caused any diminution in the vigor and variety of the Slavo-Communist attack against Greek integrity and independence.

Respectfully yours, LINCOLN MACVEAGH

[2] Neither printed.
[3] Not printed.

868.00/7–1247

The Secretary of State to Governor Dwight P. Griswold, at Washington

CONFIDENTIAL WASHINGTON, July 12, 1947.

MY DEAR MR. GRISWOLD: 1. You have been duly authorized to direct, under the guidance and instructions of the Secretary of State, United States activities within Greece in furnishing assistance to Greece under the Act to Provide for Assistance to Greece and Turkey, approved May 22, 1947, Public Law 75—80th Congress. In the performance of this function, you are authorized to exercise any power or authority conferred upon the Secretary of State by Executive Order

No. 9857, dated May 22, 1947, which you deem necessary and proper to the effective carrying out of the provisions of the above Act and of the Agreement with the Government of Greece setting forth the general terms and conditions under which assistance is to be furnished.

2. You have on behalf of the United States supreme authority in Greece over all such assistance, both civilian and military. You will act as Chief of the American Mission for Aid to Greece, the headquarters of which will be at Athens, and you will direct the performance by the Mission of all activities and functions which you deem necessary and proper to carry out the provisions of the Act of May 22, 1947, and the Agreement with the Government of Greece. These activities and functions include the following:

a. You will determine and supervise programs of American aid to Greece, including the terms and conditions upon which aid is furnished, and will furnish advisory and other assistance to the Government of Greece to carry out the purposes of the Act of May 22, 1947, the note of the Greek Government of June 15, 1947, and the basic Agreement with the Greek Government.

b. You will cooperate with the Greek Government in promptly developing, and in promoting the effective administration of recovery and reconstruction programs which provide for effective development and use of Greece's own resources and of aid from the United States. Your approval will be required, in accordance with the note of the Greek Government of June 15, 1947, for expenditures of the Greek Government for activities which directly or indirectly involve the use of American aid and for the use of foreign exchange available to the Greek Government.

c. You will control all allotments of funds which the Secretary of State determines to be available for assistance to Greece under the Act, and will disburse any of such funds allotted to the Chief of Mission.

d. You will furnish full information to the peoples of the United States and Greece, consistent with the security of the two countries, concerning American assistance and the activities of the Mission and the Greek Government under the Agreement. This responsibility will include the making of arrangements with the Greek Government for observation and reporting by the press and radio of the United States, the publication of periodic reports by the Mission in Greece, and the preparation of basic material for inclusion in the reports of the President and the Secretary of State to the Congress.

e. You will observe performance by the Greek Government of its assurances in the Agreement and its note of June 15, 1947, including the implementation by administrative and legislative action of the recovery and reconstruction programs developed in cooperation with the Mission. You will suspend any or all assistance under circumstances in which you deem this to be required by the Act and you will report promptly any such suspension to the Secretary of State for final determination as to whether the Act requires withdrawal. Moreover, you are authorized to suspend any or all assistance and exercise any right of recapture to the extent you deem proper to carry out the objectives of the Mission.

3. You will report and be responsible to the Secretary of State and at all times keep him fully informed concerning all aspects of the Aid Program.

4. Subject to the general direction of the Field Administrator of the U.S. Foreign Relief Program, you will supervise and control United States' relief supplies furnished to Greece under the Act Providing for Relief Assistance to the People of Countries Devastated by War, approved May 31, 1947, and the agreement with the Greek Government governing the furnishing of relief assistance. You will be responsible for integrating the relief assistance in Greece with the overall American aid program.

5. Your Mission will observe the use of any other financial, economic or material assistance furnished to Greece by the United States, either directly or indirectly through international organizations of which the United States is a member, and will advise and make recommendations to the Secretary of State concerning the proper coordination of such assistance with the American aid program. You will also consult with the Greek Government concerning its requests for and proper utilization of any such assistance.

6. As the representative of the Government of the United States in Greece on matters relating to assistance furnished under the Aid Agreement and the Relief Agreement, you will maintain such relations and enter into such contracts, arrangements and agreements as are within the scope of your authority and as you deem necessary and proper to the performance of the functions of the Mission.

7. Your Mission will operate as an entity separate from the American Embassy in Greece, but the two should work in close collaboration. The United States Ambassador, as the accredited diplomatic representative of the United States, will continue to be in charge of the conduct in Greece of overall relations with the Government of Greece and will continue to have primary responsibility for all aspects of those relations which are not directly related to the activities of the Mission. He will advise you on the diplomatic and political aspects of your activities, and you will seek his counsel on such matters. You will keep him informed of the progress of the work of the Mission and its relations with the Greek or other foreign authorities. It is not believed possible to draw up in advance a formal definition of the respective responsibilities and spheres of action of the Ambassador and yourself; it is expected that you and he will establish a close, mutually satisfactory relationship, keeping in mind that the common objective of both is the furtherance of the policies laid down by the President and the Secretary of State.

8. You will maintain close informal contact with the British authorities in Greece, but shall not, without the approval of the Secretary of State, enter into any formal agreement concerning the relationship of the British military missions in Greece to the American Mission. You may, however, conclude such operating arrangements and agreements with the British authorities as will facilitate the American aid program, for example, in relation to the procurement of supplies or the use of British facilities, installations, and personnel in Greece.

9. The several sections of the Mission, including the military and naval sections, will operate at all times as integral parts of the Mission under your direction. In their day-to-day work it is expected that it will be necessary for them to have direct relations with officials of the Greek Ministries concerned with their particular fields. You will instruct the members of the Mission to refrain from discussing with Greek or other foreign nationals questions of a political nature not directly connected with the work of the Mission, and the Mission will decline to act as a channel of communication between any foreign authority and the United States Government with regard to such matters.

10. You will be guided, in carrying out the foregoing instructions, by the following general political, economic and financial considerations:

a. You will act in accordance with such policies as were announced by the President in his message to the Congress on March 12, 1947, and as may be determined from time to time by the President or by the Secretary of State. The basic political objective of United States policy toward Greece in furnishing aid is to assure the survival of Greece as a fully independent, democratic nation. As a means to this end, the United States at the request of the Greek Government will assist Greece with the means presently estimated as necessary to restore internal order and in establishing as soon as possible a self-supporting economy by laying the foundation for reconstruction and recovery through the development and effective use of Greece's own resources.

b. The policy of the United States with respect to the financial terms upon which assistance is to be furnished to Greece are set forth in the report of the Senate Foreign Relations Committee on the Bill for Assistance to Greece and Turkey, as follows:

> "Assistance provided under this Bill for military purposes, being essential to our own security, and not in itself creating the wherewithal to repay, should be made as a clear grant. Financial assistance for current civilian consumption should also be a grant since such assistance would not directly produce capital assets. Repayment could be sought, however, when the direct effect of the financial aid is to create capital assets and the ability on the

part of the receiving country to meet such obligations in foreign exchange. However, financial repayment obligations should not be established if there appears to be no reasonable prospect of repayment."

You are authorized to inform the Greek Government at your discretion that this is the general policy which will be followed by the United States Government in this respect. You will be responsible for recommending to the Secretary of State the financial repayment obligations that should apply to aid to Greece, in accordance with this general policy. Such recommendations should be made from time to time, but not less frequently than quarterly, and may relate to aid to be provided in the future or to aid already extended. After final determination of the financial repayment obligations by the Secretary of State, you will be instructed to inform, or effect appropriate agreement with, the Greek Government.

c. The use of funds made available for assistance to Greece should be supervised in such a manner as to assure that every dollar will count toward making the people of Greece self-supporting and not toward the special benefit of any particular group or faction. Accordingly, you should take all practicable steps (1) to prevent the dissipation of American aid, whether through diversion before reaching Greece, through being siphoned out of Greece after arrival, or through misdirection into improper channels within Greece, and (2) to assure effective controls over the development and use of Greece's own resources. Both types of measures are essential in order that the benefits of American aid will not be lost or offset through lack of controls or dissipation of Greek resources.

d. In keeping with the announced United States policy of strengthening the United Nations and other international organizations, you should give careful consideration to the use of their facilities in accomplishing the purposes of the Mission.

11. For your guidance there is also attached to these instructions a statement of suggested policies and programs in relation to the various aspects of the American aid program for Greece. You and your Mission will be expected to exercise your judgment fully with respect to changes in policies and programs as circumstances dictate, and to act on the basis of the fullest and most up-to-date information to which you and the Mission have access. You will, however, refer back to the Secretary of State for decision any questions specifically so indicated in the attached statement. You will also take into account the budget presentation made by the Department to the Congress in requesting an appropriation to carry out the Act of May 22, 1947.

The statement of suggested policies and programs referred to includes the following subjects:

1. Reconstruction Program
2. Agricultural Rehabilitation Program

3. Industry and Mining Program
4. Import and Export Programs
5. Relief and Welfare Program
6. Public Health Program
7. Labor Program
8. Training Program
9. Military and Naval Programs
10. Finance Program
11. Public Administration Program
12. Public Relations Program
13. Mission Administration
14. Mission Controls
15. Use of United Nations and other International Organizations
16. Relationship of Mission to Political Problems

Additional statements[1] will be furnished to you subsequently on other subjects.

Faithfully yours, [G. C. MARSHALL]

[1] None printed.

Editorial Note

The agreement on aid to Turkey was signed at Ankara by Ambassador Wilson and Turkish Prime Minister Saka on July 12, 1947; for text, see Department of State Treaties and Other International Acts Series No. 1629, or 61 Stat. (pt. 3) 2953.

868.00/7–1347 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

SECRET ATHENS, July 13, 1947—9 p. m.

1108. I am reliably informed that representative of Communist Party saw Sophoulis yesterday afternoon and gave him verbally what they called final terms for calling off civil war as follows:

1. Resignation of present government.
2. Dissolution of Parliament;
3. Formation of "pure center government" under Sophoulis with cooperation such leaders as Tsouderos, Plastiras, and Mylonas (Sofianopoulos, Svolos, and Tsirimokos not mentioned).
4. Agreement between new government and KKE on basis of "Sophoulis's policy of appeasement", i.e. general amnesty, guarantee of security to those laying down arms, and promise of new elections soonest on basis revised electoral lists.

333–774—72——16

Representatives said that if terms unacceptable, threat contained in Zachariades manifesto yesterday (mytel 1103, July 12 [1]) would be carried out. Added agreement must be guaranteed either by UNO or by "Allied factors". When asked if British and US approval alone sufficient, replied Russian approval also essential.

My info as above did not come direct from liberal leaders, who however contacted British Chargé, one of them (Tsouderos) even sending secret message to ask what British Government would advise by way of reply. Prime Minister who called on me this morning, denied all knowledge of matter and insisted Sophoulis in agreement with him (despite failure to say so publicly, see mytel 1087 July 10 [2]) on question of how to deal with rebels. Question therefore arises whether Sophoulis playing square with Prime Minister, while still so appears he following, at least to some extent, well-known Communist tactics of trying to use UK against US. British Chargé, whom I also saw this morning, feels Liberal leaders shocked by extent of recent arrests and now less inclined cooperate with Government than immediately after Strasbourg speech. Believe this probably true though widespread public reaction may not support politicians in long run. Miller [3] who here today from north, reports "notable feeling of relief in Salonika as result arrests" and tendency to ask why Government delayed so long. International aspects of situation becoming more tense daily and further assaults against Greek integrity such as today's Konitza incident (mytel 1107, July 13 [4]) or actual declaration separatist government under international Communist influence may easily swing liberal policy again into more nationalist channels.

MacVeagh

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[1] Not printed; the manifesto stated: "In this historic moment democratic leadership of country must undertake fully its responsibilities toward nation so long as final efforts for fair and equitable understanding among Greeks fail." (868.00/7–1247) Nicholas Zachariades was General Secretary of the Greek Communist Party.

[2] Not printed; it stated that the Prime Minister telephoned Ambassador MacVeagh on the morning of July 10 "that Sophoulis had told him he approved mass arrests as 'necessary measure' (though this so far unconfirmed by any public statement) and also, with reference to 'appeasement offer' by EAM, that he would undertake inform latter that if guerrillas would lay down arms, which *sine qua non*, government willing guarantee peaceful return home and subsequent security under general amnesty internationally observed."

The telegram also conveyed the Embassy's information from confidential sources that arrests totaled 9,000 and would reach at least 14,000. (868.00/7–1047)

[3] Lt. Col. Allen C. Miller, Assistant Military Attaché in Greece.

[4] Not printed; it reported information from the Greek Prime Minister that "exceptionally large guerrilla force, accompanied by members of International Brigade, today entered Greek Epirus from Albania, seized important bridge and isolated town of Konitza." (501.BC Greece/7–1347)

867.00/7–1547

Report of the United States Ambassador Concerning Assistance to Turkey [1]

[Extract]

SECRET ANKARA, 15 July, 1947.

. . . . . .

15. *Conclusions.*—It is concluded that:

a. The primary mission of the Turkish armed forces is to provide a deterrent of such a nature to a potential aggressor that an all-out costly war would be necessary for the aggressor, in order to realize territorial or political objectives in Turkey.

b. In case of war Turkey could place in the field a ground force of approximately 1,500,000 trained men (including reserves) within one month.

c. The size and effectiveness of the Turkish navy and air force would not permit them to carry out satisfactorily in case of war the tasks assigned to them by the Turkish general staff.

d. The equipment of all the Turkish armed forces is in general inadequate and outmoded.

e. Russia could over-run Turkey eventually if these two countries only were involved in war.

f. If Turkey, in case of attack by Russia, were aided promptly by the United States and/or Great Britain, there is a probability that she could hold out until arrival of effective aid, provided that her armed forces were completely provided with modern equipment.

g. The Turkish air and ground forces should be balanced, in order to permit them to present effective opposition unaided, until such time as allied assistance could be furnished.

h. Reorganization of the upper level of the Turkish defense establishments is desirable, in order to place the naval and air forces on an organizational parity with the ground forces, and to provide more effectively for the supply of all armed forces.

i. Certain reorganizational changes at lower levels within the ground, naval, and air forces will result in increased efficiency.

j. In general all elements of the Turkish armed forces require training with more modern weapons and equipment.

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[1] Transmitted to the Department by Ambassador Wilson in despatch 1750, July 15; according to telegram 573, July 15, 11 a.m., from Ankara, the report was to be hand-carried by General Oliver, who was scheduled to leave Istanbul on July 18 (867.00/7–1547).

k. A United States mission should be sent to Turkey to train the Turks in the technical use and maintenance of any matériel which we may furnish them.

l. The British should be encouraged to continue to assist the Turkish armed forces in both equipment and training.

m. The United States and British missions to Turkey should work closely with one another, but not under a single head.

n. The aid to Turkey, which is authorized under the present United States aid program, should be furnished at the earliest possible date.

o. The aid to be furnished to Turkey under the present program will be totally inadequate to insure that its armed forces will be able, in case of attack by Russia, to hold out until outside assistance can arrive.

p. Although serious economic instability or social unrest are improbable in Turkey during the next two years, the economic burden of maintaining the present army of approximately 600,000 men is resulting in curtailment of essential governmental services, reduction in current economic productivity, and diminished potential for capital development necessary to raise the standard of living of the Turkish peasant and worker. Continuance of this situation for an extended period of time will have serious adverse effects upon Turkey's capacity for resistance to armed aggression or infiltration of communistic ideas.

q. Turkey is not likely to reduce substantially her present armed forces until such time as the international situation eases materially.

r. Despite the burden of national defense, Turkey's international credit position is sufficiently favorable so that Turkey should be able to obtain foreign financial assistance for sound economic development projects from the International Bank for Reconstruction and Development.

s. [If?] The Turkish Government carries out its recently expressed intention to provide more favorable conditions for private enterprise in Turkey, both local and foreign private capital may also be available for economic development.

t. To the extent that economic development projects require the utilization of local labor and materials, possibilities of economic development will be limited unless the national defense burden can be reduced.

u. The funds made available for Turkey under Public Law #75 Eightieth Congress can most effectively be utilized for provision of modern military equipment, equipment for manufacture of ammunition and small arms, a military training program, and equipment and technical assistance for the initiation of a construction and mainte-

nance program for strategic highways. The latter program will also substantially benefit the economy of Turkey.

v. The recommended program, taken as a whole, should not necessitate any significant increase in the proportion of Turkish national income or resources devoted to national defense purposes. Certain budgetary effects of a bookkeeping nature resulting from payment of customs duties by the Ministry of National Defense on imports of equipment under the program may require legislative action (See Paragraph 8 (*h*) above.) Possible small increase in foreign exchange requirements for fuel for operation of equipment in connection with the recommended training program will be more than offset by savings resulting from the provision of equipment which the Turkish Government would otherwise have had to purchase with its own funds.

w. To the extent that aid program equipment must be carried on the already overburdened Turkish State Railways, distribution of commodities for the civilian population, will be curtailed. This effect appears unavoidable, but can be minimized by proper phasing of deliveries.

17 [*16*]. *Recommendations.*—It is recommended that:

a. Equipment and supplies be furnished the Turkish army, navy, and air force in amounts and priorities as indicated in Annexes B, C, and D [2] insofar as possible from allotments of $48,500,000 for ground forces, $14,750,000 for the navy, and $26,750,000 for the air forces.

b. Road construction and maintenance equipment to the value of $5,000,000 as listed in Part Two of Annex E, be provided for improvement of Turkish roads.

c. Improvement of Turkish arsenals be provided as listed in Part Five of Annex E at an amount not to exceed $5,000,000.

d. The Turks be advised that it is believed that reorganization of their general staff and supply system, as discussed in Par 4, and reorganization of various units at lower levels, as discussed in Annexes B, C, and D, would improve the efficiency of their armed forces and reduce the burden of maintenance.

e. The United States send to Turkey, to train the Turks in the technical use and maintenance of the equipment we furnish them, army, navy, air-force and civilian missions as indicated in paragraph 9.

f. Arrangements be made for members of the Turkish armed forces to attend military and naval schools in the United States, as discussed in Annexes B, C, and D.

g. The British be encouraged to continue aid to Turkey in both equipment and training.

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[2] The annexes referred to in paragraph 16 are not printed.

h. British and American missions in Turkey be instructed to cooperate closely with one another, but that they not be under a single head.

i. The various items of equipment and supplies to be furnished Turkey be made available at the earliest possible moment, except naval radar. Motor equipment should arrive with or ahead of the equipment with which it is to be used.

j. Supervision of the utilization of the equipment to be furnished Turkey should be exercised only to the extent of assuring ourselves that the Turks know how to use it. This can best be accomplished by the groups which are sent to give instruction, under the supervision of the Ambassador to Turkey.

k. The United States Government, as a member of the International Bank for Reconstruction and Development, give favorable consideration to the forthcoming request of the Turkish Government for financial assistance from that institution for economic development purposes, but only after a thorough survey by economic, industrial, and agricultural specialists designed to determine the types of development which will be consistent with the principles of world economic organization set forth in the charter of the International Trade Organization, and the particular projects which will contribute most to improvement of the well-being of the Turkish people within the limits set by Turkish resources of manpower and materials.[3]

. . . . . .

[3] Ambassador Wilson's report, as originally transmitted to the Department, contained 12 recommendations. As a result of subsequent developments, recommendation *k* was deleted and recommendation *l* was relettered as *k*. Similarly, paragraphs 15 and 16 were originally numbered 16 and 17. Recommendation *k* originally read: "The program of aid to Turkey be extended by authorization of aid to the extent of $100,000,000 annually for an additional four (4) years." For an explanation of these developments, see telegram 437, July 23, to Ankara, p. 258.

Editorial Note

Under Secretary of State Lovett directed a memorandum, on July 15, to the Secretary of State calling attention to the "serious turn for the worse" the Greek situation had taken the last three days. The concluding paragraph of his memorandum stated: "In these circumstances, I recommend that you consider advising the President and the Joint Chiefs of Staff of the gravity of the situation, pointing out the possibility of civil war and of circumstances of a seriousness approaching that which existed in Iran and which caused the President to call a top policy meeting with the Joint Chiefs of Staff, resulting in the top secret message to Paris, No. 4122, Secdel 676, of August 15, 1946,

6 p. m., a copy of which is attached for your information." (868.00/7–1547); for the text of telegram 4122, see *Foreign Relations*, 1946, volume VII, page 840.

In a further memorandum to the Secretary, on July 16, Marshall S. Carter, Special Assistant to General Marshall, stated: "Admiral Leahy called Mr. Forrestal to state that the President was concerned about the Greek situation and Leahy asked Forrestal if the Navy had any information on it.

"Forrestal called Lovett to find out what the State Department had on it.

"Lovett told Forrestal that the Secretary was communicating a memorandum to the President on this matter. Further that the report in the *New York Times* this morning was to the best of our knowledge substantially correct.

"Your memorandum to the President is in preparation now. In view of the above, I suggest you call the President on the telephone and tell him that you will have a memorandum over there today." (868.00/7–1547)

The Secretary noted marginally: "I telephoned a message to the President."

For the memorandum to President Truman which incorporated the bulk of Mr. Lovett's memorandum of July 15, except for the last paragraph, see *infra*.

868.00/7–1647

Memorandum by the Secretary of State to President Truman

SECRET WASHINGTON, July 16, 1947.

The Greek situation has taken a serious turn in the last three days. According to a member of the Greek liaison staff with the foreign team in the field at Yannina, a guerrilla force estimated at 2,500 men crossed the frontier from Albania along the line of the Aous River at dawn on July 12. It isolated Konitsa by destroying the Aous River bridge at Bourazani, attacked and captured Konitsa and was at the time of the report advancing on Yannina. The guerrillas were reported to have unusually heavy armament and were well equipped with pack animals and supplies. They appeared to be unusually well trained in the technique of taking cover at the approach of a plane.

On July 15 information was given the foreign team that main guerrilla forces were at Kalpaki, but that Greek Army reinforcements had arrived and that the guerrilla advance had been stopped.

Greek Government reinforcements were flown in.

A second column of guerrillas now reported at about 2,500 strength is moving into Greece and our advices indicate that the persistence of the attack shows that there is probably some basis for the Greek claim that a form of international brigade is now in existence.

The Near East desk in the Department has felt for some time that a Communist move along the lines of setting up a "people's republic", or its equivalent, might be undertaken in some border area of Greece which has natural defensive characteristics. The present moves have that objective.

Reading the messages and the British Foreign Office's views on the gravity of the situation, it would appear that the likelihood of civil war is considerable, especially since the United Nations Security Council does not appear to be willing to act aggressively on the Ethridge Mission's report.

A detailed statement of the situation as known to the Department is in the course of being drafted and probably will be completed this afternoon.[1] I will send copies of this statement to the Secretaries of War and Navy and to Admiral Leahy for the Joint Chiefs of Staff. Unless your office advises me to the contrary, I will not burden you with such details.

[G. C. MARSHALL]

[1] See *infra*.

868.00/7–1747

Memorandum Prepared in the Department of State[1]

TOP SECRET [WASHINGTON,] July 17, 1947.

Subject: The Greek Situation

Reports reaching the Department indicate that the situation in Greece has deteriorated seriously within the past week. The Greek Communists have openly proclaimed their aim to establish a revolutionary government in areas held by the Greek rebels and armed attacks of considerable strength have been made from across the Albanian border. It is possible that the United Nations may be incapable of taking effective action in time to protect Greek independence and territorial integrity. The British Foreign Office shares our concern at the present developments.

The Embassy at Athens and American representatives on the UN Balkan Subsidiary Group at Salonika have not yet had time to submit to the Department either full or substantiated information regarding

[1] Mr. Villard and the Secretary of State are listed as drafting officers; the original was sent to Admiral Leahy for the Joint Chiefs of Staff and copies were sent to the Secretary of War and the Secretary of the Navy on July 17.

the extent of the military operations or the success of the Greek forces in containing the immediate danger. There is, however, sufficient information to show that an extremely explosive situation exists which may easily become the precursor of what the Communists would term a Greek civil war, but which would in fact be open hostilities between the Soviet-dominated Balkan States and Greece.

The following is a summary of the information received to date from Ambassador MacVeagh and Lieutenant Colonel Miller, the American representative on the UN Subsidiary Group, which, although obtained for the most part from official Greek sources or from evidence heard by the Subsidiary Group's investigating team on the spot, appears to be reliable. It is to be noted that as soon as the present incidents occurred, the Greek Government urgently requested the Subsidiary Group to make a full investigation. This the Subsidiary Group has not yet decided to do, pending the report of the investigating team.

At dawn on July 12, a guerrilla force estimated at 2,500 men crossed the Albanian frontier into Greece along the line of the Aous River. They had unusually heavy armament and were well equipped with pack animals and supplies.

The attackers seized the strategic bridge at Bourazani, isolating and attacking the town of Konitza. The early reports of the fall of Konitza were later denied and the bridge was said to have been recaptured after Greek Army reinforcements had been flown in.

Greek aerial reconnaissance disclosed bodies of troops in what appeared to be army uniforms concentrated just inside the Albanian frontier. The pilot and observer of one Greek plane, interviewed by the investigating team after five flights over the guerrilla formations on July 13, stated that many of the guerrillas wore peculiar uniforms consisting of a blue coat, reddish shirt and black trousers. They appeared unusually highly-trained in the technique of taking cover at the approach of aircraft. The plane was damaged by a heavy calibre machine gun bullet.

It appeared originally that the rebel forces were advancing toward the strategic town of Joannina, but were stopped by Greek Army reinforcements. Another band was reported ready to occupy Chamouris. The two-week-old operations in the nearby Grammos region continued.

The above-mentioned attacks followed closely on the heels of a well-documented case of flagrant assistance given the guerrillas by the Yugoslavs at Beles-Kouka, and investigated by the UN team. In mopping up operations near Beles on the night of July 4–5, the Greek Army encountered strong resistance. Two Greek brigades supported by artillery had, however, by July 6 pushed an estimated 600 guerrillas into a narrow zone along the frontier where a stalemate developed

since the Army could not use artillery or aircraft for fear of violating Yugoslav territory. The guerrillas held extremely strong positions supported by machine gun fire from several Yugoslav frontier posts, by mortar fire from the reverse side of Beles mountain (which is in Yugoslavia), and by supplies which Greek soldiers saw arriving from Yugoslavia. The Greek operations were consequently unsuccessful, and the greater part of the guerrillas escaped into Yugoslavia.

The following events appear to be connected with the recent outbreak of heavy fighting in northwestern Greece:

(*a*) Greek Communists at a Communist Congress held at Strasbourg (France) toward the end of June proclaimed their intention of establishing a "free democratic Government" in northern Greece and appealed for international assistance for their cause.

(*b*) A police search of the Athens port of Piraeus July 1 disclosed stores of revolvers, explosives and revolutionary proclamations in the headquarters of the Communist-dominated National Liberation Movement.

(*c*) A serious fire of undetermined origin broke out on July 5 in the building housing the offices of the American Mission for Aid to Greece, British Headquarters, and the headquarters of the Greek Air Force, killing several persons.

(*d*) The responsible Ministers of the Greek Cabinet declared that overwhelming evidence of a Communist coup being planned in Athens before the arrival of Governor Griswold made the arrest of the principal known Communists imperative. The Prime Minister agreed when the Ministers refused to accept further responsibility for the safety of the Government or public unless they received permission to act. The arrests began on the morning of July 9. Actually many of the leading Communists are reported to have escaped. Arrests total around 9,000 but may reach 14,000 or higher if and when the Communists proceed to establish a separate Government and launch the threatened International Brigade. As to the latter, no confirmed information from American sources has yet been received as to the existence of such a brigade or of participation of international elements in the recent fighting in northwestern Greece.

(*e*) The Athens Communist newspaper *Rizospastis* stated on July 12 that Zachariades, Secretary General of the Greek Communist Party, had returned to Athens after attending the French Communist Congress. The paper also printed an inflammatory "message" from Zachariades to the effect that the interest of the nation required a definite moral and material separation of the "democratic world" from the reactionary right and center by the creation of a "new free democratic government" in the "free democratic districts" of Greece.

(*f*) The Konitza attack began on July 12, coinciding with the arrival of Governor Grisfold in Greece.

It seems likely that the USSR may veto our resolution now under consideration in the UN Security Council. This resolution provides for the establishment of a continuing UN Commission to deal with

disturbances along the northern Greek frontier and in particular external aid to the guerrilla forces. The Department is considering other proposals which might be presented to the Security Council or, failing a favorable decision by that body, to the General Assembly which meets in September. Among the possible courses of action under immediate consideration are:

(*a*) The presentation of a case by the United States in the Security Council charging that there has been a threat to the peace, breach of the peace or act of aggression under Chapter VII of the Charter.
(*b*) The establishment of a Security Council Commission within Greece (if Greece so requests) to act as a surveillance body.
(*c*) Recommendation that the Security Council itself meet in Belgrade, Salonika or somewhere in the area.
(*d*) Action under Article 51 of the United Nations Charter pending the taking of effective action by the Security Council. (This Article provides that nothing in the Charter shall impair the inherent right of individual or collective self-defense if an armed attack occurs against a United Nations member. In invoking this Article, the United States would presumably rely upon the theory that an attack against one member of the United Nations may nearly always be considered as an attack against all.)
(*e*) If time and circumstances permit, the presentation of the entire matter to the General Assembly if Security Council consideration proves abortive.

Consideration is also being given to other action within the spirit, although not within the procedural framework, of the United Nations Charter. Such action may be in concert with other UN members or simply with the British. It would be predicated on the principle that members of the United Nations are not precluded from taking action in furtherance of the purposes and principles of the Charter by a policy of obstructionism of another UN member. The action which might be taken could take various forms.

It is possible, however, that before we can exploit all possibilities of United Nations action, a revolutionary government may have been established in northern Greece or the military situation may have disintegrated to such a degree that Greek independence and territorial integrity can no longer be maintained. In addition, since no armed forces are as yet available to the United Nations, any action open to the United Nations in its present stage of development—even if not blocked by the USSR—might be ineffective in preventing the continued incursion of armed forces from Greece's northern neighbors.

The British Foreign Office has expressed deep concern at present developments in Greece. Their Foreign Office expresses the belief that even if a permanent border commission were established under UN auspices, there might eventuate a situation where peaceful action hav-

ing proved ineffective, consideration might have to be given to the use of force to assist the Greek Army in restoring the integrity of Greece. The British have indicated that they intend to discuss this matter with us.[2]

[2] In a memorandum of July 17, to Mr. Lovett and to Norman Armour, Assistant Secretary of State for Political Affairs, Secretary Marshall stated: "I had a talk with the President at 12:30 today and discussed with him the situation in Greece. He stated that the memorandum I gave him yesterday was sufficient for his purpose. I told him that I was sending today (and I have just signed and despatched the documents) a detailed statement of the situation in Greece, as now known to the Department, to the Secretaries of War and Navy and to Admiral Leahy for the Joint Chiefs of Staff.

"I told the President that I thought it best merely to send this statement, as indicated above, without any formal request from me or direction by him for action; that it would be better for me to indicate informally to Admiral Leahy that we thought it desirable for the Chiefs of Staff formally to consider the matter immediately. The President agreed to this procedure." (868.00/7–1747)

868.00/7–1847 : Telegram

Governor Dwight P. Griswold to the Secretary of State

SECRET ATHENS, July 18, 1947—noon.

1154. AMAG 7. To McGhee from Griswold. 1. Mission is beginning work on complex problem of formulating proposals regarding effective controls exports and imports and centralization responsibility for this work in agency such as foreign trade administration recommended by Porter. It will, however, be some time before any new system can be put into operation. Meanwhile, arrangements will be made for clearance by AMAG before use by Greek Government of all foreign exchange regardless of source.

2. Emergency problem is that Greek Government supply of dollars exhausted with limited possibilities immediate dollar revenue, while there are pressing import requirements which must be met from aid program before new import control system fully in operation. Regarding items to be supplied for Greek Government account under aid program such as wheat, milk. POL.[1] etc., I intend telegraph to you specific recommendations for procurement. However, certain items such as relief supplies, industrial spare parts, some raw materials, etc., obviously can best be procured through normal trade channels and in many cases are already covered by import applications with *pro forma* invoices. To meet immediate requirements for latter purpose, recommend following interim courses: There should be advanced to Greek Government and deposited Chase National Bank, New York,

[1] Petroleum, oil, lubricants.

to special account of Bank of Greece designated as "Bank of Greece special account AMAG" the sum of $5,000,000. These funds, to be taken from the program quota for consumer goods, would be available for urgent import requirements and only with specific approval by AMAG in each instance of expenditure. Formal agreement with Greek Government and Bank of Greece covering use and control of account would be negotiated. Full accounting for funds would be maintained jointly by Bank of Greece and AMAG.

3. Important we act quickly. Would appreciate your telegraphing immediately whether proposal agreeable and how soon deposit can be made. Details will then be worked out with Greek Government.[2]

[GRISWOLD]

[2] In telegram 1095, Gama No. 11, July 21, to Athens, the Department informed Governor Griswold that "Proposed interim procedure for financing Greek purchases acceptable to Department. Allocation of five million dollars from Greek Aid Funds being made immediately. Funds will be available for deposit Bank of Greece special account AMAG in Chase National Bank within four days. Will hold actual deposit pending final confirmation from you completion your arrangements Greek authorities." (868.00/7–2147)

868.01/7–1647 : Telegram

The Secretary of State to the Embassy in Greece

SECRET WASHINGTON, July 18, 1947—8 p. m.

US URGENT

1082. Urtel 1108 July 13. Brit Emb in *Aide-Mémoire* July 16[1] reported KKE proposals to Sophoulis and Tsouderos, and latter's request to Brit Emb Athens for advice as to reply to be made to KKE. Bevin directed Brit [Embassy] to discuss matter urgently with Dept, suggesting that Tsouderos be informed by Brit and US Embs that they clearly cannot give Tsouderos, behind back of Greek Govt, advice about a proposal for replacing Govt. Bevin believes Tsouderos should inform PriMin of KKE proposals, and further suggests that there might be advantage in you and Brit colleague putting following points to Sophoulis and Tsouderos with view to indicating to them dangerous nature of KKE offer and to find out their reactions:

(1) Do they think that King would be prepared evict present Govt and dissolve Parliament or that such action would be tolerated by majority of Greek people and specifically by Army and *gendarmerie?*

(2) Can general amnesty be seriously considered or would new election even with "revised" electoral rolls give Center Parliamentary majority?

[1] Not printed.

(3) How could guarantee by UN or "allied factors" be implemented in practice if KKE later failed call off *andarte* [2] campaign? Would not "guarantee" open way to Soviet interference in Greek internal affairs?

Dept has replied to Brit that while it sees no harm in obtaining Sophoulis' and Tsouderos' replies to above questions, we would prefer more bluntly informing them we consider KKE's fair-sounding proposals to be insincere and dangerous, and that any serious consideration of them could only strengthen Communists hand and weaken any attempt that might be made to obtain positive action through UN.

Dept suggests that you inform your Brit colleague of foregoing and suggest that verbal reply along such lines be conveyed to Sophoulis and Tsouderos. If Brit wish confine themselves to Bevin's suggestions you may convey Dept's views independently, at the same time associating yourself with Brit reply in order not suggest difference between US and UK except in degree.

Dept fully concurs your remarks to Rendis (para 2 urtel 1040 July 7) and suggests they be repeated to Sophoulis and Tsouderos personally if possible. Re your suggestion that Dept discuss with Tsaldaris inclusion Sophoulis or one of his lieutenants in broadened cabinet, Dept would appreciate early advice from you whether present may still be considered appropriate moment in light of military situation.

Dept would also appreciate your most immediate comments whether it would in your opinion be appropriate, in event of favorable UN action in SC, for Greek delegate to announce simultaneously Greek Govt's intention to carry out recommendation of Balkan Commission for general amnesty under supervision foreign observers so soon as circumstances may permit.

Sent Athens 1082; rptd London 3088.

MARSHALL.

[2] Greek word for "insurgent".

868.00/7–1847 : Telegram

The Secretary of State to the Embassy in Greece

CONFIDENTIAL WASHINGTON, July 18, 1947—8 p. m.

1084. Brit Emb here has informed Dept that Brit Amb in Athens has been instructed to approach Greek FonOff regarding recent arrests. Brit Amb is to state that the Greeks would be well advised to expedite screening of those arrested, to release those not seriously implicated in any plots, and to bring those remaining in custody speedily to trial with charges against them made public. Brit also consider that they

should use their influence to dissuade Greek Govt from further indiscriminate arrests and unnecessary drastic measures and to insure that everything possible is done to mitigate inevitable bad impression created abroad.

We are informing Brit Emb here that we have no objection to *démarche* to above effect by Brit Amb in Athens. You may if you consider it advisable address similar remarks to Greek FonOff. Thus far, however, there is surprisingly little criticism in US of recent widespread arrests.

FonOff has also informed Brit Amb Athens of its view that it would be preferable if possible for Greek Govt not to outlaw whole Communist party by some formal measure and that any measures which outlaw whole of EAM would seem disastrous. In addition FonOff regrets wholesale scale of arrests so far carried out. Dept would appreciate your views on these questions. However, our concurrence thereon has not been requested by Brit.

Sent Athens 1084, rptd London 3092.

MARSHALL

868.00/7–1947 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

CONFIDENTIAL ATHENS, July 19, 1947— 5 p. m.

1168. According press and EAM news bulletin, "democratic army" broadcasting station went on air 1845 hours Greenwich July 12 and is now broadcasting daily at 0500 hours on 38 meter band and 1800 hours 44 meter band.

Broadcasts not heard widely or easily in Athens as yet. However, EAM bulletin July 17 prints proclamation by guerrilla chief Markos allegedly read in broadcast that morning.

Proclamation asks termination of violence by agreement including general amnesty, "new govt with equal participation of democratic world", and free elections without foreign interference. Abruptly, it then says "situation has reached point where democratic army considers necessary the formation of a provisional democratic government in free regions, which will maintain power until National Assembly to which it will report is convoked."

If foregoing makes any sense at all, it would seem to call for simultaneous establishment of "free govt" in rebel territory and compromise govt in rest of Greece until such time as "democratic elements" win elections held by latter.

Besides confused obscurity of Markos' proclamation, Dept will note divergence between his proposal for compromise govt "with equal

participation of democratic world" (i.e., Communists), KKE proposal to Sophoulis for "pure center govt" (mytel 1108, July 13), ELD proposal for govt "enjoying common confidence" (mytel 1119, July 15 [1]), and statement "we do not ask that power be handed to us" in vague EAM appeasement offer of July 4 (mytel 1038, July 6 [1]). Possibly this is best indication that none of these recent leftist proposals are to be taken seriously or considered as anything other than propaganda moves designed to confuse liberal and leftist opinion throughout world and in Greece and to provide advance justification for eventual establishment of rebel govt.

MacVeagh

[1] Not printed.

868.00/7–1947 : Telegram

The Secretary of State to the American Mission for Aid to Greece

Washington, July 19, 1947—7 p.m.

1089. Gama No. 10. For Griswold from McGhee. House Appropriations Subcommittee approved yesterday full $400,000,000 for Assistance to Greece and Turkey under Public Law 75, limiting administrative expenses of Mission to $3,500,000 and administrative expenses in District of Columbia to $300,000 and expressing displeasure at program for training of Greeks in United States and elaborate Mission staff to encourage the promotion of industrial labor relations in Greece. Department appealed administrative cuts before Senate Appropriations Subcommittee this afternoon. Sending by mail House Subcommittee testimony and report and will advise of final Senate Subcommittee and Congressional action and analysis of effect on Mission. [McGhee]

Marshall

501.BC Greece/7–2047

The Greek Foreign Minister (Tsaldaris) to the Secretary of State [1]

New York, July 20, 1947.

My Dear Mr. Secretary: When I had the privilege of calling on you on the 9th July,[2] I expressed to you the growing concern with which we viewed the question of maintaining the Greek Army's morale. I pointed out that unless steps were taken to strengthen the armed forces morally as well as materially, and unless the Security Council

[1] Handed to Mr. Villard at 9 : 55 a. m., July 20.
[2] See telegram 1021, July 11, to Athens, p. 224.

adopted prompt and effective measures to safeguard Greece's northern frontiers, a situation might develop tending to set at naught any action contemplated in defense of Greece's independence.

The events of the last week have, unfortunately, served to demonstrate the validity of our fears. It is true that the Greek forces succeeded in repelling the two attacks of invaders from Albanian territory. Nevertheless, they were not able to take a substantial number of prisoners. In view of the fact that fresh incursions must be expected, the imperative need of improving the military situation without delay becomes apparent.

So far as the deliberations of the Security Council are concerned, in spite of the efforts of the United States Delegate, and though time is of the essence, another week has passed largely in filibustering on the part of the members of the Soviet bloc. Discussion of the American draft resolution will begin only on Tuesday next, and insistent rumors suggest that various compromise amendments which can only weaken the original draft are to be submitted.

It is still uncertain whether the Soviet Delegate will veto the resolution or not. What is certain, however, is that the representatives of the three Balkan countries, as well as Mr. Gromyko himself, have stressed in their statements the optional character of any recommendations made by the Security Council under Chapter VI. It may be inferred therefore, that, even without veto, these three countries will choose to disregard such recommendations, and especially those relating to the establishment of a semi-permanent frontier commission. The intention to continue the aggression against Greece is clear and overt.

Greece favored adoption by the Security Council of the American proposal and pledged herself to carry out her part in good faith, because she was hopeful that the findings of the Commission of Investigation would help to put an end to aggressive intentions. But—and here is the crucial point—in the light of the recent incursions and the attitude of the Slav bloc at the Security Council, is the proposed solution a sufficient one? The main point of the American resolution is the establishment of a frontier commission. But such a commission is already at work in the frontier area, yet its presence has failed to avert the recent incursions. In fact, the Subsidiary Group was unable even to carry out investigations of the circumstances under which incursions occur, owing to the three countries' refusal to permit it to enter their territories. How then will the contemplated frontier commission succeed in preventing further acts of aggression so long as the plan for such aggressive activity continues to exist, and no other provision is made for means that would prove adequate to foil such aggressive activities? There is a very real danger that such a commission may

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become no more than an instrument for informing the world at long delay, that aggression has taken place and that Greece is no longer a free nation.

The fears which I have expressed above have their origin in the military situation as this has developed in the last week, as well as in the revealing attitude of the Soviet bloc in recent meetings of the Security Council, and I venture to submit these fears to your kind consideration.

I would add that I have thought it expedient to convey to you my views since arrangements have been made for me to meet your immediate assistants at the State Department on Tuesday next in the afternoon, and you may perhaps wish to discuss with them in advance the possibility of a stronger line of action in the light of those views. I am, of course, at your entire disposal for any additional information that you may wish to have regarding the situation as it has developed since our last meeting as well as the measures to be adopted.

Sincerely yours, CONSTANTINE TSALDARIS

868.00/7–2147

The British Embassy to the Department of State

SECRET
Ref: G58/—/47

AIDE-MÉMOIRE

The British Foreign Secretary is disturbed lest, with Soviet support, the Bulgarian and Yugoslav Governments may take advantage of the present disturbances and arrests in Greece to promote a new state of Macedonia, including Greek Macedonia, either in the form of a unit of the Yugoslav Federation or in association with a Yugoslav-Bulgarian Federation; thus extending the Soviet orbit to the Aegean.

2. The attached copy (Annex A) of a despatch from His Majesty's Ambassador at Paris[1] records his Turkish colleague's fear that the formation of such a state is once more being mooted. Furthermore, an article[2] (Annex B) attributed to the Greek Communist leader Zachariades, which appeared in the Greek newspaper *Rizospastis* on the 12th of July, following closely upon the recent speech of Porphyrogenis to European Communist leaders at Strasbourg, makes it clear that it is an aim of the Greek Communists and their allies to

[1] Dated July 8, 1947, not printed.
[2] Not printed.

establish a "Free Greece" (which might in practice become a "Free Macedonia").

3. In their *Aide-Mémoire* of the 2nd January 1945 [3] (a copy of which is attached (Annex C) for convenience of reference), His Majesty's Embassy made known to the U.S. Government the views of His Majesty's Government in the U.K. on this question. A similar communication was made to the Soviet, Yugoslav and Bulgarian Governments. In their reply of the 24th February 1945 [4] (Annex D), the State Department indicated that the U.S. Government were broadly in accord with the British views. The Soviet Government were evasive in their reply.

4. Despite further representations, the Soviet attitude has remained equivocal. It is to the effect that the problem is not of immediate or practical importance. Nor has anything happened in the area to dispel the fear that Communist policy still aims at detaching Macedonian territories from Greece. Present information suggests that, if formed, a Macedonian State would be dominated by, if not included in, Yugoslavia, and that Bulgaria would be obliged to accept this situation.

5. Mr. Bevin does not consider that Bulgaria and Yugoslavia would rest content with economic facilities alone. The failure of the Yugoslavs to make as much use as they might of their existing facilities at the free port of Salonika, no less than the Bulgarian claim during the Peace Treaty negotiations to retain the Aegean outlet acquired during the war, indicate that territorial considerations are still dominant.

6. Mr. Bevin regards it as particularly important at the present time to prevent the Macedonian question from becoming a practical issue or even a subject of international discussion. He therefore considers that, if there is any sign of a serious move by the Balkan Communists towards the establishment of a Macedonian State, both His Majesty's Government and the United States Government should lose no time in making it clear publicly that they are aware of the move and are opposed to it. He would be grateful to hear whether Mr. Marshall agrees.[5]

WASHINGTON, 21 July 1947.

[3] *Foreign Relations*, 1945, vol. v, p. 1304.

[4] *Ibid.*, p. 1306.

[5] Mr. Balfour presented the British *aide-mémoire* on July 21; during the ensuing discussion of the British communication with Messrs. Armour and Villard, he "was informed that the Department likewise did not look with favor on the formation of the Macedonian state under the conditions described, and that the only question in our minds was how and when to express our attitude, and whether in conjunction with the British or separately." (868.00/7–2147) A written reply to the British *aide-mémoire* has not been found in Department of State files.

868.00/7–2147 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

CONFIDENTIAL ATHENS, July 21, 1947—2 p. m.

1175. Deptel 1084, July 18. In my belief, based on . . . reports which also available to Dept, Govt cannot be blamed for recent widespread preventive measures against Communist menace which of a highly serious nature. However, in view of character of govt thus forced to defend itself, it may be considered certain that many injustices have occurred and are likely to occur in connection this affair, and I therefore feel that addressing similar remarks to Foreign Office as those being made by British may not be inappropriate, particularly since we now so closely associated with Greece in public eye. May also possibly have some effect, since part at least of Cabinet aware of situation and sensitive to justified criticism.

I talked today with Minister Justice Alexandris and he earnestly repeated assurances previously given me by non-political Prime Minister Maximos and Centrist Cabinet member Canellopoulos. Everything possible being done to screen innocent as well as to clothe and feed all detainees. He also expressed great bitterness over failure of Greek propaganda services to make these efforts properly known.

Regarding outlawing Communist Party, Prime Minister has told me this will not be done "at present". Feels existing laws sufficient to cover situation and does not want prosecution for "ideology" but only for acts. I believe this very sound. However, Prime Minister added unable vouch for what Govt would do if separate Communist Govt erected. In any case, it is my understanding that outlawing would apply only to party members of KKE and not to non-Communist members EAM.

Sent Dept as 1175, repeated London as 76.

MACVEAGH

868.00/7–2147 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

SECRET ATHENS, July 21, 1947—7 p. m.
MOST IMMEDIATE

1184. Believe no advantage would accrue from my presenting Sophoulis and Tsouderos with Bevin's three suggested questions.[1] King's reaction to unconstitutional proposal to "evict" govt already

[1] See telegram 1082, July 18, to Athens, p. 243.

determined (mytel 1124 July 15 [2]) and Liberal Party's views well-known except as regards (3) which too unclear for any valid discussion unless by Communist proposers themselves. Also Sophoulis already in touch with Maximos following my suggestion (mytel 1078, July 9), and finally, according to British Chargé's latest information, Sophoulis not advised of proposals at time Tsouderos "secretly" requested British reactions. Apparently not only aged leader himself but Rendis (with whom I talked today) ignorant of matter. Fact seems to be that Tsouderos (with backing of Lambrakis, editor of *Vina*) hoped secure British blessing independently and in advance before attempting persuade Sophoulis to embrace proposals (which incidentally not in writing), thus indulging in maneuver typical of division in opposition ranks. In this connection, Rendis appears willing (mytel 1078, July 9) to see increasing collaboration all nationalists against enemies of Greece, but Lambrakis and Tsouderos still cling to old idea (see my conversation with Sophoulis in my despatch 1609 of October 13, 1945 [3]) that Communists can be used by Liberals to defeat Govt and thereafter be controlled through political means since they in electoral minority.

In view of above, I have preferred follow other line indicated by Dept and inform Tsouderos as set forth in Deptel [apparent omission] under reference that we consider KKE proposals insincere and dangerous. Since he contacted British Chargé and not me in the matter, I authorized Reilly [4] yesterday, when he duly asked Tsouderos Mr. Bevin's three questions, but also expressed views similar to ours, to inform him likewise of how we feel. Today Reilly reports Tsouderos, after endeavoring to answer questions, accepted our joint caveat without comment, except to say that he too has no belief in sincerity of Communists but felt they might be "used" as above outlined.

Meanwhile I have been able to get Sophoulis' ideas through conversation with him and Griswold July 18. While maintaining well-known Liberal Party views that Parliament not really representative of popular will, since elections held in "tempest", and that Centrist govt would more nearly satisfy public at this time, and while holding present Govt in large part responsible for existing situation, he nevertheless conceded that since situation exists it is necessary to cooperate with Govt to some extent for national salvation. "Since they won't come up to meet us we must go down to them." When Griswold and I

[2] Not printed; it reported information from a confidential source that "Sophoulis interview with King July 11 was unsatisfactory to former, Sophoulis insisting that new government should be formed with himself as Premier and King refusing to undertake any political initiative without advice and consent of responsible Ministers." (868.00/7–1547)

[3] Not printed.

[4] D'Arcy P. Reilly, the British Chargé in Greece.

urged maximum possible unity at this time despite political differences, he took occasion assert his awareness of Communist danger to this country and to deny emphatically any justification whatever for Lange's allegations in SC which he later scored publicly (mytel 1169, July 19 [4]). In addition, he reiterated his support of Truman Doctrine and expressed great interest in Griswold's work so that it may not be impossible that despite contrary advisers, he will yet give his blessing to some sort of integration of his party in the national effort.

[Here follows one paragraph of personal observations.]

My answers to questions in final paragraphs of Deptel 1082 are given in next following telegrams.

MACVEAGH

[4] Not printed.

868.00/7–2147 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

SECRET ATHENS, July 21, 1947—7 p. m.

MOST IMMEDIATE

1185. Regarding questions in final paragraphs Deptel 1082 July 18, I feel that while we cannot, in view of inveterate pettiness of Greek politicians, insist too much on advisability of maximum broadening of government at this critical time, it would be a mistake to give explicit support to any party or political personality. I believe our policy of careful non-interference in Greek internal affairs to be one of our strongest assets for dealing successfully with Greek people, and Sophoulis himself, in conversation with Griswold and me July 18, went out of way to express gratitude for it.

Though from time to time he and other Greek leaders may be expected to endeavor make us abandon it in their favor, Department may be assured that we shall in long run have greater influence with all if we maintain it. Meanwhile, general advice from US at this time cannot be other than of great importance to this country, and I believe Tsaldaris might usefully hear our views clearly and distinctly from Department as he has already heard them repeatedly from me. This was sense of my suggestion in final paragraph mytel 1040, July 7.

Furthermore, I hope that Secretary may be willing to issue personally, at early date, some strong statement especially devoted to our hopes for Greek unity and our belief in its prime necessity. Such a statement from such a source would immediately reach Greek electorate over heads of politicians and would, I believe, do more than any amount of confidential advice to convince latter of existence of a compelling motive for setting their own house in order. Military situa-

tion I feel to be essentially unrelated to this question except insofar as morale could not fail be improved by achievement of unity in political world.

Regarding amnesty, Government has already declared its willingness to grant "general amnesty" under international supervision provided rebels first lay down arms (mytel 1078, June [*July*] 9). Proviso seems reasonable, since Government cannot afford treat with armed subversive movement in same way as with legal adversary, but consequence is that amnesty can only be general if laying down of arms is general, which is highly improbable, believe therefore advisable not use word "general" this connection as liable raise too many questions. However, amnesty to individuals who lay down arms already in force and Government has declared (mytel 734, May 20), prior to recommendation by Balkan commission, its intention to "invite impartial foreign observers of one or more countries to visit Greece and observe fair and equitable treatment accorded to anyone desirous of taking advantage of clemency of state and put himself under its protection". Though obviously "fully satisfactory implementation of amnesty must be contingent on effective measures to seal northern frontier" and these cannot be taken immediately, a favorable decision by SC on the Greek case would seem excellent opportunity for Greek delegate to reiterate his Government's intention which so far would seem to have received too little publicity.

MACVEAGH

868.00/7–2247

Memorandum of Conversation, by the Assistant Chief of the Division of Near Eastern Affairs (Jernegan)

SECRET [WASHINGTON,] July 22, 1947.

Participants: Constantine Tsaldaris, Greek Foreign Minister.
Mr. Gouras, Counselor of Greek Embassy.
Mr. Armour
Mr. Villard, NEA
Mr. Jernegan, NE

Mr. Tsaldaris called at his own request. He began by discussing the difficulties of coping with the present situation in Greece through a coalition government, saying that it was very difficult to take decisions and act when it was necessary to consult so many different leaders. He remarked that in his capacity as Foreign Minister he was frequently afraid to transmit information to other members of the cabinet, because as soon as he did so the information ceased to be secret. He said that, as leader of the majority party in the Parliament, he could still command the support of more than 200 deputies, and he had been

wondering whether he should not dissolve the coalition and reestablish a one-party cabinet based on this majority. Mr. Tsaldaris did not appear to expect any comment on these remarks, and the Department's representatives expressed no opinion.

Mr. Tsaldaris handed to Mr. Armour an *aide-mémoire* [1] setting forth his views on developments in the Greek case before the Security Council. These were in general similar to the thoughts set forth in his letter of July 20 to the Secretary of State. He emphasized the danger that the action contemplated under the United States resolution before the Council might prove to be inadequate even if it were not vetoed by the Soviet representative. Saying that in the event of a veto our course of action would be comparatively clear, the Foreign Minister suggested that the situation might be even more difficult if the Soviet Union abstained on the vote and so permitted adoption of the resolution. In that case, the Soviet representative or those of Albania, Bulgaria and Yugoslavia might assert: (*a*) that the resolution, being presented in terms of Chapter 6 of the Charter, could constitute only a recommendation which left the states concerned free to accept or reject it as they chose, or (*b*) they might assert that the constitution of a commission such as that proposed in the resolution was an infringement of the sovereignty of the states concerned and therefore not binding because contrary to the provisions of the Charter, or (*c*) they might make no statement at the time but later sabotage the work of the proposed commission by refusing to cooperate with it in the same way as they were now refusing to cooperate with the subsidiary group of the Balkan Investigation Commission. Any one of these three courses, Mr. Tsaldaris thought, would present us with a very dangerous situation. He feared that the proposed commission would become a screen behind which the USSR and its satellites could continue and expand their aggressive activities against Greece.

Mr. Armour and Mr. Villard told the Foreign Minister that we appreciated the dangers but felt they would have to be met when they arose. We believed that final decisions in this regard could only be taken after the vote on the U.S. resolution and in the light of the circumstances.

Mr. Tsaldaris asked whether he could not return to the Department for further consultation on this subject. He pointed out that he would soon be returning to Athens and would have to tell his Government what the U.S. had in mind with respect to further action and what part we desired Greece to play in this regard. Mr. Armour agreed that a further meeting would be desirable and said that he would always be at the disposition of Mr. Tsaldaris. He suggested that as soon as the Security Council should vote on the U.S. resolution we in the Depart-

[1] Not printed.

ment would formulate our plans and immediately thereafter get in touch with Mr. Tsaldaris to discuss them. The Foreign Minister said that he would wait in Washington until the vote had been taken, which was expected to be not later than Thursday, July 24.

Although he made no specific suggestions, it was clear from the trend of his remarks that Mr. Tsaldaris envisaged subsequent action following a vote on the present resolution as involving recourse to Chapter 7 of the United Nations Charter and after that to Article 51 of the Charter, which provides for individual and collective action in self-defense. He again indicated his desire for the closest possible American-Greek cooperation in the present situation.

Before leaving, Mr. Tsaldaris and Mr. Gouras mentioned four relatively minor matters which they wished to bring to the attention of the Department:

[Here follows a discussion of the four matters.[2]]

J[OHN] D. J[ERNEGAN]

[2] Mr. Tsaldaris, accompanied by Mr. Economou-Gouras, conversed with Mr. McGhee on July 23 concerning various problems involved in the program of aid to Greece. A memorandum of that conversation by Mr. Witman states that Mr. McGhee informed Mr. Tsaldaris that "it was important to remember that U.S. aid would not be enough, but that Greece should also use all her resources to amplify the American program. . . . Mr. Tsaldaris replied that Greece needed not only advice but American experts to help. Mr. McGhee agreed and emphasized that strong action by the Greek Government was required." (868.00/7–2347)

SWNCC Files, Lot 54–D202

Report by the State–War–Navy Coordinating Subcommittee for the Near and Middle East [1]

CONFIDENTIAL [WASHINGTON, undated]

LETTER OF INSTRUCTIONS TO THE CHIEF OF THE AMERICAN MISSION FOR AID TO TURKEY

1. You have been duly authorized to direct, under the guidance and instructions of the Secretary of State, United States activities within Turkey in furnishing assistance to Turkey under the Act to Provide for Assistance to Greece and Turkey, approved May 22, 1947, Public Law 75—80th Congress. In the performance of this function, you are authorized to exercise any power or authority conferred upon the Secretary of State by Executive Order No. 9857, dated May 22, 1947, which you deem necessary and proper to the effective carrying out of

[1] Circulated by the State–War–Navy Coordinating Committee as SWNCC 358/2 on June 30, approved by the Committee on July 23.

the provisions of the above Act and of the Agreement with the Government of Turkey setting forth the general terms and conditions under which assistance is to be furnished.

2. You have on behalf of the United States supreme authority in Turkey over all such assistance, both civilian and military. You will act as Chief of the American Mission for Aid to Turkey, the personnel of which will be attached to the United States Embassy in Ankara, and you will direct the performance by the Mission of all activities and functions which you deem necessary and proper to carry out the provisions of the Act of May 22, 1947, and the Agreement with the Government of Turkey. These activities and functions include the following:

a. You will develop, in consultation with the Turkish authorities, programs of American aid to Turkey and will recommend such programs, including the terms and conditions upon which aid is furnished, to the Secretary of State, who will finally determine the programs after consultation with the heads of other interested Government departments. You will also recommend from time to time any changes in the programs which you deem necessary or proper.

b. You will furnish information and other advisory assistance to the Turkish Government in connection with the carrying out of the aid programs and will disburse any funds available for assistance to Turkey which are allotted to the Chief of Mission.

c. You will furnish full information to the peoples of the United States and Turkey, consistent with the security of the two countries, concerning American assistance. This responsibility will include the making of arrangements with the Turkish Government for observation and reporting by the press and radio of the United States, and the preparation of basic material for inclusion in the reports of the President and the Secretary of State to the Congress.

d. You will observe performance by the Turkish Government of its assurances in the Agreement. You will suspend any or all assistance under circumstances in which you deem this to be required by the Act and you will report promptly any such suspension to the Secretary of State for final determination as to whether the Act requires withdrawal. Moreover, you are authorized to suspend any or all assistance and exercise any right of recapture to the extent you deem proper to carry out the objectives of the Mission.

3. You will report and be responsible to the Secretary of State and, at all times keep him fully informed concerning all aspects of the Aid Program.

4. You will observe the use of any other financial, economic or material assistance furnished to Turkey by the United States, either directly or indirectly through international organizations of which the United States is a member, and will advise and make recommendations to the Secretary of State concerning the proper coordination of such

assistance and its coordination with the American aid program. You will also consult with the Turkish Government concerning its requests for and proper utilization of any such assistance.

5. As the representative of the Government of the United States in Turkey on matters relating to assistance furnished under the Aid Agreement, you will maintain such relations and enter into such contracts, arrangements and agreements as are within the scope of your authority and as you deem necessary and proper to the performance of your functions in this capacity.

6. You will maintain close informal contact with the British authorities in Turkey, but shall not, without the approval of the Secretary of State, enter into any formal agreement concerning the relationship of the British military missions in Turkey to the American Mission. You may, however, conclude such operating arrangements and agreements with the British authorities as will facilitate the American aid program, for example, in relation to the procurement of supplies or the use of British facilities, installations, and personnel in Turkey.

7. The personnel of the Mission, including both military and naval personnel, will act at all times under your direction. In their day-to-day work it is expected that it will be necessary for them to have direct relations with officials of the Turkish Ministries.

8. You will be guided, in carrying out the foregoing instructions, by the following general political, economic and financial considerations:

a. You will act in accordance with such policies as were announced by the President in his message to the Congress on March 12, 1947, and as may be determined from time to time by the President or by the Secretary of State. The basic political objective of United States policy toward Turkey in furnishing aid is to assure the survival of Turkey as a fully independent, democratic nation. As a means to this end, the United States at the request of the Turkish Government will assist Turkey in strengthening the security forces which are required for the protection of her freedom and independence while continuing to maintain the stability of her economy.

b. The policy of the United States with respect to the financial terms upon which assistance is to be furnished to Turkey are set forth in the report of the Senate Foreign Relations Committee on the Bill for Assistance to Greece and Turkey, as follows:

> "Assistance provided under this Bill for military purposes, being essential to our own security, and not in itself creating the wherewithal to repay, should be made as a clear grant. Financial assistance for current civilian consumption should also be a grant since such assistance would not directly produce capital assets. Repayment could be sought, however, when the direct effect of the financial aid is to create capital assets and the ability on the part of the receiving country to meet such obligations in foreign ex-

change. However, financial repayment obligations should not be established if there appears to be no reasonable prospect of repayment."

You are authorized to inform the Turkish Government at your discretion that this is the general policy which will be followed by the United States Government in this respect. You will be responsible for recommending to the Secretary of State any financial repayment obligations that should apply to aid to Turkey, in accordance with this general policy and in accordance with the terms of the Agreement with Turkey. After final determination of the financial repayment obligations by the Secretary of State, you will be instructed to inform, or effect appropriate agreement with, the Turkish Government.

Editorial Note

The Department of State, on July 23, released two statements by Secretary Marshall dealing with the fighting in northwestern Greece and with the question of an international brigade; for texts, see Department of State *Bulletin*, August 3, 1947, page 228.

867.00/7–1547 : Telegram

The Secretary of State to the Embassy in Turkey

SECRET WASHINGTON, July 23, 1947—6 p. m.

437. Dept has received Embassy's despatch 1750 [1] transmitting your report on aid to Turkey. In consultation with General Oliver, Admiral Herrmann and other War and Navy officials careful consideration is being given recommendations set forth therein. Two aspects of report which particularly concern us are sections on (1) continuing aid and (2) technical personnel.

Dept wishes to disassociate continuing aid recommendation from body of report. Oliver assures us the one-year $100,000,000 program stands alone and would not be affected thereby. With his and Herrmann's concurrence we therefore propose to delete paragraph 15 on continuing aid and all subsequent references thereto. If you perceive no objection you are requested to advise the Department and to embody in a supplementary report your recommendations regarding a five-year plan. Such change of form it is felt will enhance usefulness of report without affecting in any way its substance.[2]

[1] Dated July 15; see footnote 1, p. 233.

[2] In telegram 608, July 25, 6 p. m., from Ankara, Ambassador Wilson reported that he had no objection to deletion from his report of July 15 of paragraph 15 and of subsequent references to continuing aid (867.00/7–2547). He thereupon forwarded a supplementary report, *infra*, containing his views on this subject.

Regarding training aspect, Dept feels bound by oral commitment made to Congress as to limitation of military personnel connected with program and is requesting study by War and Navy Departments of effect on recommended training program.

MARSHALL

867.00/7–1547

Supplementary Report of the United States Ambassador Recommending Continuing Aid to Turkey[1]

SECRET [ANKARA, undated.]

a. The United States aid for the armed forces of Turkey, as provided for in Public Law 75 of the Eightieth Congress, will be of material assistance to the Turks in initiating their program of modernization of equipment. It is thought highly desirable, however, that the aid program be extended by authorizing an annual appropriation of $100,000,000 from the United States Treasury for five (5) years for the reasons outlined below.

b. The Turkish program for modernization of their armed forces, to the point where they can be made effective fighting forces equal to Western standards, requires the outlay of a considerable sum of money beyond that provided in the current $100,000,000 aid program. Present estimates indicate that modernization of an Army ⅔ in strength of present Turkish forces will require funds in excess of $500,000,000.

c. Money spent on Turkish armed forces can be considered in the nature of a national life-insurance premium for the United States. It is believed that an equal sum spent for armaments for American armed forces would not produce the corresponding effect of reducing Russia's aggressive attitude toward the rest of the world.

d. Without additional money for modernization of equipment above the current aid program, Turkey cannot be expected to reduce her armed forces in face of the present international situation. A five (5) year program as suggested above will go far in enabling the Turks to reduce the manpower of their present armed forces by relieving men from military service for work in agriculture and in industry and thus improve the overall economy of the country.

e. In the absence of a program for continuing aid to Turkey, it is believed that much of the benefit hoped to be obtained from the present program will be lost.

f. In an aggressive war by Russia in the foreseeable future, Russia for strategic purposes must overrun Turkey rapidly before aid can arrive. Because of her strategic position Turkey becomes actually the

[1] Transmitted in despatch 1750–A, which the Embassy in Turkey dated July 15.

first line of defense for the United States in any aggressive move by Russia. The Turks are brave, patriotic, and excellent soldiers. They intend to fight and if necessary die in place defending their territory and their independence. It is imperative that the Turkish armed forces be modernized to the extent that they will be capable of defending their country over a considerable period of months, until American and/or British forces can come to their assistance. Every month of resistance by the Turks would strengthen the protection of the United States.

g. Few nations in the world are at present as free from communistic influence as is Turkey. In modern history Turkey has been invaded by Russia a total of twelve times. There is a hatred of Russia and anything savoring of Russia, which has been passed down by the Turks from father to son for generations. The determination of the Turks to resist any communistic influence will be strengthened, as well as the means to accomplish this end, by a continuing five (5) year aid program.

h. Turkey alone cannot hope to modernize her armed forces according to Western standards without lowering her standard of living. Continued modernization without further aid above the urgent $100,000,000 aid program will of necessity lower the standard, which at present is improving gradually for the great mass of the Turkish people. As long as improvement in the standard of living can be maintained, it is virtually a certainty that the Turks will continue to have a deep-seated love for the republic and its armed forces, and will continue to support these forces wholeheartedly.

EDWIN C. WILSON

868.00/7–2447 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

CONFIDENTIAL ATHENS, July 24, 1947—8 p. m.

1210. Department's telegram 1084, July 18. Following similar *démarche* by British Chargé I saw Acting Foreign Minister Pipinellis this morning and spoke to him as follows:

In opinion of US Government Greek Government would be well advised expedite screening of persons arrested in order release those not seriously implicated in any plot and bring those remaining in custody to trial soonest, full publicity being given to charges made. US Government also feels Greek Government should refrain from further indiscriminate arrests or other unnecessarily drastic measures and endeavor mitigate inevitably bad impression created abroad by measures already taken.

Embassy has received many seemingly well-substantiated complaints to effect that recent arrests carried out in some instances in haphazard manner and persons of known anti-Communist views taken into custody. Many telegrams have also been received by Embassy describing deplorable living conditions of the 8,000 deportees on barren island of Caria. Am not in position, of course, personally to verify such complaints, but feel confident Greek Government will recognize importance of doing so and of taking corrective measures.

Recent arrests have led to unfavorable comment not only in American and British circles friendly to Greece but also in France. Here is paraphrase of telegram received from American Ambassador Paris:

[Here follows paraphrase.]

While US Government realizes that in taking such measures as may be necessary for security of state, Greek Government is responsible only to Greek people, it is confident that Greek Government will on its part also realize that manner in which such measures are taken, through its effect on public opinion abroad, cannot fail to concern Greece's foreign friends now employed in doing their utmost to help her.

In reply, Pipinellis said Greek Government is fully aware of issues involved and is doing all it can both to screen detainees and provide for their welfare with rations, he claimed, above daily Athenian average. He said that at special insistence of both Prime Minister and Minister Justice (my telegram 1175, July 21) judges have already gone to island and day before yesterday 48 persons were released and returned Athens. Process, he added, continuing, and must continue, since obviously great numbers cannot be maintained long in exile at Government expense, in view condition of Greek finances. Believe top flight men of good will in Government actually sincere in efforts correct situation but to expect performance in accord with anything like western standards would be unrealistic.

MacVeagh

Editorial Note

The Secretary of State in a letter to British Chargé Balfour, dated July 25, 1947, and British Ambassador Inverchapel, in his reply of October 9, 1947, agreed on arrangements whereby the United Kingdom would continue to furnish military equipment and supplies to the Greek armed forces and the United States obligated itself to pay for such arrivals after May 22, 1947; for texts, see Department of State Treaties and Other International Acts Series No. 1718, or 61 Stat. (pt. 4) 3763.

868.00/7–2147 : Telegram

The Secretary of State to the Embassy in Greece

SECRET WASHINGTON, July 25, 1947—6 p. m.

US URGENT

1142. Tsaldaris in course of recent conversations in Dept on various unrelated subjects has invariably raised question of difficulty of obtaining effective action in present crisis with coalition govt. Although Dept intends early next week to discuss with him possible broadening of govt we today had preliminary exchange of views on this subject.

Tsaldaris stressed his personal responsibility to electorate even in coalition cabinet, since he was leader of party having absolute parliamentary majority. Now with seven party leaders in cabinet no decisions could be taken without protracted discussion and security leaks, resulting in delay and inaction when vigorous rapid action required in present emergency. Mentioned as example recent alleged announcement of Air Min Canellopoulos at Yannina that Northern Epirus question was again being raised.

Added it was easier govern without opposition but opposition necessary in parliamentary democracy in order avoid worst type of dictatorship, the ineffective dictatorship of a coalition cabinet. Said even Sophoulis agreed this point. In any case, new opposition with reshuffling of parliametary party lines sure to develop.

Even Liberals and non-Communist Leftists, he claimed, now supported Govt against armed attacks of Communists. Only advantage further broadening cabinet to include Liberals would be for world public opinion in case "free" rebel govt formed.

Finally Tsaldaris said that if full national coalition govt formed, leaving no opposition inside parliament, only possible alternatives if and when such govt failed would be (*a*) new elections which, if they can be held, would undoubtedly result in fifty to sixty Communists in parliament, or (*b*) reversion to homogeneous Populist cabinet with himself as PriMin.

We replied along lines urtel 1185 July 21, emphasizing necessity of national unity in face of threat to entire Greek nation. Any comments on Tsaldaris' arguments you believe would be helpful in discussing matter further with him would be appreciated.

MARSHALL

868.00/7–2147 : Telegram

The Secretary of State to the American Mission for Aid to Greece

CONFIDENTIAL WASHINGTON, July 25, 1947—8 p. m.

1148. Gama 26. For Griswold. Urtel 1188 Jul 21 Amag 15.[1] Board Directors Eximbank considered advisability cancelling or suspending use of uncommitted portion of $25 million credit because of Congressional program for Greek assistance. Board decided not to cancel but to suspend further utilization credit except where funds had already been committed. When studies by Dept relating probable Greek requirements had been undertaken conclusions reached had been based on view that Eximbank funds from this credit would be available. Dept however regarded it as quite proper for Bank to delay moving further into Greek economic picture at present time. Until funds for Greece to be provided from other sources are exhausted Dept sees no reason why Bank should make available any further funds under this credit. Dept considers it most inopportune to request Bank to reconsider decision at this time.

MARSHALL

[1] Not printed.

868.00/7–2147

Memorandum by the Acting Deputy Director of the Office of European Affairs (Reber) to the Director of the Office of Near Eastern and African Affairs (Henderson)

[WASHINGTON,] July 28, 1947.

Subject: British proposal for US–UK action regarding possible Macedonian Republic.

With reference to the British Embassy's *Aide-Mémoire* of July 21, 1947, the following are EUR's views.

The crux of the Macedonian problem is its relation to the maintenance of the territorial integrity of Greece. That is our chief aim and the reason for our principal objection to a revived Macedonian state. Such a state, if created by a rearrangement of Yugolsav and Bulgarian internal and common boundaries, would not in itself be susceptible to valid objection by this Government, nor to successful opposition, even if part of a plan for eventual South-Slav Federation. The Communist countries of the Balkans will do as they please in this matter and it is doubtful if any action through the UN or otherwise is likely to deter them if they and Russia are so disposed. Though we would not favor, we could not prevent it.

The chief objective, therefore, is to insure the preservation of the present frontiers of Greece against irredentist claims and Soviet pressure to the Aegean. As this integrity is threatened, whether by guerrilla infiltration, creation of a so-called Free Greek Government, or establishment of a Macedonian Republic, this Government should take all possible, appropriate steps to deal with each emergency as it arises. Action with regard to Macedonia would appear only practicable after a Macedonian Republic was already in existence and the shape of things to come was clearly discernible. The British proposal for earlier action, with a view to discouraging creation of the new republic and preventing it from becoming an issue among the Great Powers would seem to be premature and self-defeating, in that it would aggravate the importance of the problem without diminishing its dangers, and make the subsequent establishment of a Macedonian Republic, if realized, look like a diplomatic defeat for the Western Democracies.

868.00/7–2847 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

SECRET ATHENS, July 28, 1947—7 p. m.

IMMEDIATE

1224. Deptel 1142, July 25. None of Tsaldaris' arguments seem to me valid in view of serious situation facing country.

(1) Undoubtedly government by majority would be more viable than coalition under normal conditions, but fact that elections held under influence fear of Communists (causing abnormal swing to right) and wide-spread belief that owing to rightist excesses temper of country now more favorably inclined toward Liberals, give latter greater importance than represented by present parliamentary strength. Possibly this importance exaggerated by propaganda but exists sufficiently to indicate that (dictatorship of coalition), if leaders would really coalesce, would go much farther to satisfy public at large than unilateral even though parliamentary rule by Populists alone. Meanwhile increasing country's confidence in Government most desirable in country's interest.

(2) If "full national coalition" could be formed, talk of its failure "when and if" seems nonsense, since only possible failure would be failure defend Greece in which case all bets off. Purpose such coalition would be restore security after which it would hold new elections, with incidentally no apparent necessity include Communists.

(3) Full national coalition possibly less desirable than Populist–Liberal coalition with Centrists at present in government leaving out Mataxists and other small extremist elements. However, neither

solution possible with Tsaldaris and Sophoulis equally insistent on occupying dominant position. Fear politicians fundamentally convinced Greece will be saved by US assistance or not at all, hence continued personal and party jockeying to ride in on our tail.

(4) Believe Department's efforts convince Tsaldaris of falisity this view, and need of Greek leaders cooperating to save country, may help, but hope Department will not be drawn into details of possible political reshuffles, both for general policy reasons already expressed and because impossible keep up with Greek intrigues, which continuing merrily in Tsaldaris' absence, probably many of them without his knowledge. Under these conditions, cannot see clear line ahead for us other than to continue insistent advice for maximum best results in direction greater unity while supporting present partial coalition as step in right direction.[1]

MACVEAGH

[1] A memorandum of conversation by Mr. Witman records that Mr. Villard continued conversations on this subject with Mr. Tsaldaris on July 29. He stated that "we continue to feel that national unity is necessary in the present situation, and would like to see included in the Government as many parties as possible, with the exception of representatives of the extremes. The Secretary, he added, was considering issuing a new press statement along the lines of that of February 11, 1947 reaffirming these views and calling upon the Greek people and political leaders for the maximum unity in the face of the common dangers. We do not want to be involved in Greek party politics, but suggest that Ambassador MacVeagh might be helpful on M. Tsaldaris' return in acting as an intermediary if M. Tsaldaris desired. We were not suggesting specific personalities or that M. Sophoulis himself necessarily be taken into Cabinet. . . . Mr. Villard urged that M. Tsaldaris discuss with Mr. MacVeagh the question of broadening the Government. Secretary Marshall was very much interested, and considered the matter very important from our point of view." (868.00/7–2947)

868.20/7–2947

Memorandum of Conversation, by Mr. William Witman of the Division of Near Eastern Affairs

SECRET [WASHINGTON,] July 29, 1947.

Participants: M. Constantine Tsaldaris, Deputy Prime Minister and Foreign Minister of Greece.
M. Economou-Gouras, Counselor of Greek Embassy.
Mr. Villard, NEA
Mr. W. Witman, 2nd Secretary, Embassy, Athens.

M. Tsaldaris referred to his conversations in the Department on July 9 and to a letter which he had addressed to the Secretary regarding the question of increasing the size of the Greek Army, and stated that he had received advice from Athens that Governor Griswold and General Livesay had turned down the request of the Greek General Staff.

M. Gouras read the substance of a telegram he said was received two days ago, which mentioned a letter dated July 23, 1947 from Governor Griswold to the Greek General Staff stating that on account of financial restrictions it would not be possible to authorize a Greek army of more than 120,000 men, plus a provisional increase of 20,000 men as replacements.[1]

M. Tsaldaris said that the Prime Minister will see Ambassador MacVeagh and inform him that such insistence on not increasing the army would bring the Government to an impasse. 45,000 additional men were needed. Otherwise there can be no solution. Greek Government believes that the present army is not enough to deal with the situation. To finish quickly with the bandits, further steps are necessary. M. Tsaldaris would therefore like to have a broader discussion with us for the development in principle of a program of 3, 4, 5 or 6 months. If we agree that the matter must be settled quickly, even at the cost of increasing the Army, we must also discuss the means of paying for such necessary expenses, and how the reconstruction program would be affected. Former Secretary Byrnes had indicated to him in Paris last year that perhaps the Greek Army could be strengthened by supplying material. Now it was a question for the Mission to decide whether material alone would be sufficient, or whether additional men were required. M. Tsaldaris believes both are necessary. He also mentioned the possibility of stretching the available money by supplying US surplus equipment, either on a gift or even "lend-lease" basis.

The British, he continued, had expended more than $150,000,000 to date in aid to the Greek Army. If Gov. Griswold's hands are bound by this limit, he cannot do otherwise, unless equipment is borrowed so as to have a margin. Two kinds of army are needed, one for sealing the frontier, and the other a sort of Home Guard for occupying cleared areas of the country so that the peasants could return to their villages without fear. There are now 50,000–60,000 armed civilians outside the Army, which M. Tsaldaris would like to disband for the Government cannot control them.

Finally, M. Tsaldaris remarked that he considered the matter of the program and means to be more a political than a military problem.

Mr. Villard in reply stated that he was sure that the General Staff's request had been examined with attention by Gov. Griswold and re-

[1] Governor Griswold advised the Department in telegram AMAG 21 (1198), July 23, 6 p. m., from Athens, of his decisions that "No increase will be permitted in permanent strength of army above 120,000 officer[s] and enlisted men or temporary allowances for 20,000 additional members for three months period." (868.00/7–2348)

lated with other Greek needs. Any money used to increase the Army must of course be withdrawn from other reconstruction credits. We assume that the Mission is in the best position to determine what is needed, and whether the answer to the military question lay in modernization or more men, or both. We agree as to the primary importance of restoring order and tranquility, at the same time sealing the northern borders. For the latter, we must exhaust the possibility of action through UN. As for the former, the $150,000,000 program is not inflexible, but will be applied as the Mission decides best. The purpose of sending Gov. Griswold to Greece was to study the situation first hand. We recognize that there can be no economic reconstruction till there is peace. We therefore are just as concerned with putting down the guerrillas, and we wish to find the method of putting an end to the fighting as soon as possible.

868.00/7–2347 : Telegram

The Secretary of State to the American Mission for Aid to Greece

TOP SECRET WASHINGTON, July 29, 1947—6 p. m.

1169. Gama No. 29. For Griswold. For our info and for possible use in discussion with Tsaldaris if he should raise question again during visit here, we would appreciate telegraphic summary of factors considered by you in arriving at decision outlined urtel Amag 21 July 23 [1] re size of Greek Army and *gendarmerie* to be supported by AMAG. We would especially like to know whether you and your military and naval assistants consider size of Greek forces outlined urtel adequate to put down increasingly grave guerrilla threats exemplified by recent attacks in Yannina–Konitsa area. Colonel Miller reports that during fighting in that area guerrillas held initiative at all times.

Our concern in this regard is intensified by fact proposed border commission now being debated in Security Council was not designed to cope with large-scale invasions of type cited above. At this moment we can offer Greece no assurance that UN or US can provide protection against such attacks. If situation should continue to deteriorate, we would not wish to be in position of hampering Greek efforts to defend themselves.

We would appreciate your views and comments on foregoing.

MARSHALL

[1] Not printed; but see footnote 1, p. 266.

841.2368/7–3047

The British Chargé (Balfour) to the Secretary of State

SECRET WASHINGTON, 30 July 1947.

IMMEDIATE

Ref: G58/—/47

MY DEAR MR. SECRETARY: I have just been instructed by the Foreign Secretary to inform you that His Majesty's Government in the United Kingdom have decided that they must, on financial and manpower grounds, withdraw British troops from Greece [1] and reduce those in Italy to the five thousand provided for by Article 5 of Annex VII of the Italian Treaty.

2. As regards Greece, you have of course for some months been aware of the intention of His Majesty's Government to withdraw British troops. His Majesty's Government consider it to be most unfortunate, but unavoidable, that the decision to implement this intention has had to come immediately after the Soviet veto in the Security Council. As regards Italy, Mr. Bevin and his colleagues naturally much regret any alteration this may entail in arrangements agreed between the United States and British Chiefs of Staff. Mr. Bevin hopes, however, that you will appreciate that, in view of the financial stringency in the United Kingdom, this course has become absolutely necessary.

3. No public announcement of the foregoing decision is being made. But Mr. Bevin naturally wants you to know of it at once.[2]

Yours sincerely, JOHN BALFOUR

[1] The Embassy in London informed the Department in telegram 4165, July 30, that British troops in Greece numbered 5,000, exclusive of personnel in service missions, and that approximately 9,000 troops had been withdrawn from Greece since the end of March 1947 (841.2368/7–3047).

[2] The Secretary of State sent a copy of the British note to President Truman on August 1. His transmitting memorandum stated in part: "To the extent that this proposed action is based on financial grounds, it can be considered in the light of my separate memorandum to you concerning the impending British dollar crisis." (841.51/7–3047). It is anticipated that the latter memorandum, dated August 1, will be printed in volume III.

868.00/7–3047 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

ATHENS, July 30, 1947.

1246. Following is condensation of KKE Central Committee proclamation published July 29.

"Neo-fascist regime founded by British occupation and today supported by American intervention is approaching its ultimate goal. Monarcho-fascism has thrown aside its democratic mask *de jure*. Outlawing of KKE will be mere formality because KKE has been prac-

tically outlawed in all regions under government control. Government pretexts for justifying overt fascist coup having been approved and suggested by Americans, were elaborated by Hitlerite survivors.

All EAM and KKE efforts for reconciliation were answered with overt fascist dictatorship. EAM's proposal for country's neutralization through UN was answered with complete economic and political subjugation of country to American imperialism and with its transformation into anti-Soviet anti-Balkan bridgehead.

It is not accident that recent fascist onslaught coincided with arrival of American *gauleiter* [1] who came to Greece to apply colonial program of American trusts and monopolies. Recent events in Greece prove Truman Doctrine to be identical with violation of national sovereignty and independence of people, rebirth of fascism and perpetuation of civil war and economic and political chaos.

The more coordinated and active the peoples resistance against fascist violence the sooner we shall reach democratic solution (of present situation). Let us answer full scale fascist attack with full scale courageous resistance. KKE was outlawed during Metaxas dictatorship, likewise during Hitler–fascist occupation and so today, but it never ceased fighting nor will anything hamper its struggle against British-American intervention. Unshakeable will to fight and self-sacrifice will bring final victory."

MACVEAGH

[1] The Communist reference is to Governor Griswold who arrived at Athens on July 14.

868.00/7–2947 : Telegram

The Secretary of State to the Embassy in Greece

SECRET WASHINGTON, July 29 [*30*], 1947—1 p. m.

US URGENT

1176. 1. UK FonOff has requested Brit Chargé in Athens to provide estimate of prospects of anti-bandit operations by Greek army from present to end of campaigning season on assumption outcome SC discussions will make little practical difference. UK FonOff particularly wishes info whether (*a*) bandit powers will be reduced; (*b*) situation will remain same as at present; (*c*) morale and position Greek army will deteriorate.

2. In addition, UK FonOff requests estimate what increase in strength and additional equipment Greek army will require to improve or at least maintain present situation. In FonOff view this estimate should take account of what US and Brit could reasonably be expected to furnish.

3. FonOff message to Athens and Brit Emb here request cooperation of US officials in Greece in preparation of above estimates.

4. Dept considers cooperation of AmEmb and AMAG advisable in preparation of joint estimates for info of US and UK but it is to be

made clear to Brit that our views on estimates, particularly those described in para. 2 above, do not represent US commitments as to future action.[1]

MARSHALL

[1] This telegram was repeated to London as No. 3253.

868.00/7–3047 : Telegram

The Secretary of State to the American Mission for Aid to Greece

RESTRICTED WASHINGTON, July 30, 1947—9 p. m.

1184. Gama 35. To Griswold from McGhee. Senate action on Greek-Turkish Aid Bill provided full $400 million with limitation on administrative expenses only at figures requested by Department and with no other limitations. Conference raised total for administrative expenses to $4,500,000, of which no more than $300,000 is available for expenditure in District of Columbia. This was accepted by both Houses and signed by the President this date. Please advise effect of the partial restoration on your recommendations as to additional positions to be filled as indicated in list received through Rountree. You may wish us to adhere to this list until more experience is gained as to actual personnel need and as to living and other costs in Greece. [McGhee]

MARSHALL

868.00/8–147 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

SECRET ATHENS, August 1, 1947—1 a. m.

1261. Deptel 1176, July 30. Upon receipt of Foreign Office instructions British Chargé Reilly called on me July 29 and at his request, and for purpose providing British with our best military estimates, I immediately asked General Livesay of AMAG and my Military Attaché and Military Attaché assistants Colonels Smith and Bergquist to confer with General Rawlins, commander of British military mission and Colonel Shortt, British Military Attaché, on subjects in question; Reilly and Secretary Tahourdin of British Embassy and Counsellor Keeley and myself also present. In exchange of views, no commitments made as to future US action and expression only general views possible owing necessity of British Chargé's replying telegraphically to Foreign Office that evening. Principal US views expressed were:

(1) Feeling that if bandit movement continues depend on present Greek sources for recruitment, Greek army of present strength, if

properly used, should be able with presently envisaged equipment greatly to improve situation in coming months and perhaps establish reasonable security in all regions except those immediately contiguous border within coming year.

(2) Conviction that if Slavo-Communists call on foreign sources for recruitment and/or satellite states recognize "free Greek" Government enabling former supply latter's army with air power, artillery, or other heavy equipment, the situation likely pass beyond anything with which any army of size possible to Greece could expect cope.

(3) As regards proper use of present army, greater employment should be made of offensive commando or bandit tactics against bandits and manpower distributed with greater proportion than at present in active area.

British in general agreed with (2). Regarding (1) Rawlins stressed importance of following strictly military plan without present widespread politicial interference in employment of forces and gave thorough support to idea of increasing use of commando tactics. Reilly and Shortt took more pessimistic view, not only as doubting any useful early discouragement to bandit recruiting through AMAG program as presently being implemented and because of small success of any offensive to date.

Resulting telegram to British Foreign Office not as yet communicated to me.

MacVeagh

841.2368/8–147

Memorandum by the Counselor of the Department (Bohlen) to the Under Secretary of State (Lovett)

[Washington,] August 1, 1947.

Subject: Development with the British Embassy Regarding British Troop Removals from Greece and Italy

After dinner on the evening of July 30 I told Mr. Balfour of our concern over the manner in which the British informed us of their intention to remove their troops from Greece and Italy. I said we had of course known of the intention progressively to remove their troops from Greece but that the Italian decision was a new element and furthermore in regard to Greece coming on the heels of the Soviet veto we were very much concerned of the effect in Greece if the news leaked out of London which was already in the press. I said that I hoped to convey our feelings on this matter emphasizing how dangerous we felt it was at this time to have any sudden announcement or information

on the subject indicating such curtailments in present British positions, that I hoped that any announcement or guidance which the British Government might make on the troops in Greece and Italy would be done in such a way as to indicate no basic change in the situation but merely the carrying out of a previously announced policy (I have in mind the announcement in the House of Commons in April regarding Greece).

Mr. Balfour not only thoroughly agreed but said it had been his intention to send a telegram very much along those lines to his Government emphasizing in strong terms the bad effect any sudden announcement without adequate consultation with the U.S. Government would have in the U.S. and throughout the world.

This morning Mr. Balfour called me to say that in reply to his message the British Government had said that for guidance British and other correspondents in London were being told that the progressive removal of troops was merely in accordance with previously announced positions and represented in no way any change in British attitude towards their responsibilities in these countries.

868.20/8–147

Memorandum by the Deputy Director of the Office of Near Eastern Affairs (Villard) to the Assistant Secretary of State for Political Affairs (Armour)

TOP SECRET [WASHINGTON,] August 1, 1947.

I believe the attached Top Secret telegram from our Military Attaché in Athens [1] will be of interest to you in connection with our concern as to the present size of the Greek Army. It will be observed that in the opinion of the Military Attaché the Greek Army under present conditions is incapable of coping with any sizable increase in the guerrilla forces, and that the Greeks do not have adequate means to take the necessary steps to remedy the situation. Moreover, a serious factor of morale must be taken into account, owing to inadequate pay and prolonged service in the ranks.

We have not yet received a reply from Governor Griswold in regard to his decision to limit the size of the Greek Army, but when the answer does come in I think we should also take the Military Attaché's comments into consideration.

H[ENRY] S. V[ILLARD]

[1] No. Mid 233, July 25, not printed.

868.00/8–147 : Telegram

Governor Dwight P. Griswold to the Secretary of State

TOP SECRET ATHENS, August 1, 1947—4 p. m.

1268. Amag 41 to McGhee from Griswold. ReGama 29.[1] Factors considered in making decisions outlined in Amag 21[2] follow:

1. Estimate based on Greek Army being designed as anti-bandit force only, not capable of action against any large scale invasion.
2. Many infantry battalions fight in much below authorized and listed strength, causing low combat efficiency.
3. All available strength not being utilized for combat. About 40 companies specially trained as commando fighters in mountains are not being effectively engaged against bandits.
4. Additional trained strength would be useful but to form new units would further dilute combat units by withdrawing cadres for organization and training. New units could not influence campaign against bandits before winter. Believe immediate effective results only possible by better utilization of present strength. Greek General Staff has been informed these shortcomings and three-day conference their high command ended last night at which they discussed these matters.
5. Estimated cost of requested increase in Greek Army would render ineffective our economic aid which can be used to drain away Greek recruitment pool for bandits.
6. Adhere to conclusion Greek Army sufficient in size to cope with bandits and action is being taken to make Greek general staff realistic so that they will make better use of army strength.
7. Any large scale invasion which would necessarily involve use of foreign troops would create condition beyond hope of settlement through use of mission funds. Indications however are that present bandit fighting in Greece being conducted only by Greeks.

Above conclusions concurred in by Livesay, Snackenberg,[3] British Military Mission and by Embassy Military Staff including Col. Miller who is just returned from fighting area.

MACVEAGH

[1] See telegram 1169, July 29, p. 267.
[2] Dated July 29, not printed; but see footnote 1, p. 266.
[3] Rear Adm. John A. Snackenberg, head of the Navy Department Section of AMAG.

841.24568/8–147 : Telegram

The Secretary of State to the British Secretary of State for Foreign Affairs (Bevin) [1]

TOP SECRET WASHINGTON, August 1, 1947—8 p. m.

I am very much concerned at the communication I received through your Embassy here on July 30 regarding the intention of the British

[1] Transmitted to London as telegram 3305, with the statement: "Top Secret for eyes only of the Ambassador. Please deliver the following message from me to Bevin."

Government to withdraw your troops from Greece and reduce those in Italy to the 5,000 provided for Trieste. It is true that in the case of Greece we were made aware last spring of your intention progressively to withdraw your forces during this summer and autumn, but we are concerned at your decision to implement this intention in the light of recent developments affecting Greece. I feel that the decision was made at a most harmful time and that such abrupt action makes cooperation unnecessarily difficult. In the case of Italy the news came as a complete surprise and indeed is in contradiction to the understanding approved as late as May 20 by the Combined Chiefs of Staff to provide SACMed forces he deemed necessary to carry out his mission. I must point out that we are by no means certain exactly when the Italian Treaty will enter into force and that until it does there is a joint UK–US responsibility for the maintenance of the *status quo* established by the Morgan line.[2] Quite apart from these immediate considerations as important as they are, I am still more disturbed at the possible implications of this decision as to future British policy. Because of the importance I attach to the maintenance of the present intimate relationship between our Governments, I am asking Douglas to give you in complete frankness our feelings on this matter and I hope you will be equally frank with him.

MARSHALL

[2] This line, drawn in 1945, defined the portions of Venezia Giulia to be administered by the Supreme Allied Commander in the Mediterranean Theater and by Yugoslav forces. For further documentation on this subject, see *Foreign Relations*, 1945, vol. IV, pp. 1103 ff.

841.24568/8–147 : Telegram

The Secretary of State to the Embassy in the United Kingdom

TOP SECRET WASHINGTON, August 1, 1947—8 p. m.

3304. Top secret for eyes only of Douglas from Marshall. You will have seen from my personal message to Bevin that I wish you to see him personally in regard to our concern at the present trend of British policy as exemplified by the communication referred to therein. We wish the British Government clearly to understand that we regard this decision as having been taken without consultation or adequate warning to this Government. We knew in a general way of the British intention progressively to withdraw its troops from Greece but we are unable to understand, unless there are reasons not disclosed to this Government why the British Government should choose this moment to take a decision to withdraw one of the stabilizing factors in the Greek situation. The fact that no announcement was made has not prevented the substance from leaking out to the British press. The

British Government must be aware of the acute embarrassment caused this Government by the manner in which the British decision to cease after April 1 all aid to Greece was communicated to us as late as the latter part of February as a result of which the President himself was required personally to appeal to the Congress in order to permit the U.S. to take over the British financial responsibilities in Greece and Turkey. The British Govt must be made to understand that this Govt cannot possibly expect to obtain support either in public opinion or in Congress for actions necessitated by sudden decisions presented to us by the British.

The decision to reduce British forces in Italy for the reason given in my message to Bevin is an even more flagrant case of the failure to consult this Govt on a matter involving joint U.S.–U.K. responsibility.

We are frankly disturbed and puzzled by present British actions as exemplified by the communication in question and their implications on the future course of British policy. We are aware of the critical nature of the British financial position but we do not feel that the full story has been conveyed to us. We fear we are being faced with the first of a series of actions stemming from new policies unknown to us. The British must understand that if these actions presage a basic revision of British foreign policy involving a progressive withdrawal from previous commitments and previously held positions as a result of internal political pressures and not economic necessity alone, the U.S. must be told now of such probable course. For example, in the recent communication concerning troop reductions in Italy and Greece we are unable to see that some 20,000 men will have an advantage to England either from the point of view of manpower or dollar savings in any way commensurate with the possible consequences of such action. It should be obvious that any such course whether from necessity or choice on the part of Great Britain would involve thorough re-examination of the U.S. strategic position and a reconsideration of its financial and economic commitments in Europe. A large measure of U.S. foreign policy has been predicated upon the British willingness to contribute what they can to the maintenance of stability in Europe.

The foregoing is for guidance in your conversation with Bevin and we hope that you will be able to obtain from him a clear and accurate picture of the reasons behind present British action and their relation to future British policy. We are not unmindful of the considerations set forth in your 3173, June 11 and 4071, July [25].[1]

MARSHALL

[1] It is anticipated that these telegrams will be printed in volume I and volume III, respectively.

841.2368/8–247 : Telegram

The Secretary of State to the Embassy in Greece

SECRET WASHINGTON, August 2, 1947—4 p. m.

US URGENT

1213. Reference British statement of intention to withdraw troops from Greece immediately,[1] we would like to have your views as to whether present small British force in Greece in fact serves substantially useful purpose. Do you consider it is factor in supporting Greek morale or in deterring Communists and northern countries from more drastic action?

We would also like to know whether Greek Government desires retention British troops and whether it has been consulted regarding immediate withdrawal.

MARSHALL

[1] The Department had informed Ambassador MacVeagh and Governor Griswold in telegram 1179, July 30, of the British decision to remove the remaining British troops from Greece (841.2368/7–3047).

868.00/8–247 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

SECRET ATHENS, August 2, 1947—5 p. m.

1275. In connection Greece's chances to preserve territorial integrity in face Slavic pressure. I regard this astonishingly ill-timed decision (Deptel 1179, July 31 [*30*] [1]) as little short of catastrophic and hope implementation may be postponed pending determination of other possible security measures equally valid with presence British troops. British Chargé informing Under Secretary Foreign Affairs here today but saying date not yet fixed. Told me, however, indications are for completion withdrawal by end September.

Department will realize situation Salonika very similar to that Trieste, and perhaps even more critical since Soviets already control Otranto Straits. Though British troops remaining Greece now number only few thousand and seem inactive because playing no part in internal affairs, their presence north Greece supplies precious deterrent to possible Slavic irruption and establishment of occupation of Aegean littoral as *fait accompli*. With UN stymied by veto, and should British troops be withdrawn, such irruption might occur running into international complications except ex post facto. It could also be given specious pretext by an appeal from "free Greek" Government to satellite states to "come over into Macedonia and help us".

[1] Not printed, but see footnote 1, above.

Greek patriotic opinion thoroughly aware of above salutary function served by British troops and serious collapse of morale, especially in north, only too likely occur at very moment inception of reconstruction program unless early announcement of compensatory measure possible. While determination such measures outside competence this Embassy, Department may be interested in opinion of highly placed US military officer Greece to effect that if British troops withdrawn and not replaced with at least equal numbers of US, "we might as well pack up and go home."

Meanwhile that, immediately following strong Soviet action to avoid effective border control, British should decide on withdrawal long time insistently demanded by Communists, and furthermore that they should do so unilaterally, cannot fail increase at least appearance of fundamental weakness and lack of unity of western democracies. Perhaps no other action at present moment could be better calculated to reinforce local Communist morale, which security sources state already rising in anticipation increased assistance, under Moscow orders, from satellite states to guerrilla forces.

Have read above to Griswold and Cochran [2] who concur. Griswold will send early independent reply from special point of view AMAG.

MACVEAGH

[2] Robert L. Cochran, Deputy Chief of the American Mission for Aid to Greece.

841.24568/8–347 : Telegram

The Ambassador in the United Kingdom (Douglas) to the Secretary of State

TOP SECRET
US URGENT

LONDON, August 3, 1947—1 p. m.

4214. For the Secretary's eyes only from Douglas. On my return from visit with the Secretary of War Friday evening and Saturday morning in Germany, I delivered to Bevin your message (Deptel 3305, August 1 [1]). I also presented orally the considerations outlined in your telegram 3304, August 1, and elaborated, in respect of proposed withdrawal of British troops from Greece and Italy on the very serious consequences which such withdrawal might now produce throughout western Europe.

Bevin replied as follows:

1. That the precise extent of the reduction in overseas forces had not yet definitely fixed, but that it might involve a shrinkage from a figure approximating 1,250,000 to somewhere between 900,000 and slightly over a million.

[1] See footnote 1, p. 273.

2. This reduction in the overseas forces does not imply any change whatsoever in the British foreign policy. If, Bevin said, any change were at any time contemplated he would give us ample notice and full opportunity for consultation.

3. It is very unlikely that in the forthcoming debate on the state of the nation commencing Wednesday and lasting through Thursday any Minister of the Government will mention the reduction of forces in any particular theater. Announcement of the reduction in forces will probably be in total figures without reference to specific areas and without specifying the number of troops in any theater, or the number of troops remaining after the cuts in any theater.

4. Should the Cabinet plans be modified and should it be planned to refer to a cut in any particular theater, we will be notified, but it is very improbable that there will be any such change.

5. It will probably be announced by the Government in the forthcoming debate that a certain part of the reduction in the overseas forces will be made by the first of December or the first of the year and the balance by spring.

6. These reductions in overseas forces are being made as a contribution by the military establishments to the economic crisis.

7. As to Greece, Bevin asks that he be informed as promptly as possible as to the period of time which you have in mind for the retention of British forces there (he does not now contemplate the withdrawal of the British Military Mission).

8. As to Italy, Bevin is conscious of the agreement to which you refer in your message. The consequences of any action taken under it will be considered by the Cabinet, and before any final decision is made Bevin will communicate with us again.

From my conversations with members of the Labor Parliamentary group left and right, as well as from my knowledge of the views of members of the Liberal Party and a few members of the Conservative Party, the reduction in overseas forces is a response to a widely held view in Britain, quite irrespective of party affiliations. It is fair to say, however, that the reductions which Bevin has in mind are substantially less than the reductions advocated by the left wing back benchers.

DOUGLAS

868.00/8–447 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

SECRET ATHENS, August 4, 1947—7 p. m.

1282. Acting Foreign Minister Pipinelis assured me this morning that British decision withdraw troops neither taken at Greek Government's request nor in accordance its desires and added that information given him August 2 by British Chargé included merely notification of early intention without mention of specific time. Believe

all other questions Deptel 1213, August [2] already answered mytel 1275 same date.

Pipinelis added Greek Government aware that many difficulties now facing British and therefore had replied to Chargé with simple acquiesence. However, did attempt discreetly emphasize to Reilly disastrous moral effect decision sure to have following UN veto and new Yugoslav-Bulgarian pact. Said to me that British forces are of course purely symbolic but in existing situation presence of few British or US soldiers morally as strong as Army Corps and British decision evacuate could not have been taken at worse moment in addition opined that if US troops unable replace British in Greece (which he feels only too likely in view what he knows of US public opinion) best possible rectifying measure would be to strengthen Greek Army sufficiently to enable it hold temporarily against invasion pending arrival allied forces.

MacVeagh

Editorial Note

The Department, on August 5, released a statement concerning the award of $82,400,000 in contracts to American engineer-construction companies for construction and rehabilitation of Greek highways, railroads, bridges and ports; for text, see Department of State *Bulletin*, August 17, 1947, page 335.

868.00/8–547 : Telegram

Governor Dwight P. Griswold to the Secretary of State

SECRET ATHENS, August 5, 1947—6 p. m.

1291. Amag 47. To McGhee from Griswold. Received cable July 31 [1] relative to British decision. Am taking liberty of making recommendation.

1. British troop withdrawal if confirmed will in my opinion make impossible the effective operation of AMAG. Greek morale will diminish to such extent that creation of independent government based on Salonika is possibility. In Athens area, Communist pressure would be extended to such extent that our effectiveness would be limited. US prestige could suffer severe blow.

2. If withdrawal confirmed believe United States should furnish troops of slightly greater strength than those withdrawn. Propose then that British Military Mission also go and all military training in

[1] This refers to telegram 1179, July 30, to Athens; see footnote 1 to telegram 1213, p. 276.

Greece be under United States leadership with one officer in charge of integrated program. If this plan is followed Greek morale would be improved as they now look to US for leadership and entire program could be better coordinated. Believe that announcement of US enlarged participation should be made same moment as announcement of British withdrawal.[2]

3. Believe that plan in paragraph 2 above would have better chance of success if confirmed only after agreement by Greek political leaders to revise their cabinet and give it broader base agreeable to US Government. If plan is announced without such agreement we might appear to be attempting to preserve present political setup and charge would be made our troops used to fight internal political war. Seemingly every impartial American observer here feels change in political complexion of government is necessary if recruitment pool for bandits is to be drained away. No Greek Government should be permitted which might give any comfort to Communists but, at end of three weeks of conferences with qualified American observers, I am confident a change could be suggested by Ambassador which would be very helpful. Some changes necessary to create national unity which is being constantly preached by Ambassador and myself although I have made no suggestions whatever as to changes which should be made. Contemplated change in military situation would be ideal time to bring matter to focus. My judgment is based upon short acquaintance with problem but it leads me to definite conclusion that action is necessary and would accomplish great good. US need give no thought to avoidance of accusation of interference. That charge against us will be made in any case. Only question is whether good results can be obtained.

[GRISWOLD]

[2] The Department notified Ambassador MacVeagh and Governor Griswold in telegrams 1276, Gama 55, and 1277, August 8, of the high-level discussions with the British then in progress and of its hope that the British would reconsider their proposed action (841.2368/8–847).

868.00/8–547 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

TOP SECRET ATHENS, August 5, 1947—6 p. m.

1293. After discussion with Griswold, I would respectfully submit following in regard to political suggestion in paragraph 3 of his telegram 47, today's date (my telegram 1291, August 5).

I feel, as Department knows, that every non-interventional influence at our disposal should be used to secure greater political unity here

during period of national emergency while we ourselves actively endeavoring preserve Greek integrity and independence. Have been hoping and still hope that influence of AMAG's presence and operations here may eventually bring Greeks to realize that working successfully with us requires greater unity among themselves. Should we decide replace British troops, believe this could not fail to help Greek politicians realize utter dependence of this country on us and necessity of cooperating with us.

On other hand, Department may wish to consider whether it can afford to make decision to send troops contingent on prior agreement of Greek politicians to broaden Government. As I see it, such decision must necessarily rest in last analysis on considerations far transcending Greek internal problems and involving indeed our whole Near Eastern policy. Furthermore, Greek politicians thoroughly understand this situation and are therefore only too likely to discount threatened sanctions and take their time about uniting, if they do so at all.

Consequently, while providing military assistance might very well strengthen our position here as regards gradually influencing Greeks to improve Government (see Secretary's top secret letter of instructions to Griswold of July 11), perhaps we should be careful not put into hands of Greek political leaders any possibility of preventing or delaying a decision vital to ourselves.

MACVEAGH

501.BC Greece/8–747

Memorandum by the Acting Director of the Office of Near Eastern and African Affairs (Villard) to the Secretary of State

CONFIDENTIAL [WASHINGTON,] August 7, 1947.

Subject: Call of Mr. Constantine Tsaldaris, Greek Foreign Minister, on the Secretary.

DISCUSSION [1]

Mr. Tsaldaris has been in this country for the past month ostensibly to conduct the Greek case in the Security Council. His visit was discouraged by our Ambassador in Athens who pointed out the importance we attached to Mr. Tsaldaris' presence in Greece during the critical early stages of the American Aid Mission. Mr. Tsaldaris denied press rumors that he intended to discuss economic questions in Wash-

[1] According to a memorandum of conversation of August 6 by William O. Baxter of the Division of Near Eastern Affairs, the matters treated in this discussion had been reviewed with Mr. Tsaldaris by Messrs. Armour and Villard that day (868.00/8–647).

ington and stated that his trip was only in connection with the Greek case before the Security Council.

Nevertheless, Mr. Tsaldaris has talked extensively on many occasions with officers of the Department. It seems clear that one of his main purposes in coming to this country was with the hope of strengthening his own political position in Greece by taking back with him some tangible proof of this Government's support of him. He has indicated frankly and somewhat ingenuously that he fears Greek public reaction if he should return without something to raise the morale of the people. Conditions in Greece, he states, are worse than they were two years ago and in spite of the Greek Government following U.S. advice about presenting its complaint to the Security Council rather than the General Assembly, the man in the street in Greece feels that nothing has been done for his country. Mr. Tsaldaris is discouraged at the inconclusiveness of the Security Council's deliberations on the Greek case and seems to imply rather illogically that this Government should be able to get favorable decision from the Security Council within the next few days before his departure for Greece.

The proposed withdrawal of British troops and the recent decision of Mr. Griswold to approve no increase in Greek armed forces will have, Mr. Tsaldaris believes, a disastrous effect on Greece. He urges U.S. approval of an immediate increase in Greek armed forces and would like to request officially the replacement of British troops by American troops if he could be assured in advance that such a request would be acted upon favorably by the U.S. Government.

Mr. Tsaldaris has asked our views on the advisability of making overtures to Italy with the idea of arranging a Greco-Italian treaty of friendship. When it was indicated that we would be happy to see normal friendly relations restored between the two countries, Mr. Tsaldaris went further concerning possible suggestions of a security pact between the two countries involving the defense of the Straits of Otranto, perhaps with Valona in Greek hands. He also insisted that it would be very difficult for him to approach the Italians unless the U.S. Government was willing to take the initiative and indicate to Italy that we supported such a move.[2]

On the matter of broadening the Greek Government to include the only Parliamentary opposition party not now represented on the Cabinet, Mr. Tsaldaris has made it very clear that he considers such a move must inevitably result in the King's requesting him as leader of the majority party to become Prime Minister.

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[2] Mr. Armour had informed Mr. Tsaldaris, in their conversation on August 6, of "our belief that, though the reestablishment of normal friendly relations [between Greece and Italy] were desirable, it would hardly be appropriate for this Government to concern itself actively with any such negotiations."

In the attached memorandum from the Greek Embassy,[3] Tab A, on which Mr. Tsaldaris hopes to base his talk with you, the above-mentioned items are listed with the additional proviso that the consideration of any broadening of the Greek Government should be postponed until three more urgent matters had been disposed of. Specifically,

(1) increase of Greek armed forces and/or replacement of British troops by "other contingents";
(2) Security Council decision under Chapter 7; and
(3) U.S. support of Greece in efforts to undertake regional security pacts.

RECOMMENDATIONS

In your talk with Mr. Tsaldaris the following points might be covered.

1—*Greek Case before the Security Council.* This Government has strongly supported Greece throughout all of the Security Council discussions and intends to continue this strong support until all possibilities of U.N. action have been exhausted. In this connection it may be pointed out that without the Balkan Investigating Commission, in the establishment and conduct of which the United States played a primary role, the Greek case against her northern neighbors would never have been made clear to the world at large. Although we realize the gravity of the situation in Greece, we are not unduly disturbed because no positive favorable action has yet emerged from Security Council discussions. It is our intention to keep the Greek case active before the Security Council and to take it on an urgent basis to the General Assembly if no satisfactory action has been taken before the meeting of this latter body.

2—*U.S. Aid to Greece.* U.S. assistance to Greece during the war and since the war has been substantial. The President's successful appeal to Congress for extraordinary aid has convinced the world and the Greek people of our interest in Greece. The presence of the American Mission in Greece with its plans for military and economic assistance and for reconstruction are tangible proof of U.S. interest and the effects, we hope, will soon be evident in improved conditions.

3—*Military Considerations.* Although the withdrawal of British troops would of course have a very serious effect on morale in Greece, it is not at all certain that those troops will be withdrawn in the very near future. The British economic crisis necessitates the decrease of forces overseas and it may be that in a general reduction the troops in Greece will remain until such time as other factors will operate to

[3] No. 5807, August 6, not printed.

offset their withdrawal. As for any approval of an increase in the Greek armed forces, Mr. Griswold's Mission includes competent technical advisors who are in close touch with the Greek General Staff and other competent officers in Greece. Any decisions concerning supplying, equipping, and training of Greek armed forces or of their size, must be made on the basis of recommendations in Greece.

4—*Broadening of the Greek Government.* It is well-known that this Government has welcomed the formation of the present coalition cabinet under the non-political premiership of Mr. Maximos and was hopeful at that time that an even broader coalition would result which would represent all loyal Parliamentary parties in the Parliament. It is our view that in Greece's present critical situation a cabinet crisis should be averted at all costs but that a broadened government, including all loyal opposition parties represented in Parliament, would demonstrate to the world that Greek political leaders are able to cooperate with patriotic unity at a time when the independence of Greece is seriously threatened. In the hope that such unity may be achieved, it is our intention to issue, after this interview, a press statement, Tab B.[4]

5—*Regional Security Pacts.* The U.S. Government would be happy to see friendly and normal relations established between Greece and her neighbors. Any negotiations for such purposes are, of course, decisions for the Greek Government to make.

CONCURRENCES

A/A—Mr. Armour
EUR

[4] Copy not found attached to the source text.

711.68/8–747

Memorandum of Conversation, by the Secretary of State[1]

RESTRICTED [WASHINGTON,] August 7, 1947.

Participants: The Secretary of State
Mr. Constantine Tsaldaris, Deputy Prime Minister and Foreign Minister of Greece
Mr. Henry S. Villard, Acting Director, NEA

Mr. Tsaldaris called at his request. He said that before returning to his country, he desired to take up with me certain matters which were of concern to him as the Foreign Minister of Greece.

[1] Drafted by Mr. Villard.

Mr. Tsaldaris began by referring to the memorandum he had left in the Department yesterday.[2] He wished to supplement this with a further memorandum [3] containing new information just received from his Government, dealing particularly with the military situation in Greece and amplifying some of the points he had previously raised in discussions with other officers of the Department.

He said that the Greek people were discouraged at the failure of the Security Council to take effective action on the Greek case, at the renewed threat of danger from the northern boundaries of Greece, and at the announced withdrawal of British troops. He felt that the atmosphere created in Greece by the lack of a solution to the present problem was a dangerous one. For example, a recent article by Mr. Melas, former Foreign Office official, had referred to "our Russian ally". This trend of thought was due to the absence of progress in meeting the situation, which Mr. Tsaldaris seemed to feel was largely the responsibility of the United States. He asked whether I could not give him some statement which he could "carry back to the people" and which would serve to reassure the Greek population and indicate what plan the United States had for the future.

I told Mr. Tsaldaris that, in my opinion, the United States had already done a great deal for Greece. We had given the Greek case our most careful attention in the Security Council and were continuing to do so. We had taken a very long step in our program of aid to Greece, and supplies were beginning to arrive. Mr. Tsaldaris, I said, must understand that these things took time. I made it clear that we considered Greece one of the most difficult trouble spots in an unpeaceful world and that we were very much concerned indeed with the situation.

As to his request for a statement, I said that until I had had an opportunity to examine the two memoranda he had left with me, I would not be able to make any kind of statement. I said I had listened with the closest attention to what he had said and that I would consider his requests in consultation with my associates. Only then would I be able to determine what reply might be made to him.

Mr. Tsaldaris then said that the Italian Ambassador had called upon him yesterday to express thanks for Greece's part in bringing Italy into the Bank of [*for*] International Settlements. The Ambassador had taken the opportunity to discuss the relations between Greece and Italy. The possibility had been suggested of a pact of friendship between Italy and Greece, and Ambassador Tarchiani was telegraphing his Government to ascertain whether a visit by Mr.

[2] No. 5807, August 6, not printed.
[3] Dated August 7, not printed.

Tsaldaris to Rome to discuss this subject might be agreeable. Mr. Tsaldaris said that there existed in his mind also the possibility of extending such a pact to include Turkey in the first instance, later bringing in Egypt and possibly Syria and Lebanon. This would result in a regional grouping of states in the Mediterranean area which would be an offset to the Slavic pressure along the eastern shores of the Adriatic and in the general direction of the Mediterranean. Such an arrangement would not be unusual from the historical viewpoint, and Mr. Tsaldaris had brought with him a map to illustrate his point. The particular danger point in the Adriatic and Mediterranean, in Mr. Tsaldaris' view, was the Straits of Otranto between Italy and Greece, and it was here that Slav control would be most dangerous. Since the whole eastern coast of Italy would be vulnerable, Ambassador Tarchiani had been receptive to the idea of a pact of this sort and he now awaited the reaction of the Government at Rome.

I said that I saw no objection to this proposal. It might be a good thing to bring the region closer together.

Mr. Tsaldaris next discussed at some length the internal political situation in Greece. He maintained that to broaden the Government at this time would in fact result in weakness, since coalitions were of themselves not a strong form of government. What was needed in Greece at this time was a strong government, and he himself possessed the requisite popular support for a leader as shown by the fact that he controlled 210 out of 350 seats in the Parliament. Under the Parliamentary form of government in Greece, it was necessary for the majority leader to be in control if the government were to function strongly and effectively. By broadening the base of the Government still further at this time, nothing concrete would be accomplished since all responsible elements were already represented in it. Even Mr. Zervas had indicated that he would be willing to amalgamate his Party with the Populist Party of Mr. Tsaldaris, if desired, so as to form a strong Government. Mr. Tsaldaris, therefore, begged that before the Department issued any statement on the composition of the Greek Government, we would take most careful account of his remarks.

Mr. Tsaldaris concluded his observations by again asking whether it would not be possible for me to make a statement which he could carry back to his Government and, through his Government, to the people of Greece. I replied again that until I had studied the matter further in consultation with my associates, I could not give him a definite answer. Mr. Tsaldaris indicated that he would be leaving for Greece in a few days and hoped by that time that he would have a statement of some kind in regard to American policy toward Greece.

841.2368/8–447 : Telegram

The Secretary of State to the Embassy in the United Kingdom

TOP SECRET WASHINGTON, August 7, 1947—9 p. m.

3396. For the Ambassador. Pls inform Bevin substance Athens 1275 Aug 2 (Deptel 3353 Aug 5 [1]) and Rome's 2191 Aug 2 (Deptel 3350 Aug 5 [2]). You shd say we share grave apprehension Amer officials Greece and Italy re withdrawal Brit troops those countries, and earnestly hope UK Govt will give further consideration consequences this proposed action. As regards Greece, we feel especially strongly that troops shd not be withdrawn until after final consideration of Greek case by SC and GA and, following that, after realistic appraisal and full and frank exchange of views between US and UK Govts. At that time, proposal could be reexamined in light of circumstances then existing and decision taken in full awareness of future course US and UK action re Greek situation.

In case of Italy, we believe study shd be made by military of status our respective forces there before any decision reached. Our feeling is that fate of Italy and Trieste will depend in great measure upon attitude and actions US, UK and France in next few months, and we therefore feel our actions in this area must be weighed with this consideration in mind and carefully coordinated between us.

You shd tell Bevin we are much relieved to note his assurance that no change in Brit foreign policy is contemplated now and that we will be fully consulted before any such change in future. This assurance seems to us closely related to question of Brit troops in Greece and Italy.

MARSHALL

[1] Not printed; it quoted telegrams 1275, August 2, and 1282, August 4, from Athens, pp. 276, 278.

[2] Not printed; it quoted telegrams 2191, August 2, and 2219, August 4, from Rome. It is anticipated that these two messages will be printed in volume III.

868.00/8–747

Memorandum by the Acting Director of the Office of Near Eastern and African Affairs (Villard) to the Secretary of State

SECRET [WASHINGTON,] August 8, 1947.

DISCUSSION

When Mr. Tsaldaris, Greek Foreign Minister, came to this country recently, it was with the express understanding that his trip was connected only with the Greek case in the Security Council. He said

that he would make no public statement in this country except in accord with our wishes and that he did not intend to come to Washington for "economic talks" with the U.S. Government but would come to Washington only if you should invite him to make a personal call. In his many talks with government officials he has been told that primary responsibility for decisions concerning the allocation of our economic and military aid, including decisions on the size of Greek armed forces, will be made in Greece by Mr. Griswold and our Ambassador who will refer policy matters to the Department only when they think necessary. It is our belief that Mr. Tsaldaris, in pressing you for some statement which he can take back to his people concerning American policy toward Greece, is attempting to exploit his talks with you for his own political position and as a step in his obvious desire to become Prime Minister. The attached memorandum [1] which Mr. Tsaldaris left with you yesterday, Tab A, is merely a copy of a request which the Greek Government intends to deliver to Ambassador MacVeagh and Mr. Griswold in Athens requesting approval of an increase in Greek armed forces and requires no answer at this time by the Department. Consideration will be given to it when it is referred to the Department with the recommendations of the American Embassy and the American Aid Mission. Our reply can then be communicated to the Greek Government through the regular channels in Athens.

Mr. Tsaldaris is reluctant to consider any broadening of the Government to include the one Parliamentary opposition party not now in the coalition cabinet, even though he is aware of our feeling that such a move in this critical time would demonstrate to the world the ability of Greek political leaders to submerge personal differences in the face of a threat to Greek independence.

Reports from Athens indicate that a cabinet crisis is threatened because of the rumored withdrawal of British troops and American refusal to approve increases in Greek armed forces. It is possible that some Greek politicians hope to win U.S. approval for diverting large amounts of our economic aid to military purposes by the threat of the resignation of the Government.

RECOMMENDATIONS

1. As American policy toward Greece is well known and has been frequently stated, there appears to be no necessity for you to accede to Mr. Tsaldaris' request for a further statement at this time.

2. No reply is necessary to Mr. Tsaldaris' request for approved increases in the Greek armed forces, as these matters are being considered by the competent U.S. authorities in Greece and will be subject to later decision.

[1] Not printed.

3. A statement along the lines of the attached draft, Tab B,[2] would be most helpful if issued immediately as an indication that the United States expects Greek political leaders to cooperate to the fullest extent with us in carrying out our aid program which would be seriously jeopardized by a Greek cabinet crisis at this critical juncture.

CONCURRENCES

A/A—Mr. Armour

[2] It stated: "In the face of the present threat to the independence and integrity of the Greek nation, I wish to reaffirm the hopes expressed in my statement to the press on February 14, 1947 for the maximum unity of effort and participation in Greek public life of all loyal elements of the Greek people. I strongly believe in its prime necessity in this emergency. Only by working together loyally and by sacrificing party interests in the common cause can the Greek people enable the American Aid Mission to furnish effective assistance in the common aim of reconstructing a strong, independent, prosperous Greece." According to a marginal notation by Mr. Baxter on a memorandum of August 12 by Mr. Reams to Mr. Henderson, the statement was not made (868.00/8–747).

868.00/7–2647 : Telegram

The Secretary of State to the Embassy in Greece

CONFIDENTIAL WASHINGTON, August 8, 1947—4 p. m.

1271. Gama 53. In view AMAG decision (Athens tel 1220 [1]) please address note to Brit Amb stating that US agrees to Brit proposal that their police mission be terminated as of January 1948. Brit Emb here has suggested formal notification of US decision be transmitted by you to Norton.

MARSHALL

[1] Dated July 26, 1 p. m.; it stated in part: "Feel Greek budget must be relieved of all expense unless absolute necessity. Believe also that British Mission will have accomplished all practical good by January 1948. Recommend that no further extension be recommended by US. Feel strongly that Mission cannot assume any expense whatsoever on this matter." (868.00/7–2647)

841.2368/8–947 : Telegram

The Ambassador in the United Kingdom (Douglas) to the Secretary of State

TOP SECRET LONDON, August 9, 1947—4 p. m.

4320. For the Secretary and Lovett. ReDeptel 3396,[1] and 3353.[2] I informed Bevin this morning the substance of Athens 1275 of August 2, and Rome's 2191 of August 2,[3] advanced the additional considera-

[1] Dated August 7, p. 287.

[2] Dated August 5, not printed; it quoted telegrams 1275, August 2, and 1282, August 4, from Athens, pp. 276, 278.

[3] It is anticipated that telegram 2191 will be printed in volume III.

tions which you mentioned, and expressed your concurrence with the grave fears of our officials in Greece and Turkey re withdrawal of British troops. I pointed out the need of US–UK joint responsibility and in the light of existing circumstances, the far reaching adverse effects that might be produced by action which might be construed to be an abandonment of this principle.

I put forward our proposal, emphasizing the strength of our feeling, that the troops should not be withdrawn from Greece until after final consideration of the Greek case by SC and GA and, subsequently, after full appraisal and a frank exchange of views between the US and UK Governments when the matter could be reviewed in the light of the situation as it might then exist and a decision taken with a full appreciation of the future US–UK action re Greece.

As to Italy, I presented strongly our proposal that the status of our respective forces should be studied by the military and our actions carefully coordinated.

I explained to Bevin your relief at his assurance no change in British foreign policy is now contemplated, but that this assurance was associated with the question of British troops in Greece and Italy.

Bevin assured me that no action was contemplated in the immediate future in either area. At the forthcoming meeting Monday the Parliamentary Labor Group Ministers will be under great pressure to state the areas from which overseas forces will be withdrawn but that these demands will be resisted. He inferred that the Left Wing group would press for withdrawal from Greece and reduction of forces in Italy.

He, however, understands our position, the serious consequences which might follow, and assures me that further consideration will be given to the matter. I should have a further discussion early next week, possibly Tuesday or Wednesday.[4]

DOUGLAS

[4] In telegram 4444, August 15, Ambassador Douglas advised the Department that with Mr. Bevin away for a three-week vacation Sir Orme Sargent had "assured me this afternoon that in respect British troops in Italy and Greece, no withdrawals would be undertaken without full consultation with US. In the case of Italy this consultation would include a careful study by combined military of our respective forces." (841.2368/8–1547)

868.00/8–1147

Memorandum by Mr. William M. Rountree of the Office of Near Eastern and African Affairs to the Director of that Office (Henderson)

CONFIDENTIAL [WASHINGTON,] August 11, 1947.

While it is too early to make a complete appraisal of the chances of success of the Greek aid program, I believe it important that the

Department give early recognition to: (1) the probability that the presently planned program for this fiscal year will have to be curtailed by the Mission itself or supported by additional Congressional appropriations, and (2) the probability that the ultimate objectives of the President's policy can not be attained by June 30, 1948. Congress and the public should be prepared for these unpleasant probabilities as early as the facts can be collected for intelligent forecasts.

The principal factors in the possible inadequacy of present funds to meet planned programs for this year are:

First, the extreme drought in Greece during the crucial period has resulted in an additional deficit in wheat requirements of about 190,000 tons beyond imports originally programmed by the Porter Mission, in addition to which other food deficits have risen. The wheat alone will require foreign exchange amounting to $23 million beyond the sum scheduled. Other grain requirements may bring this new deficit up to a total of $30 million.

Second, the Greek Government is, as you know, pressing for a considerable expansion in the armed forces. While the Mission has thus far disapproved plans which would entail military expenditures beyond the programmed funds, it appears possible that before the end of the fiscal year the security situation in Greece will require a revision in this policy to the detriment of the civil economic program.

Third, requirements of foreign financial assistance as established in the President's program contemplated commencement of American aid and supervision the first of April. Already several months have been lost and the program is not yet in full swing. This lost time is important: Greek expenditures during this period have continued unwisely; no progress has been made in effecting better utilization of Greek resources in the recovery effort; and it is doubtful that export possibilities which have been lost during the period can be made up.

Fortunately, there have on the other hand been certain favorable developments which may to some extent compensate for the foregoing factors. Olive oil production for this year is estimated at 150,000 tons, which is about 60,000 tons more than last year's production and the Porter Mission's estimates for the present crop. Latest indications are that tobacco production will exceed by 50% last year's output. While every effort will be made by the Mission to obtain maximum benefit from these favorable factors during the present fiscal year, it is doubtful that the full benefit from them can be realized within the remaining months of the program.

While the probability that our objectives could not be achieved in the space of one year was recognized by the Porter report, in questioning on this point in the Congressional hearings and in newspaper comment, little recognition has been given to it in planning the actual program. Accomplishment of our economic objectives in one year would be difficult under any circumstances, and continuation of adverse

conditions in the all important security and political fields will make their attainment impossible. It is increasingly evident that our program must be extended beyond June 30, 1948, if we are to support the Greek economy until it is able to carry itself.

The broaching of the extension of the program would best come from the Secretary of State in his first quarterly report to Congress on the work [of] AMAG. This would enable the problem to be raised on the basis of facts and predictions by AMAG, rather than on information which has been available within the Department during the period when we maintained that the need for extension was unsettled. If it is decided within the Department that the problem should be raised before the last minute, AMAG should be advised now that a complete analysis of the factors leading to a possible need for extension beyond 1948 should be made in its quarterly report to the Secretary.

Certainly on both of these problems the public should be told of developments so that the Department will not be confronted with the necessity of announcing without previous notice that our program as originally scheduled has failed to meet the goal, and that additional appropriations must be made during this and subsequent years.

W[ILLIAM] R[OUNTREE]

868.00/8–1147

Memorandum by Mr. Robert G. Miner of the Division of Near Eastern Affairs

TOP SECRET [WASHINGTON,] August 11, 1947.

Subject: The International Brigade

Within the past month U.S. Missions have reported circumstantial evidence indicating that an active campaign to secure volunteers to fight in Greece has been undertaken in central and eastern Europe. In Italy, recruiting is reported to be carried on in Florence, Leghorn, Bologna, Milan and Turin by former officers of the Spanish International Brigade and by prominent Italian Communists such as Velio Spano, former editor of *Unita*, the Rome Communist newspaper. In addition to Spanish war veterans and local Communist leaders, Soviet Army officers are stated on reliable authority to be engaged in enlisting volunteers for an international brigade in Germany, particularly in the county of Hersfeld in the province of Kurhessen in the British

zone. In Rumania plans have been made to use the Association of Spanish Civil War Veterans as a cover for recuiting activities and to draw additional elements for an international brigade from the ranks of two Rumanian army divisions which were trained and indoctrinated in the USSR. A recent report from Poland of unknown reliability contains considerable circumstantial detail regarding an attempt by a Soviet NKVD Colonel to secure volunteers to fight in Greece from among the members of a Communist-front organization in Radom, a town near Warsaw.

Numerous earlier reports received by the Department have furnished indications of preparations for the organization of an international brigade in various parts of Europe, particularly in France, Czechoslovakia, and Italy. According to these reports, which are of varying degrees of reliability, Spanish Communists and other veterans of the Spanish Civil War, German prisoners of war, and members of youth groups were being organized and trained for action in Greece. It has further been reported that large numbers of these elements were transported to Yugoslavia under the guise of repatriation of Yugoslav nationals.

In connection with the more recent as well as the earlier reports of efforts by European Communists to enlist volunteers for armed intervention in Greece, it will be recalled that a leading Greek Communist in a speech delivered to a Communist Congress in Strasbourg, France, on June 27, expressed gratitude for the foreign aid so far furnished Greek insurgents and appealed to world Communism for "definite, tangible, and total assistance".

There is no definite information that an international brigade is in existence or that international elements have so far participated in the fighting in Greece. There are, however, in Yugoslavia and Albania sizable foreign groups which have received some military training and could readily be used to swell the ranks of an international brigade to fight in Greece. These foreign groups include: (*a*) more than 25,000 Greek minority elements (Moslems and Slavo-Macedonians) which fled Greece in 1944 and 1945 claiming persecution by the Greek authorities; (*b*) the International Youth Brigade which numbers approximately 50,000, including at least 1,300 foreigners, and which has been engaged in reconstruction work on Yugoslav and Albanian roads and railroads; and (*c*) perhaps an additional group of from 1,000 to 6,000 of various nationalities, including Spanish Communists, reported by a variety of sources to be undergoing military training in Yugoslavia.

868.00/8–1147 : Telegram

Governor Dwight P. Griswold to the Secretary of State

SECRET ATHENS, August 11, 1947—7 p. m.

1339. Amag 75 to McGhee from Griswold. Reference memo submitted by Greek Government to US Government through Embassy dated August 9 [1] relative to increase in Greek armed forces.

1. Reasons given in Amag 41 [2] still apply. Reemphasize fact that increases now would not improve fighting strength for at least three months.

2. Many Greek soldiers scattered over country on guard duty and General Staff not making full use of present strength. Commando troops also not being effectively used. General Livesay is getting some results in bringing realism to General Staff. However, they still give great amount of time to political considerations and to presentation of arguments for an increase. It is believed probable that if present application is refused greater realism will result.

3. General Livesay giving serious consideration to approval of 19 additional reconnaissance airplanes and additional air corps equipment. He insists that all armed forces commanders join in approving this increase so that it will not be used as argument for other unnecessary increases.

4. General Livesay's considered opinion present army strength properly and energetically utilized can decisively defeat present strength bandits.

5. Imperative that any decisions made in Washington be disclosed only through mission in Athens. Otherwise, our effectiveness badly impaired.

[GRISWOLD]

[1] In telegram 1342, August 9, from Athens, Ambassador MacVeagh reported that the Greek Prime Minister handed him a lengthy memorandum the same morning which was essentially an appeal for numerical strengthening of the Greek armed forces (868.00/8–947).

[2] Telegram 1268, August 1, from Athens, p. 273.

868.00/8–1447

Governor Dwight P. Griswold to the Coordinator for Aid to Greece and Turkey (McGhee) [1]

SECRET ATHENS, [undated.]

DEAR GEORGE: I was invited by the Prime Minister to visit with him at six o'clock last Wednesday evening. He immediately plunged

[1] Received in the Department on August 14.

into a discussion of possible political changes and alterations which might be made in the Greek Cabinet to assist in bringing greater unity to Greece and strengthening their government in its relations both with the mass of Greek people and with the people of the United States. He stated that he wished to discuss these matters with me personally and quite candidly and that the conversation would be entirely confidential. I at once advised him that I was neither properly qualified nor authorized to speak authoritatively on Greek political matters—that those subjects were within the province of the Ambassador. I told him, however, that I was willing to discuss the subject but he should understand that I was speaking personally and not as a representative of the United States Government.

We discussed many of the leading figures in Greece—Zervas, Plastiris, Tsaldaris, the Archbishop, etc. It is not necessary to state in this letter what the discussion involved but I do want to report that in my judgment the door is now wide open to get some things done which seemingly are the desire of the United States Government. Some of these matters were referred to and approved in the confidential letter to me of July 11. That letter, however, uses such words as "gradually" and "discreet suggestion." I feel, however, that the time has come when some of these things can discreetly and rather easily be accomplished by proper action on the part of the United States. I do not feel that everything can be accomplished by political changes but it is the opinion of every qualified American with whom I have visited in Greece that much good can thus be accomplished. The point I wish to make is that our plan of action must be formulated immediately and put into effect within the next week or ten days. The decisions by the Greek leaders will be made probably very soon after the return of Mr. Tsaldaris from the United States.

The morning after my discussion with the Prime Minister I described the entire conversation to Ambassador MacVeagh. He seemingly is as anxious as anyone to have certain changes made but he continues to use such words as "gradually" and "we of course must not interfere" to such an extent that I feel somewhat alarmed. Candidly, I am fearful that the present opportunity will not be grasped. For instance, he discussed the possibility of moving Zervas to another ministry, giving Tsaldaris the opportunity to continue to use him as a member of his coalition. In my judgment Zervas needs to be forced clear out of the government and I think it would be a distinct advantage from our standpoint to have him in the "opposition." I feel he is making more Communists than he is eliminating. Time is slipping away and I feel the present opportunity should be firmly grasped. In my judgment we do not need to be affected by a fear that we will

333-774—72——20

be accused of "interfering." That accusation will be made even if we do nothing.

I realize that my judgment is based on a very brief acquaintance with this situation and I will have to admit that I cannot logically argue with anyone because my information is not soundly based. I am relying, however, upon the opinion of American newspaper correspondents and other Americans who have been in Greece for many, many years. They are seemingly unanimously of the opinion that much good can be accomplished by positive action on our part.

The implications of the Prime Minister's call and conversation are that today he and the leaders of Greece are looking to the United States for more than mere advice—they are searching for a decision.

Sincerely yours, DWIGHT P. GRISWOLD

868.00/8–1147 : Telegram

The Acting Secretary of State to the Embassy in Greece

SECRET WASHINGTON, August 15, 1947—8 p. m.

1341. Text Greek memo not yet received in Dept (urtel 1342 Aug 9 [1]). Indications that it partly for home consumption (urtel 1361 Aug 13 [2]) and that requested increase Greek armed forces not justified by military situation (Amag 75 Aug 11) help to confirm Dept's hope that press reports of deteriorating conditions in Greece may be partly panicky reaction to recent Soviet veto rather than accurate reflection of worsening situation. (See Deptel immediately following for Griswold Gama 78 [3]).

LOVETT

[1] Not printed; but see footnote 1, p. 294.

[2] Not printed.

[3] No. 1342, August 15, 8 p. m.; it assured Governor Griswold that "there has never been any intention to arrive at decisions concerning important questions affecting AMAG without prior consultation with you nor to annonuce decisions in Washington without your prior knowledge and agreement." (868.00/8–1147)

868.00/7–2147 : Telegram

The Acting Secretary of State to the Embassy in Greece

SECRET WASHINGTON, August 15, 1947—8 p. m.

1343. Persistent rumors of imminent changes in Greek Govt and Tsaldaris' initiative in raising this subject with US officials in Washington (Deptel 1142 July 25) may foreshadow reshuffling or resignation Greek Cabinet upon return of Tsaldaris to Athens. Dept continues to be disturbed by apparent inability of Greek political leaders to cooperate sincerely for good of Greece at time when failure to do so

may well mean disappearance of their country as sovereign nation. For your info Secretary considered issuing public statement prior his departure for Rio reaffirming views of Feb 14 statement and again urging broadening of Greek Govt. However, decision was finally made not to issue such statement at this time for fear it might precipitate eventuality which we hope to avoid, that is, a cabinet crisis.

Dept still believes that broad coalition including Sophoulis Liberals would, if agreed upon with sincere determination of all parties to work for common good, be best demonstration to world of Greek unity and would enlist support for Greek case during UN consideration. Such a coalition would of course be no improvement on present Govt if headed by a politician with narrow party interests or if composed of political leaders not willing to submerge party or individual ambitions to welfare of Greece or if members not able to work together as a single hard hitting unit.

Dept would appreciate your views as to what steps, if any, can be taken to bring about such changes in cabinet as would elicit more support in Greece, enlist more sympathy from world opinion, execute more effective measures to reduce guerrilla menace, and cooperate more efficiently with US aid program for general welfare Greek people. Would also appreciate your opinion urgency any steps which should be taken in view Tsaldaris' early return. Evident to Dept that main purpose Tsaldaris' visit was to build up his own political reputation by returning from US with accomplishments which would convince political leaders and Greek public that he personally had US support. In this he has been unsuccessful but it is not improbable that he may have some plan to threaten serious cabinet crisis in attempt to make US more amenable to his wishes.

In view importance this problem with relation success or failure AMAG operations request you consult with Griswold and transmit your joint views on this subject clearly stating any differences existing.

LOVETT

867.20/8–1747 : Telegram

The Ambassador in Turkey (Wilson) to the Secretary of State

SECRET
PRIORITY

ANKARA, August 17, 1947—1 p. m.

655. [Foreign Minister said to me yesterday he wished consult US Government regarding serious problem facing Turkish Government which he described as follows: Turkish armed forces at present consist about 485,000 men exclusive of *gendarmerie* and border guards comprising three classes, 1925, 1926 and 1927. Next November class

1925 of 150,000 men will have done three years service and should be released. If no new class called Turkish armed forces which at present on basis partial [1]] mobilization will be reduced to about 330,000 men or peace time basis. Cost present armed forces represents 60 percent ordinary budget. If new class called will add 150 million liras next year's budget which will have to be met either by increased taxes or by internal or foreign loans. Furthermore if new class called should be done soon in order give some training before old class released; this overlapping period would cost 40 million liras additional but this can be met from resources available Government during balance year. Decision must be taken soon since if new class to be called provision therefor must be made in next year's budget, preparation of which begins next month.

Saka said Turk Government desires receive views US Government re international situation which will assist Turk Government in reaching decision whether justified reducing armed forces.

I asked how Turk Government this year met 150 million lira additional cost maintaining third class. Saka said partly by internal loans, partly by excess revenue over estimates. I asked what were views Turkey General Staff on this question. He said General Staff considered world situation too dangerous warrant reduction army.

I asked what was thinking inside Cabinet. He said many members Government favored not calling new class in order relieve economic burden country. Others, however, including himself, held view international situation deteriorated gravely of late and Turkey could not afford reduce armed forces. If Turkey reduced army he believed this would encourage Russia step up pressure this area feeling they had Turks on run. Also would discourage Greeks as indicating Turkey weakening in resolve resist aggression.

Saka said he intends consult British also on this.

In considering what reply we should make following occurs to me:

1. We can either

(*a*) limit ourselves to giving Turks info in our possession re international situation on basis of which they can make own decision or,

(*b*) We can go further and give them advice re what we think they should do. In latter case we may seem incur moral commitment assist Turks certain contingencies if they follow our advice.

2. On assumption Soviet policy re Turkey is to maintain pressure short of actual aggression in effort in long run break Turk economy, reduction armed forces would relieve economic burden and thereby tend defeat Soviet policy. Such action, moreover, instead of encouraging Soviets, as Saka thinks, might have opposite effect as indicating

[1] The bracketed portion does not appear in the record copy of telegram 655. At the Department's request, it was supplied by the Embassy in Ankara, in an unnumbered telegram, August 20, noon (867.20/8–2047).

Turk awareness Soviet aims and ability counter them. This reasoning is valid however only so long as little risk actual war exists. Assumption this regard held year ago perhaps less warranted today.

3. Question arises whether present strength Turk army warranted and whether army one-third smaller would not be about as effective even in case invasion. On this point best advice I get is that reduction in size would correspondingly reduce effectiveness. Firepower army will be increased somewhat by US aid program but this not effective before at least one year.

4. Internal political considerations doubtless influence some extent Turk Cabinet's reactions this problem. There is discontent over high cost living and strong criticism by opposition party of Government's failure do something improve economic situation. Calling of new class, additional taxation or another budget deficit covered by loans would not add to Government's popularity.

5. On balance, and looking at matter with obviously limited knowledge available here of overall world situation, I believe Turks would be well advised to maintain present strength armed forces for at least another year. While this would add to economic burden it would not break their economy. It would give them time to see where world is going in next few months whether western Europe collapses economically or whether US aid can bolster her in time lay basis for recovery. If conditions year hence no worse than today Turks could at that time with improved fire power of army from US aid envisage reduction army with perhaps less risk than at present. With foregoing in mind, I therefore recommend that in reply to Saka we follow course under 1 (*a*) above, namely limit ourselves to giving Turks full and frank view of international situation as we see it and let them make own decision on question armed strength. My guess is that if we do this Turk Government will decide either retain most 1925 class another year or call new class.

Please see cable 177 August 15 to War Department from Military Attaché reporting conversation with Chief Turk General Staff on same subject.

WILSON

868.002/8–1947 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

SECRET ATHENS, August 19, 1947—4 p. m.

1409. Question of reshuffling Cabinet will certainly come up here shortly following Tsaldaris' return (Deptel 1343, August 15) but not on his initiative whatever he may have planned in US. Papandreou called yesterday to say that he, Canellopoulos and Venizelos, the three Centrists presently in Government, intend promptly precipitating crisis by insisting that Zervas be elminated and that renewed efforts be made to induce Sophoulis to collaborate in forming broader coali-

tion. Stated Prime Minister also in agreement his plan (for Prime Minister's intention bring up Zervas matter, see mytel 1247, July 30 [1]) and will issue public invitation to Sophoulis to come in. Believe Tsaldaris must drop Zervas because all three Centrists will threaten resign unless he does so and he lacks sufficient strength carry on without them. Papandreou skeptical as to success with Sophoulis, but emphasized riddance of Zervas necessary in view lack of general confidence and effect this having on Greece's prospects for full foreign support.

Saw Prime Minister yesterday morning and he confirmed above. Said intends seeing Tsaldaris at once and posing question Zervas. Will emphasize latter does not inspire confidence in US whose maximum collaboration now absolutely necessary to Greek Government and Greek people, also that he at loggerheads with General Staff causing impossible situation for national defense. Will support Papandreou for War Ministry as he is in "excellent" relations with Staff, and also Canellopoulos for Minister Public Safety since he man of broad views and unquestioned integrity. If reshuffle along these lines accepted by Tsaldaris, Prime Minister added he will make appeal for Sophoulis adherence. Fear however that Sophoulis will hold out not only for premiership, which Maximos willing to hand over but also for complete domination all portfolios, which would ruin prospects of collaboration other parties. Also fears Tsaldaris returning with "swelled head".

Believe if Cabinet reformed along above lines, with or without Sophoulis, it should have our support as constituting at least improvement present Government. Dept may be sure "narrow party interest" never likely be wholly eliminated here and "hardhitting unit" as result of any combination Greek politicians wholly utopian. However approximation can and should be made and feel present ferment good sign this connection. Support of any move made by Greeks toward nationwide political unity all the more essential as potential dictators like Zervas and Plastiras will be waiting in wings to exploit failure, not to speak of possible Kerenskys like aged Sophoulis when under influence, as apparently at present, of non-cooperative portion his party.

On other hand, have already given my opinion (mytel 1185, July 21) that traditional US policy of avoiding detailed interference in Greek politics, is sound. If Department now contemplates changing this policy, I would desire warn it that in my opinion no government openly set up under foreign influence can succeed this country. Therefore advise "steps taken to bring about changes in Cabinet" be confined to continued emphasizing of desirability general patriotic

[1] Not printed.

unity in time crisis and to bringing out impossibility of cooperating with undesired individuals in such a way as to influence Greeks remove them on own initiative. This tactic already apparently promising some success in case Zervas.

As Cabinet crisis seems bound occur in any case, feel Secretary's proposed statement, which I have already recommended (mytel 1185, July 21) could do no harm. On contrary, believe might do much good in encouraging all possible Greek efforts toward unity while keeping our own policy of detailed non-involvement clear in public eye.

Griswold's ideas, to which I find no objection, given in next following telegram. Regarding suggestion that pressure be applied discreetly through Prime Minister, this already being done for some time past as Dept knows. Also Rendis already aware our attitude through talks with me and actually has asked see me again urgently. Finally, Tsaldaris well knows our views represent best interests of Greece and will be told again by Prime Minister and by me if necessary.

MACVEAGH

841.2368/8–2047

The British Secretary of State for Foreign Affairs (Bevin) to the Secretary of State [1]

TOP SECRET [LONDON, undated.]

I have given the most careful consideration to your message delivered to me by Mr. Douglas suggesting that the withdrawal of our troops from Greece should not take place until after the Greek case has been disposed of at the Security Council. I find it difficult to foresee when this will take place and in any case you are now proposing that the case should be taken to the Assembly. You will remember that when we discussed the question of the British troops and Military Mission in Greece during the Moscow Conference I made it clear to you that it would be impossible for us to keep the troops in Greece beyond the autumn of this year, and you told me on March 18th that the retention of our Military Mission would in no way prejudice the withdrawal of the remainder of our troops. I am suggesting that our Chiefs of Staff should discuss the matter with your Chiefs of Staff, but my colleagues and I, having given the matter most careful and anxious thought, have decided that on every ground it is essential that

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[1] Handed by Mr. Balfour to Mr. Henderson on August 20, with his letter to Mr. Lovett of the same date, which requested that Mr. Bevin's message be transmitted to Mr. Marshall, secretly, as soon as possible. The Secretary of State was then at Quitandinha, near Petropolis, Brazil, as Chairman of the United States Delegation to the Inter-American Conference for the Maintenance of Continental Peace and Security.

the withdrawal of our troops must be completed during the autumn. I shall be grateful if you will make this clear to your Chiefs of Staff as the basis of detailed discussion with our Chiefs of Staff.

2. In your personal message delivered to me by Mr. Douglas on the 2nd August you said that you were concerned at our decision to implement our intention to withdraw our troops from Greece in the light of recent developments affecting that country. The messages that I have had from the Greek Government and from our Embassy in Athens suggest that the most dangerous factor in the situation is the increasing strain upon the Greek armed forces, and the Greek Government have begged us to represent to your Government most earnestly the importance of getting the immediate agreement of your Government to certain increases in the effective strength of the Greek Army which our military authorities consider justified and desirable to enable the Greek armed forces to continue to conduct effective operations against the bandits. I am sure that what is most necessary to stabilise the situation in Greece is that these increases should be sanctioned at once and got underway as quickly as possible. This will more than set off the withdrawal of our troops provided it is done immediately. I am suggesting that our Chiefs of Staff should discuss this too with your Chiefs of Staff and I hope that your Government will feel able to agree immediately to the proposed increases.

3. We are desirous that our troops in Italy should be out by the end of the year in order that the Government may fulfil its public pledge to reduce the numbers of British troops by 133,000 by the 31st December. As you know, we are being strongly pressed from all quarters to increase this figure of reductions. There can be no possible question, therefore, of prolonging the stay of our troops in Italy beyond the end of the year. But within this limit our Chiefs of Staff will do their utmost to meet the views of your Chiefs of Staff.

868.00/8–2047 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

SECRET ATHENS, August 20, 1947—11 a. m.

1410. Following are Griswold reactions: Agree with decisions in paragraphs 1 and 2 of Ambassador's 1409, August 19, but suggest that Prime Minister be requested not to make "public" appeal for Sophoulis adherence. If appeal made publicly and refused it would injure prestige of Government. Changes suggested would broaden government and believe Prime Minister and Tsaldaris should be advised that we approve and consider them advisable. Tsaldaris may suggest alternative changes but we should be firm along line suggested.

Regarding paragraph 3. Agree with judgments in first two sentences but do not wish to pass judgment on Plastiras or Sophoulis as involved in last sentence of paragraph.

Am not fearful of accusation of interference if handled tactfully and discreetly and believe this is possible. Believe present is time for further broadening government by wise filling of vacancies caused by transfer of Papandreou and Canellopoulos. Doubt if American should contact Sophoulis personally as he is inclined to talk to newspapers and might injure US. Prime Minister could contact him and if Sophoulis refuses to enter government except as Prime Minister believe then that Ambassador and Prime Minister should contact Rendis to see if any possibility of winning away from Sophoulis one wing of his party and placing them in Cabinet. Rendis has been favorable to cooperation in Government and in past has seriously considered entering government. Two above vacancies could be offered Sophoulis or Rendis wing of Liberal Party and removal of Zervas and Stratos thus used as bargaining power to bring Sophoulis or Rendis in. Acceptance of only partial broadening now would sacrifice this bargaining power. Greeks know that their salvation depends upon American aid and believe we should use our present prestige in proper manner to bring about these changes which would definitely broaden government and gain support from people of Greece. This program might do much to drain away recruitment pool for bandits.

Recommend issuance of Secretary State's proposed statement relative broadening Greek Government.

The time for direct but discreet action has come. Intelligent Greeks know nation is in danger and nation's leaders invite suggestions. Prime Minister has already approached both Ambassador and Griswold. Tsaldaris may need to be told directly of our interest in above program based on belief it is for best interests of Greece and of world and of himself. Signed Griswold.

MACVEAGH

868.00/8–2147 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

SECRET ATHENS, August 21, 1947—10 p. m.

1426. While lengthy Greek memo undoubtedly intended partly for local political effect (Deptel 1341, August 15), I believe it fairly presents situation and my criticism in Embtel 1342 August 9 [1] meant merely express view such general recapitulation unnecessary since Dept already fully advised of facts. Believe no mistake could be

[1] Not printed, but see footnote 1 to telegram 1339, p. 294.

greater than to fancy situation Greece other than deteriorating—steadily and dangerously. Besides depressing effect of veto and consequent collapse of faith in UN, main facts this connection are:

(1). Guerrillas now terrorizing more extensive areas than ever, despite repeated sweeps of Greek Army;
(2). Bands, as reported by Miller from Salonika as well as by US press, which not "panicky" this connection, growing larger and bolder;
(3). Numbers of refugees from rural areas mounting rapidly in all cities; and
(4). Indications of approaching early increased involvement of satellite states in Greek internal struggle multiplying daily.

Believe, in view this situation, that Dept and War Dept may soon, if not immediately, have to consider whether AMAG, which geared to cope only with situation existing last winter, can be expected provide all necessary answers to present and future problems involving Greek national security and Greek sector of security of Near and Middle East. Judgment cited by Dept that military situation does not justify increasing Greek armed forces (Amag 75, August 11 [2]) was based on idea that Greek Army can be trained and utilized to better advantage than presently, which will take time, and also on idea that enemy will remain limited to only Greek guerillas (Amag 41, August 1 [3] and mytel 1261, July 31 [*August 1*][4]), which may prove fallacious. Believe wisdom and foresight now require wider judgment based on estimate of military situation including strong possibilities:

(1) That present deterioration may proceed too rapidly to allow time for reformation in Greek Army tactics and administration; and
(2) That recruitment and increased armament may be provided to guerrillas from outside Greece.

To help form such judgment, perhaps larger staff military observers, to be attached Embassy so as to be free of limited logistical view imposed AMAG, and under superior officer of broader vision and higher authority than present Military Attaché, would be useful. In any case cannot but feel that from now on, as properly emphasized in Greek memo, prospective US planning as regards saving Greek integrity and independence must transcend present arrangements if we are not to risk falling into British error of "too little and too late".

MacVeagh

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[2] Telegram 1339, p. 294.
[3] Telegram 1268, p. 273.
[4] *Ante*, p. 270.

867.00/8–747

The Acting Secretary of State to the Secretary of War (Royall)

WASHINGTON, August 22, 1947.

MY DEAR MR. SECRETARY: Thank you for your letter of August 7, 1947 [1] stating that in your opinion the one-year program of aid to Turkey proposed in the "Report of the United States Ambassador Concerning Assistance to Turkey", dated July 15, 1947, is generally suitable.[2] A favorable letter has also been received from the Secretary of the Navy.[3]

The Department of State, in the light of the views expressed in these letters, has now given general approval to the program recommended in the Ambassador's report of July 15 mentioned above, and looks to the War and Navy Departments for the implementation of the Army, Air, and Naval components of the program. The Department of State intends, however, with the concurrence of Ambassador Wilson, who is Chief of the American Mission for Aid to Turkey, to set aside from the $100 millions tentatively earmarked for the Turkish Aid Program out of Greek-Turkish Aid Funds, an amount of $5 millions as a reserve fund, and to reduce, at least temporarily, the amounts to be allocated to each program by five percent.

The Department of State will, upon request of the War Department, allocate funds as required to the War Department to cover the cost of the approved military and air programs of aid for Turkey, in accordance with the two letters of August 19, 1947 to you from the Acting Secretary of State [4] transmitting for your concurrence two proposed Memoranda of Understanding between the State and War Departments regarding the Turkish Aid Program, one of the Memoranda being for the Air Force.

It is assumed that the War Department and the Air Force are proceeding with the formulation of a firm schedule of requirements and shipments under this program which they will submit to the Department of State. Pending formulation of this schedule, it is assumed that individual requirements definitely established as part of the pro-

[1] Not printed.

[2] Mr. McGhee, in a letter of July 25, had requested urgent advice from the Secretary of War whether Ambasador Wilson's recommendations of July 15 "accord with the intent of the Act of May 22, 1947 . . . propose measures which in the circumstances appear to be the best that could be designed to this end, and specify programs that are feasible in view of the existing limitations of time, money, and supplies." (867.00/7–2547)

[3] Dated August 5, not printed.

[4] Neither printed.

gram will be shipped as soon as available and that funds to cover such shipments will be requested.[5]

Sincerely yours, For the Acting Secretary of State:
GEORGE C. MCGHEE
Coordinator of Aid
to Greece and Turkey

[5] A similar letter was sent to Secretary Forrestal on August 22.

868.00/8–2247

The Coordinator for Aid to Greece and Turkey (McGhee) to Governor Dwight P. Griswold, at Athens

SECRET WASHINGTON, August 22, 1947.

MY DEAR GOVERNOR: I attach herewith copy of my letter of August 18, 1947, to the Honorable Clark Clifford, and the excerpt which I furnished from your undated letter received here August 14, 1947,[1] apropos of your meeting with the Greek Prime Minister.

Your letter was shown both to Mr. Henderson and to Mr. Lovett, and was discussed thoroughly with them jointly. They were both very interested to have the report of your meeting with the Prime Minister and your views on the position this Government should take relative to change in the composition of the Greek Government. We were concerned, however, that there appeared to be a difference of view between yourself and the Ambassador, and it was this concern which led to the sending of Department telegram No. 1343 to the Embassy, dated August 15, which summarized the attitude of the Department toward this problem and requested that the Ambassador and you give the Department a joint statement of your views, showing clearly what differences, if any, existed.

I think you will agree that, insofar as possible, it is highly desirable that you and the Ambassador get together and discuss thoroughly any political questions of this nature and attempt to arrive at as large an area of agreement as you can. It is expected, however, that you will continue to advise the Department of your views and of any differences between yourself and the Ambassador on such questions.

In transmitting your letter to Mr. Clifford I took the liberty, in the light of the discussions in the Department, of omitting three sentences which indicate your disagreement with the Ambassador. It seemed unwise to elevate an issue between yourself and the Ambassador to

[1] *Ante*, p. 294. The letter to Mr. Clifford and the extract are not printed; the latter gave the text of Governor Griswold's letter, except for sentences one, two and four of the third paragraph (868.00/8–2247).

the Presidential level, until there was an opportunity for the Department to get a precise statement of your and the Ambassador's views, and to effect a reconciliation if at all possible. I hope that this action meets with your approval, since I have every desire to conform to your wishes in such matters.

Sincerely yours, GEORGE C. MCGHEE

868.00/8–2247 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

CONFIDENTIAL ATHENS, August 22, 1947—3 p. m.

1441. Colonel Miller and Dana Schmidt, *New York Times* correspondent, returned Athens Wednesday from north (former for one day only) and fully confirm seriousness of situation there (my telegram 1426, August 21).

Miller reports that after comparative lull since August 1, important guerrilla activity resumed August 18 with heavy attack by 600 on Naoussa and with other ominous movements in Florina and adjoining border areas. Guerrillas, he says, have now consolidated control over various areas from which national army excluded for first time, while in Thrace skillful sabotage of bridge has cut railroad north of Alexandroupolis. Meanwhile army over-dispersed and adopting excessively defensive attitude. Miller's conclusion is that "house is on fire, but few in Athens or Washington seem to realize how fast flames are spreading."

Equally serious phase of problem is plight of refugees comprising, according AMAG, some 150,000 persons or roughly 10 percent entire population north Greece. In Florina (normal population 12,000) Schmidt found nearly 6,000 refugees from guerrilla destroyed villages plus 5,000 more who have fled other villages in panic, while approximately one-third normal residents of Florina have in turn left isolated town to seek safety in Salonika or other larger centers. In Veroia (normal population 18,000) Schmidt saw 6,000 refugees, some living Quonset huts but majority in leaking freight cars. In Salonika (normal population 180,000) where refugees now number 90,000, Schmidt interviewed people living ten to twelve in single room of bombed-out tenements without sanitation or cooking facilities. Standard Government allowance to refugees is three-quarters pound bread plus 750 drachmas (15 cents at legal rate) per person daily. Morale of these people is necessarily at lowest ebb, and while all claimed to be nationalists they also expressed despair at seeming hopelessness of future and Government neglect. Prolongation this situation and attendant economic dislocation can only result in defeatism and collapse.

MACVEAGH

841.2368/8–2047 : Telegram

The Acting Secretary of State to the Secretary of State, at Petropolis

TOP SECRET WASHINGTON, August 22, 1947—7 p. m.

76. [From] Humelsine for Carter. The British Embassy has transmitted the following personal and secret message to the Secretary [1] from Mr. Bevin:

[Here follows the text of Mr. Bevin's message, page 301.]

As the Secretary is aware, representations have been made to Mr. Bevin in the strongest possible terms urging that British troops be retained (*a*) in Greece until after final consideration of Greek case by SC and GA and following that after realistic appraisal and full and frank exchange of views between US and UK Govts and (*b*) in Italy until a study has been made of the status of our respective forces by military authorities of both countries. Bevin had previously agreed that consultation should take place before withdrawal is announced. His present message would indicate that although British Govt prepared to consult they have established deadlines for withdrawal in view of the strong political pressure being exercised in England. Inasmuch as the approach on the political side of the question has not yet brought the desired results, the Secretary may wish to consider referring the matter to the Chiefs of Staff in order that the military aspects of the question can be thoroughly explored and the US Chiefs of Staff given the opportunity on military grounds to endeavor to dissuade the British from following this course of action. If the Secretary approves this suggestion the US Joint Chiefs will be requested to discuss this matter pointing out the military objections to early withdrawal. [Humelsine] [2]

LOVETT

[1] The Secretary of State was then attending the Inter-American Conference for the Maintenance of Continental Peace and Security, which met near Petropolis, Brazil, from August 15 to September 2, 1947.

[2] In telegram 63, August 23, 6 p. m., from Petropolis, General Carter informed Mr. Humelsine that "Secretary approves procedure as outlined in last sentence of your 76." (841.2365/8–2347)

867.20/8–1747 : Telegram

The Acting Secretary of State to the Embassy in Turkey

TOP SECRET WASHINGTON, August 23, 1947—4 p. m.

503. Problem raised in urtel 655 Aug 17 of such importance as to require serious study and full consultation within Dept and with high levels War. We are requesting Amb Moscow's views of effect on Soviet strategy of partial Turk demobilization. War being consulted re effect

on Turk capacity withstand aggression and on US military strategy. When studies completed Dept will forward expression of views for communication to FonMin at your discretion.

LOVETT

867.20/8–2347 : Telegram

The Acting Secretary of State to the Embassy in the Soviet Union

TOP SECRET WASHINGTON, August 23, 1947—4 p. m.

1638. Turk ForMin has asked views US Govt re international situation to assist Turk Govt in reaching decision whether to release one of three military classes now mobilized in Turkish Army. Three year service period of 1925 class expires Nov and Turks must decide in next few weeks whether to call up new class to replace 1925 group. If new class not called, Army would be reduced from about 485,000 men to about 330,000 men. Latter figure represents normal peacetime basis of Army.

Turk Chief General Staff has likewise asked our Military Attaché for War Dept Intelligence estimate of Soviet intentions in Turkish area and advice of our staff on wisdom of partial demobilization of Turkish Army.

Reduction in mobilization would greatly assist Turkish economy, since cost of present armed forces represents 60 percent of ordinary budget and number of men under arms is severe drain on Turk manpower resources. Consequently, Turk Govt would like to feel able to effect reduction. However, it is alarmed by increasing gravity of general international situation and fears reduction in size of Army would encourage Soviets step up pressure feeling they had Turks on run. Also might discourage Greece by indicating Turkey weakening in resolve to resist aggression.

Dept would like your views as to whether partial demobilization of Turk Army would in fact have any effect on Soviet attitude or course of action with special respect to Turkey, Greece and Iran.

LOVETT

868.002/8–2347 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

SECRET ATHENS, AUGUST 23, 1947—6 p. m.

1449. According to Mr. Maximos, with whom I have just talked, Papandreou, Canellopoulos and Venizelos insisted this morning on reshuffle of Cabinet and exclusion of Zervas as failing to inspire confidence at home and abroad (mytel 1409, August 19). Tsaldaris refused

accept proposal and the three Centrist leaders then resigned. Later Maximos saw King and presented resignation of Government. In accordance constitutional procedure, King then called in speaker to inform him of party strength and leadership and will now see all leaders individually to learn their views. Maximos has counselled King that constitutionally he should call on leader of largest party to form a new government if he can do so, but that in any case it is urgent that a new government be formed without delay, even tomorrow if possible. Meanwhile Maximos Government remains functioning.

MACVEAGH

868.002/8–2447 : Telegram

The Acting Secretary of State to the Embassy in Greece

SECRET WASHINGTON, August 24, 1947—4 p. m.
US URGENT NIACT

1404. 1. We have been giving careful study to info and suggestions contained in your helpful tels 1409 Aug 19 and 1410 Aug 20. We assume that present Cabinet crisis has arisen as result of developments outlined in tels under reference and that in your discussions with Greek political leaders on subject of new govt you are in general following lines suggested in our 1343 Aug 15 which we believe represent views developed in past in cooperation between Dept and Emb and with which Griswold is in general accord. Comments and suggestions set forth below may be helpful to you in connection with any further conversations which you may consider it advisable to have with Greek political leaders at present time.

2. It is extremely difficult for us at this end to endeavor to give advice as to precisely who should or should not be included at this time in Greek govt. This difficulty arises in part from complexity and fluidity of internal situation in Greece and in part from instability and tendency towards opportunism of many Greek political leaders. We agree with you at least for time being we should continue to pursue policy of avoiding detailed interference in Greek politics at same time emphasizing to Greek political leaders gravity of their responsibility for formation of effective Greek govt resting on foundation which will give it broad national support.

3. Cabinet changes outlined in your tels above referred to appear to us to be move in desirable direction of closer cooperation between Parliamentary parties at time when all Greek political leaders should be willing to subordinate party interests to national ideals and work as unified groups striving to save Greek independence. It is our hope at this time that Greek Cabinet Mins will not think of themselves as

representing their own party interests even though they are members and representatives of political parties.

4. It seems to us that intransigence of either Sophoulis or Tsaldaris in present circumstances or bargaining by either of them for Premiership can be interpreted only as indication that they still fail to comprehend gravity of situation and necessity of present [ing] solid political front to Greek people and rest of world or that they are unwilling to forego personal ambitions in order to achieve govt able to cooperate effectively with AMAG and to utilize US aid to fullest extent.

5. It is extremely important that in effecting change in Cabinet no impression should be created that there is slackening in determination of Greek Govt to restore law and order in country or that there is hesitancy which will have effect of strengthening morale of guerrillas and their friends.

6. In your discretion you may tell leaders that US Govt is prepared, in case of harmonious formation of broadest possible coalition cabinet, to make its satisfaction matter of immediate public record.

LOVETT

868.00/8–2547 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

SECRET ATHENS, August 25, 1947—7 p. m.

1455. Apparently convinced that he must acquire broadest basis for government he now trying to form, both because of my insistence and that of Griswold and because Populist Party unlikely be able carry on without effective help, Tsaldaris went yesterday to see Sophoulis practically hat in hand. According his personal verbal statement to me last evening he proposed to Liberal leader that Populists and Liberals unite on equal basis to form new government, with Sophoulis presiding over Council and Tsaldaris functioning as "active" Prime Minister owing Sophoulis age which permits him only few hours work each day. In addition proposed distribution of portfolios be divided 50–50 and that Sophoulis have veto power over any Cabinet appointment unacceptable to him and vice versa. Also conceded to Mr. Sophoulis "preponderance" in social program, on which Liberal leader professed set great store.

In reply Sophoulis said would consult advisers and at Tsaldaris urgent request promised answer by last night. However, when communicated about 7:30, reply (which in writing and shown me by Tsaldaris) stated simply that (1) as Government had failed it should be duty of opposition (Liberal Party) to form new one and (2) that

if collaboration undertaken with Populists, policy must be wholly that of Liberal Party.

Since this reply obviously anything but cooperative, all concessions being made by Tsaldaris and none by Sophoulis, and door appeared closing if not closed to further attempts obtain participation Liberals, I last night requested interview with Sophoulis. However, he stated this morning he "indisposed" and suggested I call him again tomorrow.

In this apparent impasse, and in view urgency quick action, I saw Rendis and Venizelos together this morning and former undertook see Sophoulis himself and take him my views. These I stated to be that without presuming to interfere in details of internal affairs, I felt I could and should speak for overall interest of United States in Greek political unity at this time of international as well as internal crisis. I hope Mr. Sophoulis would not close door entirely to Tsaldaris approach but would, if latter's proposals unacceptable, indicate in what way they might be improved, and thus facilitate possible conclusion of accord. I emphasized that government any less wide than recent one could not fail to be viewed in United States as retrograde, and that whether dominated by Populists or Liberals such a government could not attract same support abroad as one presenting wide united front. I suggested that if Tsaldaris proposals appeared to Sophoulis to give Populist leader too much importance in proposed joint Cabinet, alternatives like selection of neutral Prime Minister, such as Maximos, or the heightening of role to be given to Sophoulis personally, might be put forward. Pointed out Tsaldaris now clearly in mood make every possible concession, and eager continue discussions earliest possible date.

Venizelos told me and Rendis that he thoroughly in accord with above and particularly anxious Sophoulis understand that partial government of Liberals could not fail be equally objectionable from foreign viewpoint as partial government of Populists, since in both cases large part of Greek electorate would remain in opposition, thus perpetuating lack of general confidence in government and continuation of internal political strife. In addition, Venizelos stated that if Sophoulis Liberals would now join Populists in coalition for duration emergency, Venizelist Liberals would give up present schism and reenter parent group.

Am giving so much attention this attempt bring in Sophoulis since believe unity between leading parties of Greece not only most desirable in itself but likely automatically result in adhesion many smaller groups. Cannot say am very sanguine of success, since Sophoulis obviously interpreting Tsaldaris approach as sign weakness, and possibly thinking that holding out a little longer may bring whole government

into Liberal hands unencumbered. Should attempt fail, have impressed on Tsaldaris that widest possible coalition is still solution to be sought and have advised orientation his government toward center rather than toward right.[1]

MACVEAGH

[1] In reply, on August 26 (telegram 1420), the Department expressed its appreciation of the "vigor and pertinacity with which you are attempting to convince Greek political leaders of course of action which . . . offers only possibility for viable Greek Govt under present circumstances." The Department concluded that "Prolonged bickering and disunity at this time is open invitation to propaganda from north to effect that nation incapable of uniting to preserve independence does not deserve to remain sovereign nation." (868.00/8–2547)

841.2368/8–2547 : Telegram

The Secretary of State to the Acting Secretary of State

TOP SECRET PETROPOLIS, August 25, 1947—10 p. m.

74. Humelsine from Carter. Eyes only for Lovett from Marshall. Your 76 [1] and my 63 [2] refer. I want to make it clear that in approving submission of this problem to the Combined Chiefs of Staff, I do not accept either the premises or the categorical position taken by Mr. Bevin in his personal message to me.

As to his first and second paragraphs, I cannot reconcile his stated essentiality of British withdrawals by autumn with the drastically changed conditions that have occurred since March. He must also realize that the problem is much larger than the mere offset of British withdrawals by increase of Greek Army.

On Italy, my concern rests with the maintenance of at least a *status quo* in that area, and not on the desire of the British Government to fulfill a pledge to itself which manifestly can have but little effect on solution of its present financial problems.

It seems to me that our thorn-pulling operations on the British lion continue to be beset by her stubborn insistence on avoiding the garden path to wander in the thicket of purely local Labor Party misadventures. They are far too casual or freehanded in passing the buck of the international dilemma to US with little or no consideration for the harmful results.[3]

MARSHALL

[1] Dated August 22, p. 308.

[2] Dated August 23; see footnote 2, p. 308.

[3] The text of telegram 74 was sent to Ambassador Douglas in telegram 3688, August 26. The Ambassador, in telegram 4641, August 27, 1 a. m., requested the Department to pass the following message to Secretary Marshall: "Please keep me informed and let me know if you wish me to make further representations. I could not agree more with your point of view." (841.2368/8–2547, 8–2747)

868.00/8–2647

Memorandum of Conversation, by Mr. William O. Baxter of the Division of Near Eastern Affairs

CONFIDENTIAL [WASHINGTON,] August 26, 1947.

Participants: Mr. Dendramis, Greek Ambassador
U—Mr. Lovett
NE—Mr. Baxter

The Greek Ambassador called today at his request. He said that the situation in Greece is very grave indeed and, referring both to the recent Soviet vetoes and the increasingly aggressive attitude of the Soviet "satellites", expressed the opinion that all indications point toward imminent moves to deprive Greece of her independence.

At this critical time, there must be no misunderstanding between the Greek Government and the United States. If Mr. Lovett was in possession of any reports indicating a lack of cooperation on the part of the Greek Government, or if he had any criticisms of the Greek Government's behavior, the Ambassador earnestly hoped that he would discuss them frankly. The Ambassador indicated that, as a person who had no political connections, he might be able to influence Greek leaders or to present any United States views directly to the King. If it should be considered advisable, he is prepared to fly immediately to Greece.

Mr. Lovett assured the Ambassador that he had no official "criticisms" and that, to his knowledge, there were no reports from our representatives in Greece indicating a non-cooperative attitude on the part of the Greek Government. Speaking personally, he said that he and others in the Department were disappointed that conditions in Greece were not showing improvement. He fully appreciated, of course, the many difficulties facing the Greek Government and emphasized once more that his remarks were not to be interpreted as "criticisms". It is not encouraging, however, to find Greek political leaders at this juncture unable to reach some agreement and put aside narrow partisanship when the threat to their country is so serious. We are in the awkward position at the moment of really having no Greek Government to deal with. It is also hard for the average American to understand why a Greek Army of more than 100,000 cannot deal effectively with guerrilla warfare when most reports refer to rebel attacks involving only a few score or a few hundred guerrillas. Our military experts in Greece are still of the opinion that the present Greek armed forces could be utilized more effectively than is the case at present, and have therefore not been able to approve the requests for increasing the size of the Army.

In connection with the Greek case before the Security Council the Ambassador stated that his Government is seriously considering invoking Article 51 of the Charter at this time without waiting for possible action in the General Assembly, and he wished Mr. Lovett's opinion on the advisability of such a step. Mr. Lovett explained that the thinking in the Department remained unchanged from our position as expressed in the Security Council—in other words, that all possibilities of United Nations action should be exhausted before considering unilateral or collective action under Article 51. As the Ambassador knew, the Department has already placed the threat to Greek independence on the General Assembly agenda and intends to pursue the matter vigorously. It is doubtful at this time if the American people would be prepared to support action under Article 51, and Greece might find other countries equally unwilling. In such circumstances a move to invoke Article 51 at this time might be of more harm than help to the Greek case.

840.50 Recovery/8–2647 : Telegram

The Ambassador in Turkey (Wilson) to the Secretary of State

SECRET ANKARA, August 26, 1947—4 p. m.

680. Foreign Minister said to me yesterday he wished consult US Government on following matter: Turkish representative on subcommittee of Paris Conference on European Reconstruction reported few days ago British delegate inquired of him whether Turkey would be prepared state its readiness: (*a*) Join General European Customs Union; and (*b*) as prior step enter customs union with Greece. British delegate indicated US Government favored Turkey taking both steps.

Saka said Foreign Office instructed Turkish representative: (*a*) Would require prolonged technical study and Turkey's position would be influenced by attitude other countries; and (*b*) Turkey desires stress solidarity with Greece in all matters but special customs union would necessitate careful expert examination and Turkey has no knowledge Greek Government views in matter.

Saka said would appreciate knowing views US Government re attitude Turkish Government might adopt.

Foreign Minister said Prime Minister asked him also consult US Government on following: Would it be advisable for Turkish Government make some declaration solidarity with Greece not only in economic field but also in political matters? From answers to questions I put, it appears Prime Minister has in mind something like joint Turco-Greek declaration of solidarity which could be interpreted as answer

to recent Bled agreement between Yugoslavia and Bulgaria regarded here as directed against Greece.

As regards Prime Minister's inquiry, it seems to me unwise for Turkey take any initiative of this sort. Greek case will come before UN Assembly shortly and would seem advisable await action there. I should add that Saka said Turkish Government will support fully any action proposed by US in Assembly in behalf Greece.[1]

This telegram sent Department only.

WILSON

[1] In telegram 520, September 5, to Ankara the Department supported Ambassador Wilson's "view we should not advise Turk Govt make declaration of political solidarity with Greece. We have no objection to such declaration if Turks want to make it but consider preferable such action await result forthcoming UN assembly." (840.50 Recovery/8–2647). In telegram 566, October 2, the Department informed the Embassy in Ankara that a "Customs union between Turkey and Greece or between Turkey and several other countries would be acceptable to U.S. provided that such customs union conformed to provisions Article 42 Draft ITO Charter." (840.50 Recovery/8–2647)

868.00/8–2647 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

SECRET ATHENS, August 26, 1947—8 p. m.

1464. Regret results of efforts get Greek leaders "subordinate party interests to national ideals" (Deptel 1404, August 24) so far disappointing.

Brought Sophoulis and Tsaldaris together at my house this morning and spoke to them textually as follows:

"This is a very critical moment for Greece and it is the hope of my government, which is doing its utmost to help Greece, that Greek political leaders may get together to form an effective government with broad national support, presenting a solid political front to the Greek people and the world.

You two gentlemen are the leaders of the two great historical Greek parties. If you can get together and work together till order and national security are established and new elections can be held, there is no doubt that a degree of national unity will be established which will discourage Greece's enemies and encourage her friends.

Mr. Tsaldaris has made certain proposals to Mr. Sophoulis for a joint government. Mr. Sophoulis may have some counter-proposals. If he will make these to Mr. Tsaldaris now, perhaps agreement can be reached. The matter is urgent, because Greece must not be left without a govt at this moment.

It is my hope that you two will get together, whatever concessions each may have to make, to find a mutually acceptable solution. In the event of such solution, the American Govt will at once make its satisfaction a matter of public record."

During conversation which ensued, Sophoulis proposed that he be PriMin and have control of public order, war and justice. Tsaldaris rejected this and counter-proposed that either his previous proposals be adopted (mytel 1455, August 25) or a neutral PriMin be appointed with the two chiefs to act under him as deputy PriMins. Sophoulis called this last "bastard" solution and reiterated he should himself be PriMin as sign to world at large that former govt had in fact failed and Liberal Party's policies would now be carried out. I labored for hour and half to find possible common ground of accord, saying that not past party policies but future national policy is now the issue, and suggesting among other things that, if agreeable to both, Sophoulis, as senior statesman, be PriMin, Tsaldaris as majority leader, deputy PriMin, and the above three Ministries be entrusted only to individuals on whom both agreed. Tsaldaris showed some willingness consider this, but Sophoulis adamant against any other proposal than his original one, and despite all my appeals for common agreement in principle on patriotic grounds and mutual confidence regarding future arrangement of details, conference broke up in failure.

[Here follows final paragraph descriptive of further Greek political maneuverings.]

MacVeagh

841.2365/8–2747

The Acting Secretary of State to the Secretary of War (Royall)

TOP SECRET WASHINGTON, August 27, 1947.

DEAR MR. SECRETARY: As you are aware, the British Government informed this Department on July 30, 1947 of the British decision to withdraw their troops from Greece and Italy. A copy of the communication in which this information was conveyed has been furnished the War Department.

Since that time representations have been made to the British Foreign Secretary in the strongest possible terms urging that British troops be retained (*a*) in Greece until after final consideration of the Greek case by the Security Council and General Assembly and following that after realistic appraisal and full and frank exchange of views between the US and UK Governments and (*b*) in Italy until a study has been made of the status of our respective forces by the military authorities of both countries. The British Government has agreed that consultation should take place before withdrawal was definitely announced, but a further communication has now been received from Mr. Bevin, a copy of which is attached, stating that the British Government had decided to withdraw its troops from Greece in the autumn

and from Italy by December 31. This would seem to indicate that although the British Government had been prepared to consult, it has now taken a decision to establish deadlines for withdrawal.

I should appreciate it if this matter could be referred to the US Joint Chiefs of Staff in order that they might study the military implications of such withdrawal and consult with the British Chiefs of Staff with a view to formulating positive military recommendations to both Governments. It might be helpful if they could explore the possibility of removing British forces of an even larger number than contemplated in the present British proposal from areas where their withdrawal would have less significant political consequences.

Upon receiving the views of the US Chiefs of Staff further representations can be made to the British Government.

In suggesting that this matter be referred to the Combined Chiefs of Staff the Secretary of State has asked me to make it clear that he does not accept either the premises or the categorical position taken by Mr. Bevin in his message.

With respect to the first and second paragraphs of this message his stated essentiality of British withdrawals by autumn cannot be reconciled with the drastically changed conditions that have occurred since March. The problem is far larger than the mere offset of British withdrawal by an increase in the Greek Army.

With respect to Italy our concern rests with the maintenance of at least a *status quo* in that area and not with the desire of the British Government to fulfill a pledge to itself which manifestly can have but little effect upon the solution of its present financial problems.

A similar communication has been addressed to the Secretary of the Navy.[1]

Sincerely yours, ROBERT A. LOVETT

[1] Dated August 27, not printed.

868.01/8–2747 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

SECRET ATHENS, August 27, 1947—8 p. m.

1471. Tsaldaris called on me last night and in great agitation handed me memo given him by Stephanopoulos and purporting to be résumé of remarks made to latter by Griswold [1] regarding proposed formation by Tsaldaris of government with Zervas and Gonatas. Memo, allegedly approved by Griswold, said such narrow government would be "inadmissible" because of bad impression on US public opin-

[1] On August 25.

ion and harmful effect in forthcoming GA. Added it would prevent AMAG from authorizing further intervention in support of drachma, since weakness would be due political factors, and would also result in suspension of AMAG construction program and in restriction of imports, except food, pending final evolution situation. Finally stressed Congressional sentiment in favor broad government and desirability of forming such government before forthcoming Congressional visits.

On basis this memo, Stephanopoulos told Tsaldaris he could not support proposed government. (Though not party leader, former's attitude likely influence considerable number Populist deputies.)

Tsaldaris demanded to know whether Griswold speaking for US Government in declaring that a Greek Government constitutionally formed and accepted by Parliament would be "inadmissible". Said he confused as to position Griswold, since Department had informed him Griswold "High Commissioner", and if this so, asked "Where does Ambassador come in?" Excitedly added, "Does this mean you declare war on us?" I begged him be calm, and telephoned at once for Griswold. Latter did not deny essential accuracy of memo but agreed he had not meant narrow government would be "inadmissible" but only that it would be inadvisable since it would interfere with effectiveness of US aid program.

At Tsaldaris' urgent request to correct the record, I incorporated this statement of Griswold's in brief letter [2] to Tsaldaris in which I also referred to our policy of non-intervention in details political affairs and reiterated my advice to continue seek broadest possible government. Tsaldaris accepted this oil on troubled waters, and letter contains nothing to indicate support of his efforts as distinguished those of others.

While I of course agree with Griswold as to undesirability of narrow government and have done and am doing all possible to secure broadening, I feel that any indication that we might fail to support duly constituted government or any threat of applying sanctions if such government not according our wishes, would be inadvisable and believe Department will take same view.

MACVEAGH

[2] Dated August 26.

841.2368/8–3047 : Telegram

The Acting Secretary of State to the Embassy in the United Kingdom

TOP SECRET WASHINGTON, August 30, 1947—2 p. m.

3799. For the Ambassador. Brit Emb has told us informally Brit members Combined Chiefs Washington now prepared discuss con-

tents Bevin's note with US Joint Chiefs. Emb inquired whether this agreeable to military. We replied that we had requested Secs War Navy refer matter to Joint Chiefs for study and probable discussion with Brit military but that we did not accept either the premises or the categorical position on deadlines taken by Bevin in his note.

We feel that in view of the very strong representations which you made to Bevin on the basis of Deptels 3304 and 3305 of Aug 1 [1] that we had better reserve further formal representations until we have received the views of the Joint Chiefs of Staff at which time we shall probably wish to send a very strong message through you to either Bevin or Attlee from the Sec or the Pres. In the meantime however we do not want Bevin to feel that we accept either the premises or the categorical position on deadlines set forth in his note. We look to you to make this known to him, using the Sec's comments (Deptel 3688 Aug 26 [2]) as background for telling Bevin and other Brit officials whenever appropriate that we take a serious view of this matter.

LOVETT

[1] Regarding telegram 3305, see footnote 1, p. 273.
[2] Not printed, but see footnote 3, p. 313.

868.01/8–3047 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

CONFIDENTIAL ATHENS, August 30, 1947—5 p. m.

1504. Following formation new Government (my telegram 1503, August 30 [1]) King summoned me to Palace midnight to inform me of developments. Said that both Larissa Corps Commander, who had journeyed Athens for purpose, and Chief of Staff had called on him to say they could no longer answer for Army if some government not immediately formed, and that this had been important motivating factor in acceptance Tsaldaris Government. He thought Tsaldaris had made surprisingly commendable efforts to obtain participation other parties and felt confident he would continue these efforts sincerely realizing present setup unsatisfactory and provisional. Also said that he, the King, would likewise bend every possible effort obtain broadened government soonest.

Earlier in evening Tsaldaris himself had telephoned me of his decision present purely Populist Cabinet immediately to King and I had endeavored persuade him first make further efforts form coalition since Maximos had just informed me that accord might still be reached if Tsaldaris would collaborate with others on basis dropping Zervas, who willing stay out of government on account of "lack of confidence"

[1] Not printed; it reported that the Tsaldaris government had been sworn in the previous evening (868.002/8–3047).

in him (my telegram 1493, August 29 [2]). However, my remarks largely unheard by angry excited man insisting he had made all concessions demanded and had been treated intolerably by all sides. In confusion of flood of protestations this connection, he repeatedly offered me his "word of honor" that he would continue efforts to form broad coalition under Maximos immediately after government formed.

MACVEAGH

[2] Not printed.

Editorial Note

The Monthly Historical Report of the United States Army Group of AMAG, for August, states that the Group "began its actual supply of the Greek armed forces when, on 2 August 1947, the first American ship arrived at Piraeus with a military general cargo, vehicles and rations. Following in the wake of this vessel during August were ten additional American ships with military supplies and equipment." (868.20 Missions/9–2647) For the Department's statement of August 22 on early aspects of aid to Greece, see Department of State *Bulletin*, August 31, 1947, page 428.

841.2368/9–147 : Telegram

The Ambassador in the United Kingdom (Douglas) to the Secretary of State

TOP SECRET
US URGENT

LONDON, September 1, 1947—10 p. m.

4743. For Lovett from Douglas. ReDeptel 3799.[1] 1. I informed Bevin this afternoon we could not accept the uncompromising position of the UK Government in regard to the date of withdrawal of troops from Greece.

2. Bevin replied that he understood we were disturbed but that there were three considerations which made his Government most anxious to remove British troops from the area.

(*a*) Mr. Byrnes had been informed over a year ago that the purpose which the British Government had in mind when the troops were first sent to Greece had been accomplished and that he could not keep the troops there interminably. Mr. Marshall had been informed at the Moscow Conference that it was the intention of the British Government to withdraw the troops during the fall of this year. We had, therefore, been given ample notice.

[1] Dated August 30, p. 319.

(*b*) He had been having a great deal of trouble within his own party over retaining the troops in Greece as long as they had been retained and he was under great pressure to withdraw them. This pressure he could not, he thought, any longer resist. "Suppose", he said, "one soldier were killed and trouble between ourselves and the Soviet were thereby precipitated—I would be in an untenable position in England".

(*c*) One of the important influences was the fact that the policy of our Government in the Middle East was unknown to his Government. It was not known, for example, what our attitude in regard to the disposition of Cyrenaica might be.

Herschel Johnson's apparent objection to a treaty of mutual assistance between the UK and Egyptian Government was most disturbing.[2]

As to Palestine, the report of the committee of the UN Security Council raised most serious questions in regard to which the attitude of our Government was unknown.

3. I replied as to Bevin's first point (*a*), that while it was true he had informed Secretary Marshall in Moscow the British forces in Greece would be withdrawn during the autumn of this year, the conditions during the intervening period had changed and were much more charged with difficulties now than they were then, that the action contemplated at that time ought to be reviewed in the light of circumstances as they are today.

As to Mr. Bevin's second point (*b*), I said I appreciated the political pressure within his party which was apparently influencing him. I hoped that he would not yield on the matter of such great significance, solely because of an internal political consideration. The withdrawal of the troops could, I believed, have no financial results sufficient to justify the serious consequences that might result.

I took it upon myself to say that the suggestion that the Greek Army be increased was no substitution for the British troops. We were convinced that the Soviet was not prepared to commit any overt act against a major power, but that it might not be reluctant to encourage the guerrillas to commit overt acts against a minor power. Accordingly, the withdrawal of British troops might precipitate exactly what Mr. Bevin sought to avoid.

Finally, I pointed out that British troops in Greece were symbolic of US-UK joint responsibility—this was the real significance of retaining them there, and that to withdraw them under the existing circumstances would be interpreted as an abandonment of the joint responsibility at a very critical time, with probable repercussion throughout other parts of Europe.

4. At last, Bevin said that he must repeat that his colleagues were very anxious to withdraw the troops but that he would not now give me a definite answer.

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[2] See telegram 4706, August 29, from London, and footnote 1, p. 803.

He put forward as a purely personal suggestion the following:

That we jointly review the whole position in the Middle East including Cyrenaica, Egypt, Palestine, Iraq and Persia, for the purpose of arriving at a "gentlemen's understanding" in regard to a common policy and joint responsibility throughout the area,[3] with the British acting as the front and ourselves supplying the moral support. He said he may put this to his cabinet but inferred that he would like to have our views to the above personal suggestion before doing so. I would appreciate your advice so that I may pass it on to Bevin.

DOUGLAS

[3] This suggestion came to fruition when on October 16, 1947, the United States and the United Kingdom began "The Pentagon Talks of 1947"; for documentation on these talks, see pp. 485 ff.

868.002/9–247 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

CONFIDENTIAL ATHENS, September 2, 1947—7 p. m.

1511. While receiving formal call from Henderson[1] and myself yesterday morning, Tsaldaris, who obviously nervous and uncertain as to nature Henderson's mission, began discussion Cabinet crisis with long and emotional harangue . . . on his vain efforts to obtain cooperation of Sophoulis and EPE (Venizelos, Papandreou and Canellopoulos). Said Sophoulis insistence on having premiership and exclusive policy control unacceptable, since govt under such conditions would be no more representative of Greek people than his own present one. Added EPE intransigence inspired by confidence in American support, and in this connection displayed particular bitterness over memo of Griswold-Stephanopoulos conversation (mytel 1471, August 27) which he said is now being circulated all over Athens despite my letter to him explaining it. Added that apparent American endeavor to split his own party placed him in almost intolerable situation. In desperation, therefore, and realizing importance of having at least temporary solution, he had set up present emergency government pending outcome continuing efforts obtain broader basis in accordance American wishes. Pointed out that as Minister of Foreign Affairs he had always tried carry out policies in line with those of US, and that shortcomings of outgoing government in field internal affairs due to rivalry between members collaborating parties.

[1] The Department informed the Embassy in Athens in telegram 1443, August 28, that Mr. Henderson would be arriving shortly "In order that there may be closer informal exchange views between Dept and you and Griswold." (111.75/8–2847)

Henderson and I assured Tsaldaris that US Govt did not propose dictate composition of any Greek Govt. Said however we felt bound let him know it would be extremely difficult maintain support US public opinion for AMAG if impression should prevail that latter strengthening certain Greek political groups, and thus becoming disintegrating factor, rather than aiding Greece as whole. Emphasized that if Greeks themselves should fail set up effective government having wide support of great body loyal Greek citizens Congress and American people might well refuse expend further energies and resources on aid to Greece. We made it clear that matter is of extreme urgency in view of growing Soviet and guerrilla activity and of approaching GA session where we would be more vulnerable to criticism if narrow right govt still in power in Greece.

Tsaldaris said he appreciated these arguments and would make every effort for achievement political unity.

In afternoon we called on King. Earlier in day he had received memorandum from Papandreou and Venizelos, acting on behalf of opposition group formed Sunday combining EPE, Markezini, Gonatas and Alexandris, and claiming 125 deputies. Memorandum urged appointment of and pledged support to non-parliamentary Prime Minister of "unimpeachable prestige" who should exercise full authority in selection of Ministers regardless of party and in subsequent discharge responsibilities of office. King said group had suggested General Papagos in this connection.

I told King proposal seemed to us to offer possible solution and repeated what we had said to Tsaldaris during the morning. Henderson suggested that King bring all leaders together in room and insist they remain till government formed since urgency of matter must preclude further delay. King said "I'll try it".

Immediately thereafter I attempted arrange meeting of EPE leaders at my house. Could not reach Papandreou but Venizelos and Canellopoulos had long conversation with Henderson and me, British Ambassador Norton also being present. We talked to them along same lines we had taken with King and Tsaldaris. During conversation King telephoned me to say Tsaldaris unwilling accept Papagos, who as Grand Chamberlain now member Royal household, unless at least two members of Liberal (Sophoulis) Party would participate in government. Said Tsaldaris not unwilling accept principle of mutually acceptable non-parliamentary Prime Minister but felt appointment of member Royal suite certain to cause Republican criticism unless thus approved by Liberals. King requested that I ask EPE leaders to approach Sophoulis in this matter, which I accordingly did. In reply Venizelos and Canellopoulos said they felt Sophoulis "hopeless" but

expressed their own willingness as shown by above-mentioned memorandum, to cooperate with any strong Prime Minister appointed by King, and pledged their best efforts to find solution.

Today, on my return from Salonika with Henderson and Griswold, Venizelos informed me that Markezini has had "hopeful" conference with King and begged me give King my "moral support" at new audience scheduled for me and Henderson tomorrow morning. I replied that I would certainly continue advocating broadened govt.[2]

MACVEAGH

[2] In telegram 1520, September 4, Ambassador MacVeagh reported that he and Mr. Henderson held further conversations with the King on September 3 and again "underlined urgency of achieving unity stressing possibly ominous significance for Greece of recent international developments as set forth Moscow telegram 2747, August 30 to Department and saying that every hour of continued one party government in Greece imperils development American aid both directly here and indirectly before UN. King thereupon agreed summon all political leaders to Palace in afternoon and read them statement elaborating on these views and pleading for immediate common agreement 'before you leave this room' on non-political Prime Minister 'who would select Cabinet and direct new national policy with support of all'. At King's request I subsequently prepared this statement which King proposed to read as his own" (868.002/9–447); this communication gave extensive comment on further developments in the governmental crisis.

In telegram 2747, August 30, from Moscow, Ambassador Smith expressed his belief that the Kremlin planned to set up and recognize a puppet Greek government prior to the meeting of the General Assembly on September 16 (868.01/8–3047).

867.00/9–347 : Telegram

The Acting Secretary of State to the Embassy in Turkey

CONFIDENTIAL WASHINGTON, September 3, 1947—9 p. m.

514. Present status aid program as follows:

1. War and Navy have both approved July 15 report. We have informed them of this Dept's general approval and asked War and Navy to make firm recommendations to implement program.

2. Navy has now made firm recommendation embodying slight revision due to nonavailability certain items. State has approved revised program for Navy and is allocating Navy to cover whole revised program $14,012,500 exclusive of five percent contingency reserve being withheld for each program (see Patsu 4 and Ustap 2[1]). This sum includes $304,000 previously allocated for interim program.

3. We expect firm recommendation from War by end Sept and upon approval by State will allocate funds for Army's revised program.

4. Memo of understanding has been agreed to by State, Navy, War and Air Force. Copy being air mailed.

[1] Dated August 14 and 16, respectively, neither printed.

5. Question of unified command (Ustap 4 [2]) now before Secretary Defense with approval anticipated.

LOVETT

[2] Dated August 21, not printed.

868.00/9–477 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

CONFIDENTIAL ATHENS, September 4, 1947—noon.

IMMEDIATE

1526. In order give Henderson chance to meet Sophoulis, I arranged visit by latter at my house this morning. Discussion naturally turned on present political situation and Sophoulis announced that he and Tsaldaris, "heads of two great historical parties of Greece" (see mytel 1464, August 26) are approaching accord for formation of broad govt to be led by Sophoulis. Said details still to be arranged but appeared confident of outcome. When asked whether new govt could be announced before Parliament convenes this evening, he replied "no" and added Tsaldaris anxious to save face with address to Chamber after which motion for adjournment would be made and supported by both Populists and Liberals, and final arrangements for formation new govt would be completed in few days.

Following Sophoulis departure, Tsaldaris called at my request and he too expressed confidence regarding coalition with Liberals. Added, however, that should this plan fail he would fall back on collaboration with EPE as second best solution, and have his assurance that in any case he would effect formation of new broad govt before Henderson's departure scheduled for Sunday. For this reason he said would not adjourn Parliament beyond Saturday. Begged whole matter be kept highly confidential for time being.

Following Tsaldaris departure, EPE group (Venizelos, Papandreou and Canellopoulos) called. This meeting previously arranged by me to include Tsaldaris in belief that Sophoulis–Tsaldaris coalition out of question and only possible solution "second best" one mentioned above. I had also invited Griswold in order bring maximum pressure in final attempt secure broadened govt before convocation Parliament and avoid possible recriminations in debate. However, in view new confidential information just received, I contrived to limit meeting to drawing up EPE program to present to Tsaldaris as a basis for further possible discussion, and took this to him immediately after meeting concluded. In drawing up program, EPE leaders anxious receive US guidance and sage advice of Henderson and Griswold accepted with alacrity.

During above meeting I was advised by two US correspondents that Lambrakis paper *Vima* was already preparing launch extra edition trumpeting success of Sophoulis. Fearing such action might well impede completion of delicate negotiations, I at once informed Tsaldaris who phoned Varvoutis, Sophoulis assistant, and arranged (apparently successfully) to hold edition up.

Parliament convened 7 p. m. and Tsaldaris made brief statement of reasons for fall of Maximos Govt and existence present situation (details in following clear telegram) after first showing draft of speech to Sophoulis lieutenants to make sure no possible inflammatory material included. Also, at my suggestion, he doctored draft with regard possible offense to other centrist groups. Motion made for adjournment till Saturday widely supported and promptly carried. Understand Sophoulis–Tsaldaris negotiations will now continue.

MACVEAGH

868.00/9–447 : Telegram

The Acting Secretary of State to the Embassy in Greece

TOP SECRET WASHINGTON, September 4, 1947—6 p. m.

Gama No. 168. War Dept has asked our concurrence Livesay cable No. L155, USAGG Athens, dated August 29, proposing with your approval increase Air Force expenditure of $4,500,000.

Dept prepared on receipt your advice to approve on understanding that proposed increase will be effected within $135,000,000 now allocated to military portion of program and increase of 1,000 Air Force personnel within presently approved ceiling on overall strength armed forces.

Please advise whether proposal has your approval on this basis and how it will modify balance of military program.[1]

LOVETT

[1] Governor Griswold, in telegram Amag 191, September 6, approved the proposal provided that the increase in air force personnel would be over and above the present ceiling for the armed forces. The Department, in telegram Gama 187, September 9, concurred. (868.00/9–647)

841.2368/9–547

The Secretary of War (Royall) and the Secretary of the Navy (Forrestal) to the Secretary of State

TOP SECRET WASHINGTON, 5 September 1947.

DEAR MR. SECRETARY: In accordance with the request contained in letter from Acting Secretary of State of 27 August 1947, the Joint Chiefs of Staff have studied the military implications of the with-

drawal of British troops from Greece by 31 October 1947 and from Italy by 31 December 1947. Their views are stated in the following paragraphs.

British troops in Greece are not able, and are not intended, to withstand armed attack in force. Their presence is regarded as symbolical of the determination of Great Britain and of the Western Democracies to assure the continued independence of the Greek State. For this reason, they are a strong deterrent to attack in force against Greece and have a marked influence on the internal Greek situation and a substantial effect on the morale of the Greek population.

Given any favorable opportunity, such as the withdrawal of British troops from Greece, there is grave danger that the Greek Guerrilla leaders will issue a call for assistance in repelling attacks by the Greek National Army on the army of the recently proclaimed "Free State of Northern Greece." The comparatively weak Greek National Army could not withstand the guerrilla forces if the latter were augmented by sizeable forces from outside Greece. Thus, there would be grave danger of all Greece coming under communist control. The drastically adverse effect of such a contingency on the military position of the United States and the other Western Democracies is certain. Forces friendly to, if not under the domination of, the USSR would be on the Mediterranean and in a position to interdict shipping through that sea route. Turkey would be outflanked to the west, north and east. Continued alignment of that country with the Western Democracies would be problematical in view of the increased difficulty of their giving assistance to Turkey in the event of war. The possibility of retaining Italy as a nation friendly to the Western Democracies would be greatly lessened, as would be any possibility of retaining Iran as a nation oriented toward the Western Democracies. Access by the United States and Great Britain to the petroleum products of the Middle East, which are essential to their economic welfare and military potential, would be jeopardized.

Further, the position of the Western Democracies as evidenced by the maintenance of British combat troops in Greece, the firm stand of the United States before the United Nations, and the establishment of a United States aid program have clearly indicated to the world a determination to prevent Greece from falling into the Soviet orbit. In the face of these evident policies, failure in Greece would lead to a dangerous weakening of resistance to communism in the non-Soviet world.

In CCS 972,[1] a copy of which is enclosed, the British Chiefs of Staff have made certain recommendations to the United States Chiefs of

[1] Dated August 29, 1947, not printed, but see paragraph 8 of the undated memorandum prepared in the Department of State, p. 488.

Staff as to the timing of withdrawal of British forces from Greece and as to increases in the Greek armed forces necessary to compensate for this withdrawal. However, the Joint Chiefs of Staff are of the opinion that, in the face of British withdrawal, implementation of these recommendations would be inadequate to assure the independence of Greece. Further, such action would require funds not now available for military assistance to the Greek armed forces. The Joint Chiefs of Staff have therefore not concurred in these proposals as a solution to the present problem. A copy of their memorandum to the British Chiefs of Staff is enclosed for your information.[2]

In conclusion, the Joint Chiefs of Staff are seriously concerned regarding the military implications of the British decision to withdraw their troops from Greece. Such a withdrawal would surely result in a marked deterioration of our over-all strategic position in the Mediterranean and might well provoke a critical situation in Greece itself. There appears to be no course of action open to the United States which would fully offset the adverse effects of this move.

At present, the United States and Great Britain stand together in Greece on a common front against communist aggression. Should the British now firmly determine to withdraw from this position, the mere act of withdrawal would create a distinct period of disruption and heightened crisis.

Sincerely yours, KENNETH ROYALL
FORRESTAL

[2] Not printed; copy in the Department of State files is undated.

868.00/9–547 : Telegram

The Acting Secretary of State to the American Mission for Aid to Greece

CONFIDENTIAL WASHINGTON, September 5, 1947—7 p. m.

Gama No. 179. To Griswold from Wilds.[1] Dept concurs your proposal (Amag 181 Sept 5 [2]) continuation British police commission on substantially reduced basis under close AMAG liaison, and will advise British Embassy. Please inform us as to financial arrangements.

[WILDS]
LOVETT

[1] Walter Wilds, Deputy Coordinator for Aid to Greece and Turkey.

[2] Not printed; it reported the recommendations of AMAG and the American Embassy that the British Police Mission be cut by perhaps one-half, in order to reduce the share of expenses borne by the Greek Government (868.00/9–547). In telegram Amag 227, September 16, Governor Griswold advised that he had informed the British Embassy and police mission the previous day of an AMAG recommendation for continuance of the mission for six months after January 11, 1948, on the basis of a reduction of personnel of 14% (868.105/9–1647).

868.00/9–647 : Telegram

Governor Dwight P. Griswold to the Secretary of State

TOP SECRET ATHENS, September 6, 1947—noon.

Amag 188. To McGhee from Griswold. Re Gama 104.[1] Greek Government can take following measures to make effective present strength in anti-guerrilla war.

1. Choose strong-minded PriMin and Minister of War who will fully support top command in applying sound offensive principles. Army commander in northern area needs more complete authority in using troops and in replacing inefficient officers.

2. Political influence should be removed which is now causing disposal of troops throughout villages instead of using them in offensive operations. Political pressure also applied to oppose replacement of inefficient officers.

3. Immediate steps must be taken to indoctrinate Greek Army with offensive spirit through hardening personnel, appropriate tactical training and freeing commander from fear of exercising individual initiative. This spirit must start at top and have full support of PriMin and entire Cabinet.

4. Am considering meeting with entire new Greek Cabinet when organized to demand action described above.

5. Considered necessary also that pipeline of reserves be organized with replacements being regularly fed into army so that older soldiers and those who have served several years can expect early replacement. This considered necessary to bolster morale. This pipeline program may necessitate increase in army but approval of this must be withheld until complete Cabinet approval given to matters described in paragraphs 1 to 3.

GRISWOLD

[1] Dated August 21; it requested a summary of specific qualitative measures that Governor Griswold and his military advisers had in mind for the Greek Government to take for making an effective anti-guerrilla force of the Greek Army at its present strength (868.00/8–2147).

841.2368/9–147 : Telegram

The Secretary of State to the Embassy in the United Kingdom

TOP SECRET WASHINGTON, September 8, 1947— 5 p. m.
US URGENT

3883. For the Ambassador from the Secretary. Please take an early opportunity to see Bevin and tell him that since my return from Brazil I have been giving further careful consideration to the problems raised by his recent messages to me concerning the withdrawal

of British troops from Greece and Italy. As he is aware we have proposed that the deposit of ratifications of the Italian treaty take place Sept 15. If this is agreed it will enable both British and US troops to be withdrawn from Italy at an earlier date than he had suggested.

With regard to the situation in Greece I fully recognize that Bevin had previously informed us of the Brit Govt's intention to withdraw its troops sometime this year. Nevertheless I am sure he will likewise agree that when this advance notice was given conditions in Greece were radically different from what they are today. Furthermore, at that time we had greater expectations that prompt action on the part of the United Nations would be able to put an end to this threat to Greece's independence and integrity. Since March, however, the situation has rapidly degenerated and Greece is seriously menaced.

Although it is fully appreciated here that British troops in Greece are not able and indeed are not intended to withstand armed attack in force, nevertheless, their presence is regarded as symbolical of the determination of the Western democracies to insure the continued independence of the Greek state. For this reason they are a strong deterrent to attack in force against Greece and have a marked influence upon the internal Greek situation and a substantial effect on the morale of the Greek population. Furthermore, as you have already informed Mr. Bevin, their withdrawal would be interpreted as an abandonment of the US-UK joint responsibility at a very critical time, with probable repercussions throughout other parts of Europe.

As Mr. Bevin is aware the British Chiefs of Staff have made certain recommendations to the US Chiefs of Staff as to the timing of the withdrawal of British forces from Greece and as to increases in the Greek armed forces necessary to compensate for this withdrawal. At my request the US Joint Chiefs have discussed this matter with the British Staff Mission and have given careful consideration to the military consequences of an early withdrawal of British troops from Greece. The US Joint Chiefs are of the opinion that in the face of British withdrawal implementation of the aforesaid recommendations would be inadequate to assure the independence of Greece. The US Joint Chiefs have therefore not been able to accept these proposals as a solution to the present problem. They are further seriously concerned regarding the military implications of the British proposal. Such withdrawal would surely result, in their opinion, in a marked deterioration of the Anglo-American overall strategic position in the Mediterranean and might well provoke a critical situation in Greece itself. They have reached the conclusion that there appears to be no course of action open to the US which could fully offset the adverse effects of the withdrawal of British troops.

At present the US and Great Britain stand together in Greece on a common front against Communist aggression. Should the Brit Govt withdraw from this position, the mere act of withdrawal would create a distinct atmosphere of disruption and of heightened crisis.

With regard to Mr. Bevin's statement that he felt some uncertainty regarding the policy of the US Govt in the Middle East I am anxious to dispel any misunderstanding in this respect (urtel 4743, Sept 1). I assume he had particular reference to US policy with respect to Brit position in that area. In that connection it may be said that fundamental cornerstone of our thinking is the maintenance of Britain's position to the greatest possible extent. The US counts heavily upon continued close British-American cooperation in the Middle East. How this can best be maintained requires extremely careful consideration in the light of developments in the Middle East as a whole, taking into account the popular sentiment in the countries of the area and the external pressures and influences which may be brought to bear upon them.

I believe our telegram no. 3800 of Aug 30, 2 p. m.[1] should have reassured Brit Govt regarding our attitude toward mutual defense arrangements between Britain and Egypt. If not, you may again say in categoric terms that this Govt continues to desire the conclusion of satisfactory arrangements of this nature between Britain and Egypt.

I fully agree with Mr. Bevin's suggestion for a joint review by the US and UK of the whole position in the Middle East with a view to arriving at an understanding in regard to a common policy, and we are prepared to begin as soon as possible. The conversations, in my opinion, should be divided into two steps: First, on a military planning level to be arranged through the Chiefs of Staff and to take place in Washington and second, on a top political level at a place to be mutually agreed upon. With respect to latter, if Mr. Bevin attends UNGA, this would offer favorable opportunity.

Pending these talks I should, of course, hope that the British Govt will postpone any steps looking toward the withdrawal of troops from Greece.

MARSHALL

[1] *Post*, p. 803.

868.002/9–947 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

CONFIDENTIAL ATHENS, September 9, 1947—5 p. m.

1549. Having been informed through usually reliable sources that arrangement might have been reached between Tsaldaris and Sophoulis whereby former would retain Stratos as War Minister and latter

be guaranteed retirement of all Lieutenant Generals now on active list, including Spiliotopoulos, Inspector General, Vendiris, C. of S., and Yiantzis, Army Commander, and appointment of others to take their places. I arranged meeting yesterday afternoon between Minister Foreign Affairs and British Ambassador, Governor Griswold and myself for purpose supporting views of Generals Rawlins and Livesay who greatly alarmed and opposed to wholesale changes in command (mytel 1540, September 6 [1]).

I told Tsaldaris that now new government had been formed [2] which we hoped would continue till general elections, we three desired emphasize importance of maximum collaboration between Government and British and American missions functioning in Greece. I reminded him of his own interests so often expressed in AMAG collaboration with Ministries of Finance and Coordination as well as others, and then went on to say that we had been disturbed by rumors of possible immediate widespread personnel changes in army command. In this connection, I strongly urged that in interest of continued assistance of our missions so badly needed by Greece no changes in command should be made except in agreement with Generals Rawlins and Livesay. Both Norton and Griswold backed me up, adding that as morale of army is bound be affected by such changes, these should be as few as possible at this time.

Tsaldaris replied he was glad we had brought up question and that he was wholly in accord with our attitude. Said he had heard of some proposals in this connection, but nothing had as yet been decided. Denied any agreement with Sophoulis in matter, and said he would give question his attention in coordinating committee of five composed of two Sophoulis Ministers and two of his own over which he is to preside. In reply to his protestations that his party strongly opposed army changes, we told him we were not speaking to him as party leader but as Minister Foreign Affairs, and both I and Norton charged him directly with acquainting his Govt with our views, emphasizing that we are not interested in individual appointments or retirements, but only in having an army set-up with which our missions can collaborate. We also said that though we felt it incumbent on us to speak to him as Minister Foreign Affairs first, we should be glad to speak to Prime Minister also should latter desire it.

MacVeagh

[1] Not printed.

[2] Telegram 1547, September 8, from Athens, reported that Themistocles Sophoulis became Prime Minister on September 7, heading a Liberal-Populist coalition, including also one member of the Panhellenic National Party. Mr. Tsaldaris was Deputy Prime Minister and Minister for Foreign Affairs (868.002/9–847).

868.01/9–1047 : Telegram

The Secretary of State to the Embassy in Greece

US URGENT WASHINGTON, September 10, 1947.

1502. At press conference this a. m. Secretary said:

"We are gratified that recent negotiations among Greek leaders have resulted in a government based on a coalition between two historic Greek parties, the one representing the largest single Parliamentary group and the other the party which has hitherto led the Parliamentary opposition. A government of national unity at this time demonstates the desire of loyal Greek political parties to subordinate partisan differences and to work together in accord for the welfare of the Greek nation. I hope that this agreement foreshadows a happy future of cooperation and confidence among the Greek people in facing their serious national problems."

MARSHALL

841.2368/9–1047 : Telegram

The Ambassador in the United Kingdom (Douglas) to the Secretary of State

TOP SECRET LONDON, September 10, 1947—11 a. m.

4892. For Marshall from Douglas. 1. I had a long conversation with Bevin this afternoon [1] regarding matter of British troops in Greece. In my efforts to convince him of the unfortunate effect which the withdrawal of these troops would have not only in Greece and the rest of the Near East, but also in Europe and elsewhere, I repeated the arguments which I had advanced in previous conversations and laid particular stress on the new arguments contained in Deptel 3883, September 8.

2. (*a*) I also explained that US relies heavily on US–UK cooperation in the Middle East, that without qualification US desires conclusion of satisfactory arrangements between Britain and Egypt and that you are in complete accord with Bevin's suggestion for review by US–UK of the whole position in the Middle East for purpose of reaching an understanding on a common policy. (*b*) I stated your view of the way in which the discussion should proceed. (*c*) Bevin seemed gratified.

3. (*a*) I expressed your emphatic hope that no steps be taken for the withdrawal of troops from Greece pending the talks referred to in (2) above. (*b*) Bevin replied that while two questions were not related and although troops could not be retained indefinitely he would sub-

[1] This refers, presumably, to the conversation on September 9; for Mr. Henderson's memorandum, see p. 496.

mit considerations represented by US to the Prime Minister and the Defence Committee and would do his best to keep the troops beyond date fixed. He could not make commitment until after matter had been discussed with Defence Committee and said that they probably could not be held later than end of year.

4. Bevin said that he did not wish to attend the General Assembly and that his name had been placed on the list of delegates only in order to enable him to appear before the Assembly in case some unexpected development should make it advisable for him to do so. He might have an opportunity however to discuss Middle East with you should an occasion arise for him to go to Washington to discuss certain aspects of the Paris conference report.

DOUGLAS

841.2368/9–1147

The Secretary of War (Royall) to the Secretary of State

TOP SECRET WASHINGTON, September 11, 1947.

DEAR MR. SECRETARY: Reference is made to letter of 4 [*5*] September, signed by Mr. Forrestal and myself, transmitting the views of the Joint Chiefs of Staff on the military implications of withdrawal of British troops from Greece.

In addition to the purely military implications of such a move, as covered by the Joint Chiefs of Staff, I should like to draw attention to certain other factors which, though largely political, are directly related to the military aspects.

If the British should carry out their present withdrawal plans, it will pose to the United States a very serious question as to whether we should replace British troops with our own. The legislative history of the Greece and Turkey aid program would seem to indicate that Congress would have to be consulted before we could send additional troops. Even if Congress approved, we would be presented with a serious question as to whether the introduction of United States forces into Greece would really help the situation or would be disturbing and provocative. The British should not place us in this position when no such dilemma would be presented by the mere retention of British troops that are already in the country.

Furthermore, the withdrawal of British Forces from Greece, thus breaking the common front in a position where the United States and Great Britain now stand together in a test case against communist aggression, would undoubtedly cause a wave of public resentment in this country against the British. Such resentment could have a most serious effect in other areas throughout the world where the United

States and Britain have joint interest and could prejudice this nation's support for continued aid to Britain and Europe under the Marshall Plan.[1]

Sincerely yours, KENNETH C. ROYALL

[1] This letter, except for paragraph one was quoted to London on September 12, in telegram 3970, for use by Ambassador Douglas at a suitable time in further conversations with Mr. Bevin (841.2368/9–1047).

868.00/9–1247 : Telegram

The Chargé in Greece (Keeley) to the Secretary of State

SECRET ATHENS, September 12, 1947—4 p. m.

1579. In order hear views and recommendations Colonel Miller who just returned from extended tour Thrace (Embtel 1571, September 10[1]), Ambassador called meeting Wednesday evening attended by British Ambassador and American Ambassador as well as military attachés, Embassy officials and Governor Cochran and Colonel Lehner for AMAG.

Colonel Miller painted black picture of conditions in Thrace. He told of ebb tide of civilian and military morale, broken communications, burned villages, crops only partially harvested, failure of relief supplies to arrive, lethargy and despair on part of population and complete lack of offensive action on part of GNA. Train he was on was stopped 15 times because of mines or other rebel actions. He seems convinced that unless steps of most immediate and energetic nature taken before winter sets in, Thrace may virtually be "written off". Specifically he proposed: (1) that arms be given the peasants in area; (2) that the Greek army then take the offensive and (3) that 20 to 25 American Army officers carefully trained and chosen for this kind of operation be flown at once to Greece to see that point 2 is properly carried out. Short of some such measures, in his opinion, Thrace cannot be saved.

Long discussion took place re advisability of arming peasants in infested areas, unavailability of arms, need of Greek army for additional forces, refusal of British Government to allow British officers to enter combat areas and obstacles in way of complying with Miller's suggestion re American military advisers. Since views not yet crystallized further conversations will be held with British and AMAG. Colonel Miller and Ambassador will be able give Department and War more complete details upon arrival in US.

Colonel Miller's report on Thrace confirms views set forth in Embtel 1426, August 21 re dangerous situation in Greece and underlines

[1] Not printed.

opinion expressed that our planning in Greece should promptly transcend present arrangements unless we are to fall into error of too little and too late.

KEELEY

841.2368/9–1247 : Telegram

The Ambassador in the United Kingdom (Douglas) to the Secretary of State

TOP SECRET LONDON, September 12, 1947—8 p. m.

4952. For the Secretary from Douglas. Deptel 3883, September 8; Embtel 4892 September 10. Bevin talked to me this morning about retaining troops in Greece.

1. He said that to keep them over the winter involved the problem of accommodations for the cold weather, which he said presented some difficulty.

2. He would like to withdraw one battalion consisting of not more than 800 men, leaving the remainder in Greece until at least December 15. (He added for me only, which I pass on for you and Lovett personally, that in his opinion events between now and then would justify him in keeping troops longer.)

3. The withdrawal of the one battalion, to which reference is made above, would satisfy two considerations: (*a*) his own political situation here and (*b*) a precedent for the withdrawal of Soviet troops in Bulgaria.

4. He asked whether this arrangement would be satisfactory. I replied that obviously we would much prefer that no troops be withdrawn and that they be retained beyond December 15 but that I would submit what he had told me to you.

Would appreciate your further instructions.[1]

DOUGLAS

[1] The Department, in telegram 3988, September 13, to London, reluctantly agreed "to Bevin's suggestion of withdrawal of not more than 800 men provided we can be given definite assurances that there will be no further reduction in troop strength at least until Dec 15 and provided withdrawal is accomplished quietly without publicity in Greece and in a manner which will not create impression that this is start of major withdrawal movement." (841.2368/9–1247)

868.00/9–1547 : Telegram

Governor Dwight P. Griswold to the Secretary of State

TOP SECRET ATHENS, September 15, 1947—11 a. m.

URGENT

Amag 222. To Wilds from Griswold. Examination overall guerrilla situation discloses increasing deterioration conditions since mission arrived and curtailment field in which AMAG reconstruction and

economic work can physically or profitably operate. Guerrillas still increasing strength and now estimated about 16,000. Conditions Thrace reported by Colonel Miller (Embtel 1579, September 12) duplicated in large sections Macedonia and elsewhere. Convinced AMAG must give increased attention and effort to military situation.

1. Present 20,000 temporary over-strength authorized for Greek National Assembly [*Army*] expires 30th September. Extremely urgent that this authorization be continued for three additional months from date of "first call" of new draft so that old soldiers and those who have served several years can expect early replacement. (Paragraph 5 Amag 188 [1]). The continuation involves no permanent increase GNA, but will complete the replacement of the estimated 37,000 older men in GNA and permit utilizing younger men. Estimated cost of three million dollars should be transferred to military from funds earmarked for economic purposes.

Approval this point matter of immediate urgency in order maintain continuity status basic training centers which will become empty October 1.

2. Based on estimated present bandit strength and taking account realities Greek political situation permanent increase of 10,000 men (ten battalions) in GNA ceiling necessary.

This also has psychological urgency in connection with amnesty.

Estimated cost of six million dollars should be transferred to military from funds earmarked for economic purposes. I should warn Department now that if bandit strength increases substantially Livesay believes additional military measures will become necessary and thinking along this line should begin now.

3. To recapitulate points 1 and 2: present authorized strength GNA is 120,000 plus temporary 20,000 through September 30 for replacement purposes. I recommend continuance temporary 20,000 increase till early January to complete replacements and a permanent increase 10,000 at total additional cost military program of nine million dollars, to be taken from 25 million reserve as per AMAG's 150 and 201.[2]

Sophoulis has stated publicly that at early date new Government will request army increases and Livesay and I believe prompt approval foregoing can be used by US in seeking implementation paragraphs 1, 2, and 3 of Amag 188.

4. I do not favor arming civilians prior clearance of bandits from any given area and oppose allowing Thrace situation cause diversion from military plans central Greece and Macedonia.

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[1] Dated September 6, p. 330.

[2] Dated August 29 and September 9, respectively. The former inquired of the Department regarding agricultural spraying and dusting equipment; the latter suggested reductions in management contracts, reconstruction items, and the agricultural program. (868.00/8–2947, 9–947)

5. Livesay should be provided with adequate planning staff and also scope his present instructions should be broadened to give him authority to advise GNA to maximum extent permitted by law. This matter was discussed with Henderson.

6. Promptest liquidation guerrilla situation essential to achieve AMAG objectives and prevent increase and prolongation period insecurity with obvious increased risks to US interests. Forceful measures this time may avert necessity more dangerous and costly measures later. Time has come when operational advice must be furnished Greek forces through officers attached Greek staff and appropriate tactical units. I can see no normal difference between aid this character and training or logistic aid to GNA during present actual civil war. An offensive spirit and beneficial tactical advice would tend to eliminate continued ineffective military operations which play directly into Communist hands.

7. Because of presence British forces in Greece, British should be requested furnish operational advice to GNA without delay. Understand British Embassy Athens has repeatedly so recommended London despite known opposition this Govt to such policy. If British unable or unwilling agree without delay furnish operational advice GNA, US should promptly furnish aid this character. In that event I urgently recommend promptest despatch 125 to 200 American army officers for this purpose to advise GNA staff and tactical units. Initial group should be not less than 25 with others following soonest. All such officers should be under Livesay whatever their official status, whether special mission, with MA with AMAG. They should be without families as duties largely in field. Confident appropriate coordination with British military mission can be worked out here.

8. If British determine withdraw troops I reiterate views Amag 47 [3] (*a*) that US troops must replace British forces or Greek morale will nosedive and (*b*) British mission should be replaced by US so all military aid duly coordinated.

9. Prompt despatch officers mentioned point 7, in addition to value Greek morale, would give them advance familiarity and experience Greek problems and certain of greatest value if replacement British mission becomes necessary or if US undertakes replace British forces.

10. In view Washington–London negotiations intention British troops British Ambassador not being informed, these recommendations but would appreciate Dept assent soonest to do so view his cooperative attitude and importance maintaining local Anglo-US cooperation. Naturally Greeks were not informed.

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[3] Telegram 1291, August 5, from Athens, p. 279.

11. Points 1, 2 and 4 *b* especially on Livesay recommendations to me, but entire telegram is result of series of conferences with Keeley, Livesay, Snackenberg and McGhee [4] and represents the considered judgment of all and has their approval.[5]

Please pass to War and Navy.

GRISWOLD

[4] Mr. McGhee left Washington on September 4 for a survey of the Greek-Turkish aid program; for the announcement on the same day, see Department of State *Bulletin*, September 14, 1947, p. 534.

[5] The Department informed Governor Griswold in telegram Gama 209, September 17, that the proposals outlined in paragraphs 1 to 3 in Amag 222 were approved and that the remaining proposals were being actively considered (868.00/9–1647).

841.2368/9–1547 : Telegram

The Ambassador in the United Kingdom (Douglas) to the Secretary of State

TOP SECRET LONDON, September 15, 1947—8 p. m.

4977. For the Secretary and Lovett from Douglas. I informed Bevin this afternoon that with great reluctance we agreed to his suggestion for the withdrawal of not more than 800 men from Greece. We agreed that the remainder of the troops would remain in Greece at least until December 15.

I emphasized again the importance of maintaining US-UK unity in Greece and recalled his personal suggestion that by December 15 events might make it possible for him to hold the troops there longer (reDeptel 3988, September 13 [1]). While he did not commit himself to hold them beyond December 15 he repeated that no one could now tell what the Soviets might do or what other developments might take place and that depending upon them he might be able to retain troops beyond the period in question.

As to publicity in Greece, he is taking the matter up with Alexander [2] with a view to determining how 800 troops can embark in Greece without publicity and will talk with me further about the matter on Wednesday when I return from Paris.

DOUGLAS

[1] See footnote 1 to telegram 4952 to London, p. 337.

[2] Albert V. Alexander, British Minister of Defence.

868.00/9–1647 : Telegram

The Chargé in Greece (Keeley) to the Secretary of State

ATHENS, September 16, 1947.

1603. Press carries following report on call of EAM delegation yesterday on Sophoulis and Tsaldaris:

EAM delegation called on Sophoulis and delivered note requesting restoration constitutional liberties, release deportees and closing concentration camps. Sophoulis assured delegation that Government has taken measures restore order, correct injustices and grant amnesty to rebels which, if successful, will be followed by general amnesty. In answer Sophoulis request that EAM use its influence with rebels, delegation declared EAM has no relations with rebels to which Sophoulis replied "then why do you come singing to me. Discussion is in that case superfluous".

Later in day delegation made similar call on Tsaldaris who declared that Government Coordinating Council has decided send Ministers Justice, Public Health and War to Icaria and other deportee detention points to make on-spot investigation. In reply delegation declaration that EAM is political organization without connection with rebellion, Tsaldaris stated "In that case, EAM a political organization, should take clear cut position against rebellion as have other political parties."

KEELEY

868.00/9–1647 : Telegram

The Acting Secretary of State to the Embassy in Greece

CONFIDENTIAL WASHINGTON, September 16, 1947—1 p. m.

1537. Do you have any indication re procedure Greek Govt intends to follow in inviting "International Committee" to supervise amnesty?

It is our thought that proper supervision by international group would require considerable staff and would involve substantial expense. If Govt really serious in its announced intention to request such supervision, we would like to have as much advance info as possible to permit planning and exploration of possible sources of personnel and funds.

However, please do not make special formal request for info or otherwise imply any commitment on our part at this time.

LOVETT

868.51/9–1647 : Telegram

Governor Dwight P. Griswold to the Secretary of State

SECRET ATHENS, September 16, 1947—4 p. m.

Amag 229. To Wilds from Griswold. 1. Reference loan of $10.8 million Federal Reserve Bank of New York to Bank of Greece secured by Greek gold of equivalent value earmarked with Federal Reserve Bank New York. Loan originally granted on September 24, 1946 for three months. Subsequently renewed for three-month periods on December 24, 1946, March 24, 1947 and June 24, 1947. Prior to expiration

date September 24, 1947, Bank of Greece will again request renewal for another three months.

2. Mission urges Department to intercede with Federal Bank New York in support of renewal request. Present available dollar holdings of Bank of Greece less than 5 millions with no prospect of substantial exchange receipts before loan maturity. Sale of gold security by Federal Reserve Bank New York to request loan would require admission by Bank of Greece of loss of gold with probably seriously adverse repercussion on market confidence. Any such disturbance of the highly precarious market stability currently prevailing would seriously endanger success of several major reform measures to be shortly introduced on initiative of Mission. Loss of gold so soon after arrival of Mission also would unquestionably result in adverse publicity.[1]

GRISWOLD

[1] According to telegram Gama 220, September 22, 7 p. m., to Athens, the Federal Reserve Bank of New York notified the Bank of Greece, on September 19, of a further three-month extension of its gold loan (868.51/9–1647).

868.00/9–1747 : Telegram

The Chargé in Greece (Keeley) to the Secretary of State

SECRET ATHENS, September 17, 1947—noon.

PRIORITY NIACT

1608. During conversation yesterday with Tsaldaris I referred to Sophoulis comment to press that his statement in ministerial declaration concerning international guarantee of amnesty was merely "symbolic" (mytel 1518 [*1598*], September 15 [1]) and inquired whether this meant that Government had given up idea of international supervision. Tsaldaris replied that Government was still considering whether to internationalize supervision and, if so, when and by what agency. There was disposition on part of some Greek officials, he said, to proceed with amnesty under Greek supervision [2] for its initial period of month and to fall back on international supervision if former procedure fails of results and Government decides to extend period another month as provided in amnesty law. He admitted that calling upon international guarantee, only if guarantee of Greek Government fails to bring rebels to heel, might result in severe loss of prestige unless

[1] Not printed.

[2] In telegram 1616, September 17, the Embassy in Athens transmitted to the Department a translation of the Prime Minister's amnesty proclamation which was being thrown from Royal Hellenic Air Force planes over the bandit area. The proclamation noted that the Government, the Prime Minister personally and the whole Greek people constituted a guarantee for the honest enforcement of the terms of the amnesty. (868.00/9–1747)

perhaps it could be used as a bargaining measure, that is, Government might offer to provide impartial guarantors if rebels would thereupon agree to cease rebellion. I called his attention to the time it takes to organize an international observation, as illustrated by AMFOGE, and suggested that if any type of international supervision is to be used at all, preliminary steps, at least, would seem to be called for without delay. Tsaldaris agreed but I am certain no Greek has any real appreciation of the time-consuming effort such things involve.

Tsaldaris expressed view that use of any international group that included Russians or satellites would probably be inadvisable since experience has shown that their energies are directed toward obstruction and sabotage which would add a still further disturbing element to already complicated internal situation. He wondered whether AMAG might not be willing and in position to undertake the task or, if not, whether British military mission might not take it on, saying that as the law is itself broadest possible guarantee there remains only insurance to the rebels that law will be faithfully administered. As enforcement largely matter for police and judicial authorities a few impartial legal experts might be assigned from AMAG or British military mission to check performance. Some had suggested idea of requesting International Court to undertake the supervision if its terms of reference would permit, and he had also considered asking neutral nations, such as Switzerland or Sweden. He requested my frank opinion on subject.

Making clear that my views were tentative and personal, I suggested that use of AMAG was open to objection on two points, first, it would involve AMAG in political controversies which might well detract from accomplishment its primary economic objective and second, the rebels would probably consider AMAG an agency of "imperialist America" and not as an impartial body in which they could have full confidence. Use of British military mission would be open to similar criticism of bias and partiality. Use of UN or other international agency which might include Russians or satellites, I agreed, was apt to result in interminable delays and obstruction which might defeat purpose of amnesty and cause loss of prestige to coalition Government. International Court, I felt, might not be equipped to undertake this kind of operation. Alternative worth exploring, I suggested, was use of small group of Swiss and/or Swedes who might be counted on to be impartial and to inspire confidence among rebels. I reiterated these were personal views but that I would be glad to consult Governor Griswold and my Government on subject.

I immediately arranged meeting with Griswold, McGhee and pertinent members AMAG staff, all of whom agreed that this was not kind

of venture into which AMAG should be drawn. Griswold was inclined toward view that best alternative was use of neutrals such as Swiss and Swedes.

As Tsaldaris, scheduled depart Saturday September 20, said, he would appreciate soonest any views Department may care to express to guide Government's consideration this important matter.

We here are of opinion that everything possible should be done to encourage Greeks to carry out faithfully and expeditiously what appears to be sincere amnesty offer in contrast to past half-hearted and poorly executed gestures. If rebels can be induced to submit in appreciable numbers restoration of order will be facilitated and AMAG task made easier. They are not likely to submit, however, unless they have full confidence that amnesty offer is genuine and its application honest. International or other impartial supervision, therefore, takes on peculiar psychological importance. Since time is of essence, it seems to me Greek Government should invite small group impartial observers of some sort to come here without delay and without elaborate time-consuming preparation with view to assuring to rebels faithful execution by Greeks of their own adequate amnesty law under their own direction rather than with idea of instituting procedures or making foreigners instrument for actual execution of amnesty. Such group could receive complaints and make on-spot investigation. Knowledge that such impartial inquiries would be undertaken would put local Greek enforcing officials on their good behavior and should carry conviction to men in mountains. The "symbolic" effect of such a guarantee would seem to promise maximum value only if offered before this amnesty has an opportunity to go the way of all others.

KEELEY

868.00/9–1747

Memorandum of Meeting With State Department Representatives on the Greek Situation, September 17, 1947 [1]

TOP SECRET

Present: Mr. Loy Henderson, State Department, Mr. Walter Wilds,[2] State Department, Major General S. J. Chamberlin, Major General Lauris Norstad, and Brigadier General C. V. R. Schuyler

1. The meeting was arranged by Mr. Loy Henderson and General Norstad primarily for the purpose of reviewing those aspects of the current situation in Greece which would be of interest to General Chamberlin, who, at the request of the State Department, is leaving

[1] Drafted by General Schuyler, attached to the Plans and Operations Division of the War Department; copy transmitted informally to Mr. Henderson.

[2] Walter Wilds, Deputy Coordinator for Aid to Greece and Turkey.

shortly as a special representative of the Chief of Staff to survey the military situation in Greece.[3]

2. It was agreed at the outset that, in view of the information appearing in Governor Griswold's radio to the State Dept, 15 September (CM–IN 2797 [4]), there are certain actions which should be decided upon at once without awaiting the results of Gen Chamberlin's investigations. These actions, as agreed upon by those present, were as follows:

a. State indicated approval of Governor Griswold's recommendation that the present over-strength authorization of 20,000 for the Greek army, due to expire on 30 September, should be continued for the next three months. War concurred with the understanding that the estimated funds involved (approximately three million) will be provided by transfer from economic to military allocations within the Greek aid program. Additional funds on the same comparative scale will be earmarked for transfer in expectation of further continuance of this over-strength throughout the remainder of the period covered by the present day program. State will notify Governor Griswold accordingly.

b. State indicated approval of Governor Griswold's recommendation that the Greek army be authorized an immediate increase of 10,000 over and above their present strength. War concurred, it being understood that the necessary cost (six million) will be defrayed by transfers of funds as in *a*, above. State will advise Governor Griswold.

c. The question of an additional 25,000 rifles, with ammunition therefor, as a possible reserve for future use in Greece was discussed. It was agreed that such a reserve, *in addition* to the 10,000 rifles recently procured and now en route from England, was desirable for possible future use either in arming peasants or to take care of further possible Greek army increases which might be necessitated by future guerrilla successes. The War Dept (P&O) will investigate the availability of these additional rifles either from British sources or from our own stocks, and will inform State as to the relative costs and other factors which should be considered. Upon receipt of this information, State will recommend procurement as may be practicable on the basis of funds available.

d. The War Dept will take steps at once to earmark four officers, suitably qualified in staff planning matters, in anticipation of a probable recommendation from General Chamberlin that such a group will be required to permit U.S. agencies to take more effective part in advising Greek military authorities on military subjects.

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[3] In telegram 1565, September 19, the Department informed the Embassy in Athens that Maj. Gen. Stephen J. Chamberlin would arrive there about September 26 to "survey broad strategic and operational factors of present military situation, including matters presented in Amag 222" and to consult with American, British and Greek leaders. The Department expressed its desire to defer determinations on Amag 222 not already approved in Gama 209 until the results of the General's visit became available (868.00/9–1647). For Amag 222, dated September 15, see p. 337; regarding Gama 209, dated September 17, see footnote 5, p. 340.

[4] Presumably Amag 222.

3. It was further agreed that certain problems, although recognized as pressing, would require investigation by Gen Chamberlin in Greece before appropriate solutions could be arrived at. These problems, to which Gen Chamberlin will give particular attention, are:

a. The desirability of arming villagers in those areas cleared of bandits by the advancing Greek army.

b. The necessity for issuance of a new directive to Gen Livesay and possible reorganization of his staff to permit him to operate more effectively as an advisor to the Greek army on military matters and to coordinate his operations with the Ambassador.

c. The desirability of sending to Greece at an early date a group of from 50 to 150 specially qualified officers who could act as "observers" in various Greek army units during their actual field operations. The War Dept (P&O) will begin at once to earmark suitable officers for this task. Their actual dispatch to Greece will await recommendations from Gen Chamberlin concerning their status, i.e., whether they should be additional attachés, training officers under Gen Livesay, or in some other capacity.

4. It was also agreed that Gen Chamberlin, in his report, should feel free to offer comments and recommendations on all matters connected with our national objectives in Greece, and that although he should recognize the present limitations imposed by circumstances, any suggestions he might have for broad changes in our approach to the Greek problem will be welcome. It was suggested that his recommendations be sufficiently viable so that they would prove workable under any set of conditions foreseeable in the near future.[5]

C[ORTLANDT] V[AN] R. S[CHUYLER]

[5] For views expressed at this meeting by Mr. Wilds, see footnote 1, p. 367.

501.BC Greece/9–1947 : Telegram

The Acting Secretary of State to the Embassy in Greece

SECRET WASHINGTON, September 19, 1947—8 p. m.

US URGENT NIACT

1564. We agree that if competent neutrals can be found international supervision of amnesty would be desirable, particularly in view of Greek Govt's announcements in this regard. We further feel that it would be preferable for supervision to begin as soon as can be arranged.

Neither AMAG nor Brit Military Mission would be proper agencies for such supervision. Swiss or possibly New Zealand seem to be acceptable for this purpose, although Dept believes Swiss would decline for political reasons and New Zealand because of lack of suitable per-

sonnel. As for Sweden, the Greek Govt might consider that the Swedes have on occasion proved susceptible to Soviet pressure. We feel that a request to the International Court would be undesirable for the same reasons which have made a solution in the SC impossible. The Greek Govt may find Canada or certain of the Latin American nations satisfactory. Should the Greek Govt request our help in selecting a competent neutral, we shall render such assistance as we can.[1]

LOVETT

[1] Chargé Keeley advised, in telegram 1644, September 23, from Athens, that in view of the Prime Minister's attitude, the delays inherent in organizing an international group and the limited duration of the amnesty, there was little likelihood that international supervision could be effected (868.00/9–2347).

868.00/9–2147 : Telegram

Governor Dwight P. Griswold to the Secretary of State

SECRET ATHENS, September 21, 1947—6 p. m.

Amag 256. To Wilds from Griswold. Re Gama 209.[1] Called September 18 on Sophoulis and Tsaldaris with Keeley, Livesay, Cochran and Moffat[2] and outlined major military principles of concern US; necessity offensive spirit in army, maximum authority top command and no changes for political reasons, elimination any political pressure on army plans or disposition troops and entire Cabinet to stand between army and influences which might lessen vigorous offensive campaign. Sophoulis assured us these principles held by entire Cabinet. He blamed General Staff for lack of army offensive spirit, denied it subject political pressure and twice asserted that on contrary General Staff had interfered in political matters, but added no changes high command would be made without prior consultation Livesay and Rawlins. I then outlined approved increases military aid.

Sophoulis and Tsaldaris stated Cabinet favored organization national guard 50,000 to guard villages and release army for offensive proposing disband May and Mad[3] and also 12,000 *gendarmerie* and General Staff would be directed make planning studies. Would want American aid for equipment and uniforms but no rations. I commented we would examine sympathetically any requests but candidly felt because of expense US would not approve further military aid beyond increases just approved. We suggested General Staff survey

[1] Dated September 17, not printed, but see footnote 5, p. 367.

[2] Abbott Low Moffat, special assistant to Governor Griswold.

[3] Two types of semi-military organizations organized by the Greek Army. "May" units assisted army units in the static role of defense of inhabited localities; "Mad" units assisted the army in operations in specific areas, including tasks of actual combat, guides, mule leaders and protectors of lines of communication (868.00/10–2047).

available equipment including 10,000 rifles arriving early October and equipment of units they contemplated disbanding and study possible organization national guard of size commensurate availabilities. View adverse affect Greek morale and benefit guerillas urged they avoid requesting military aid which US might be compelled refuse.

All concurred publicity new increased aid should be issued by Greek Govt, should not give details in order not inform guerillas, and should be jointly approved. At their request submitted September 20 written memo and suggested draft release. Copies being air pouched.

GRISWOLD

868.00/9–2447 : Telegram

The Acting Secretary of State to the Embassy in Greece

SECRET WASHINGTON, September 24, 1947—7 p. m.

Gama No. 228. For Emb and AMAG. Brit Emb Wash has requested Dept's comments[1] re proposed joint directive to Brit and US military authorities Greece to supplement agreement reported to be currently under negotiation in Athens between AMAG and Brit Military Mission covering their cooperation in Greek military affairs and their relations to Greek Govt. Understand similar request has been made by Brit of Emb Athens and AMAG. Copy of proposed agreement or info relating thereto not available in Wash. Please advise Dept this connection and forward copy any such agreement which may be under consideration.[2] Also would appreciate Emb's and AMAG's comments re proposed joint directive. Meanwhile Dept is withholding reply to Brit Emb Wash.

LOVETT

[1] In letter 81/—/47, September 20, from the First Secretary of the British Embassy (Maclean) to Mr. Jernegan (867.20 Mission/9–2047).

[2] Governor Griswold, on October 1, forwarded to the Secretary of State copies of two British papers, one the "Plan for Coordinated Operation" of USAGG with the British Military Mission in Greece, the other dealing with the status and functions of the British group after the arrival of USAGG in June 1947 (868.00/10–147).

501.BC Greece/9–2547 : Telegram

The Acting Secretary of State to the Embassy in Greece

SECRET WASHINGTON, September 25, 1947—7 p. m.

US URGENT NIACT

1596. We are considering recommending to Tsaldaris immediate selection and despatch of small neutral group to observe amnesty for following reasons:

a. To increase actual effectiveness of amnesty thereby reducing guerrilla strength.

b. Tsaldaris in May and Sophoulis in September announced intention to invite foreign observers. Elements unfriendly to Greece in the UN and in Greece itself will seek to exploit failure to act in accordance with previous declarations.

c. Question of amnesty likely to be raised in GA either by those seeking to embarrass Greece or those genuinely seeking to be helpful. Presence on the spot of foreign observers would strengthen Greek position before world public opinion and might discourage a movement for GA consideration of problem. Otherwise, although many members of UN consider amnesty a purely internal matter, the Greeks would be almost obliged to invite UN supervision and incur the disadvantages of possible Russian participation if the question is raised.

In our view Greeks should make no statement in GA re amnesty unless question is raised by other states. In latter case Greeks would describe steps already taken and indicate willingness to consider any suggestion on amnesty that GA or proposed Special Committee might advance. With foreign observers actually on the ground it is less likely that the GA would consider it necessary either to act itself or to transfer this function involving essentially an internal matter to the Special Committee.

To be effective within Greece and before world opinion Greek Govt must act promptly and be prepared extend the amnesty period during the second month which the law provides. One possible plan would involve a small group (10–20) headed by a prominent national of the country providing observers. Upon arrival the observer group, or groups if subdivided, could announce an itinerary, i.e., Yannina, Florina, Serres, etc. etc. and dates of arrival for the purpose of accepting surrenders and hearing complaints of breaches of amnesty guarantees. Acceptance of surrenders would be *pro forma*, involving a record of names and other vital information and the immediate transfer of those surrendering to Greek authorities for disposition. We believe that permitting actual surrender to foreign observers would create tangible evidence of Govt's good faith.

Suggest you obtain reactions of Sophoulis to our views and inform us soonest. Tsaldaris has not come to Washington and we shall defer approach to him pending your reply.

Repeated to USUN, New York as 427.

LOVETT

867.20/9–2947

Memorandum of Conversation, by the Assistant Chief of the Division of Near Eastern Affairs (Jernegan)

TOP SECRET [WASHINGTON,] September 29, 1947.

Participants: Donald Maclean, First Secretary, British Embassy
Mr. Jernegan (GTI)

Mr. Maclean called at his request to discuss the Turkish Government's query regarding the advisability of reducing the size of the Turkish Army from 485,000 men to about 330,000 men. He handed me the attached copy of an *aide-mémoire*, which he said had been delivered informally to General Schuyler of the Plans and Operations Division of the Army Department by Brigadier Price, Secretary of the British Joint Staff Mission, on September 27. Mr. Maclean said that the *aide-mémoire* was, strictly speaking, a communication from the British military authorities to the American but that it embodied substantially the views of the Foreign Office as previously communicated to the British Embassy here. Consequently, he thought it could be regarded as representing the joint views of the British civil and military branches. General Morgan, Chief of the British Joint Staff Mission, was going to see General Collins, Deputy to General Eisenhower, to discuss the *aide-mémoire*.

I gave Mr. Maclean a paraphrase of the draft telegram prepared in GTI, explaining that we were still in process of getting clearance on this and that it must be regarded simply as an indication of the Department's thinking on a working level. I said it would still have to be cleared by the higher officers of the Department and by the Department of the Army.

I pointed out that the reasoning and views set forth in the British *aide-mémoire* and our own preliminary draft were substantially identical. The only difference of any importance seemed to be that the British Government wished to give the Turks positive advice to the effect that they should effect the proposed reduction in their army, whereas we wished merely to give the Turks our estimate of the situation without calling it advice in so many words, and leave it to the Turkish Government to make up its mind. Mr. Maclean agreed and felt that even this difference was more apparent than real. He said he would inform London of our views as expressed in the draft, making it clear that this was not yet a final decision by the Department.

Mr. Maclean agreed to my suggestion that we should continue the process of clearing our draft within the Department and with the Department of the Army. If any substantial changes were made or if it were approved substantially as it now stands, we would inform the British Embassy.

[Annex]

The British Embassy to the Department of State[2]

TOP SECRET

AIDE-MÉMOIRE

The Turkish Government are seeking British and American advice on whether or not to replace the 150,000 men of their 1925 class who are due to be demobilised in November this year. The Turks are deferring this decision, which is urgently needed, in the hope of receiving prompt and definite advice and they will be most discouraged if this is not forthcoming.

2. The Foreign Office has agreed with the State Department that this question should now be discussed informally between the military advisers of our two Governments, after which the political/economic aspects will be considered.

3. From the British point of view the following arguments are considered to be conclusive in favour of advising the Turks to reduce their forces by not calling up the new class:

(*a*) Short of war, the Soviet leaders probably appreciate that a most effective means of exerting pressure on Turkey is by the promotion of economic difficulties within the country. It is, therefore, in the Soviet Union's interest to force the economic burden of sustained mobilisation on Turkey, and to continue the nerve war which results in Turkey keeping forces in readiness;

(*b*) Russian pressure upon Turkey has been, and will continue to be, conditioned by their estimate of the probable action of other powers, and not by the size of Turkey's armed forces. It follows that Russian intentions towards Turkey will not be affected by a reduction in the strength of the Turkish armed forces, provided the present British and American policy is maintained. Moreover, there have been continuous and progressive reductions in the Russian Forces in the Balkans and this process will presumably be accelerated as a result of ratification of the peace treaties.

4. It has been suggested that such a reduction would have an adverse effect on Greek morale. It is our opinion that this effect will be negligible if linked to the promised American aid and announced as a measure designed to increase the efficiency of the Turkish Army. It has also been suggested that the reduction might encourage bandit activities in Greece and present an opportunity for starting them in Turkey. The assistance afforded by the Balkan satellites to bandits in Greece is conditioned by political considerations and is unlikely to be affected by the strength of the Turkish forces. The Balkan satellites have no objectives in Turkish Thrace which should cause them to start trouble there.

[2] Marginal notation by Mr. Jernegan: "Original of this *aide-mémoire* was left with General Schuyler, P & O, Army Dept. on Sept. 27, 1947 by Brigadier Price of British Joint Staff Mission."

5. We have therefore reached the conclusion that the Turkish forces can now be justifiably reduced and at the same time reorganised. It is hoped that the United States, who have now taken over the primary responsibility for assistance to Turkey, will agree that the advice given by both countries in reply to the Turkish enquiry should be to reduce their forces by not replacing the 1925 class.

867.20/9–2947 : Telegram

The Chargé in Turkey (Bursley) to the Secretary of State

TOP SECRET
PRIORITY

ANKARA, September 29, 1947—6 p. m.

751. When I called on Foreign Minister this morning his request he made following statement:

Turkish Government has decided demobilize (reEmbtel 655, August 17 and Deptel 503, August 23) one existing class for budgetary reasons. This demobilization will begin soon. 1948 revenue under most optimistic and "forced" estimate are 1,200,000,000 liras approximately. Minister National Defense asks enormous sum. Even sacrificing greatest part of constructive work desired by other Ministries including Public Works and Hygiene, there is available for national defense in 1948 budget only 380,000,000 liras which is already about one-third of budget. No other state spends so high a percentage. This is not all. Even with demobilizing one class, to be able to support remaining armed forces, the Government must furnish later in 1948 for national defense in addition to the 380,000,000 the sum of 140 to 150,000,000 liras. (For domestic psychological reasons this need for 140 to 150,000,000 not to be announced at this time. For this additional amount new or increased taxes yet to be determined will be needed.[)]

The Turks anticipate a new war of nerves with Soviet object forcing more expenditure (Moscow's 2699 to Department, August 25 [1]) when the Soviets learn of this demobilization as they will although it is not to be announced.

It is expected that the greatly appreciated American supplies will not arrive in Turkey within less than 4 or 5 months and it is believed that training of Turks in use will require several months more. It will

[1] Not printed; it stated in part, in reply to telegram 1638, p. 309: "However, we believe Soviet course of action with regard to Turkey, Greece and Iran will be determined primarily by other factors than standing strength Turkish army, such as vigor and strength US position in support those countries. Persistent Soviet war of nerves against Turkey clearly indicates Kremlin is not unaware effect heavy strain placed on Turkish economy by maintenance of armed forces in heavily mobilized condition. Consequently Embassy believes limited demobilization Turkish army will not materially affect Soviet attitude or course of action in this area, especially if accompanied by official statements reiterating Turkey's determination to defend its sovereignty and integrity and pointing out that demobilization will in fact strengthen Turkey's basic capacity to resist aggression by releasing manpower and funds for economic reconstruction." (740.0011 EW (Peace)/8–2547)

take at least from 9 to 12 months from now to have a motorized force with bridges etc., in shape.

In view of foregoing Turkish Government wishes make most friendly request of American Government to come to aid of Turkey financially in order that there may not be created an economic and financial crisis in Turkey which would cause public discontent. The form of the requested aid can be taken up later. It is desired now to make an immediate request of the Department as to whether US can aid Turkey financially.

The amount involved will not exceed $100,000,000, part of which may perhaps go to nonmilitary purposes. Turkey will keep going but to avoid a very serious situation this financial aid is needed said Minister.

When I pointed out to Foreign Minister that it was not clear to me from foregoing which class or classes would be released, whether the 1928 class would be called up, and what would be strength of forces, he said that he himself was not fully familiar with this aspect; he begged that I get to Department and Ambassador Wilson immediately the information regarding deplorable budgetary situation and the question of whether in principle US Government could extend this financial aid for one year.

I said that we would very likely be asked for this military information and he said that if this requested he would be glad to obtain it. He said that since Chief Turkish General Staff would soon be in Washington military information could be obtained from him.

From what Foreign Minister said it seems Chief General Staff may be unaware this appeal for financial aid made, at any rate Chief Staff has not discussed this new decision with either service Attaché.

Military Attaché and Naval Attaché request this be passed urgently to Army and Navy Departments.

Sent Department 751; repeated Bern as 5 for Ambassador Wilson.

BURSLEY

760H.68/9–3047

Memorandum by the Director of the Office of Near Eastern and African Affairs (Henderson) to the Secretary of State

CONFIDENTIAL [WASHINGTON,] September 30, 1947.

Problem: To determine what position the Department should take with respect to the invitation issued on September 27 by the Yugoslav Ambassador to former Secretary Byrnes and five other prominent American citizens to visit Yugoslavia to investigate the difficulties between Greece and Yugoslavia.

Facts and Discussion: The invitation asserts that there is a misunderstanding in the United States regarding Yugoslav policy to-

wards Greece and asks that the six persons in question come to Yugoslavia as guests of the Yugoslav Government. Those invited are: Mr. Byrnes, Mr. Harold Stassen, Dr. Harry Emerson Fosdick, Mr. Hanson W. Baldwin, Mr. Henry Morgenthau, Jr., and Mr. John Gunther. Dr. Fosdick has stated that he would be unable to make the trip, and Mr. Byrnes has declined on the ground that the question is not one to be determined by a group of private citizens. Mr. Byrnes is quoted as saying that his participation might prejudice action by the United Nations. Mr. Stassen has announced that he would consult the Secretary and Senator Vandenberg before replying to the invitation. The other persons invited have as yet made no public statement.

It is apparent that the invitation is intended as a propaganda maneuver designed to demonstrate that the assertions of the United Nations Commission and the United States Government regarding Yugoslav aid to Greek guerrillas are without factual basis. If the group in question, or any of its members, should accept, they would unquestionably be taken on a carefully conducted tour arranged in such a way that there would be virtually no opportunity for them to observe improper Yugoslav activities. On their return, whatever their suspicions, they would probably be forced to admit that they had found no direct evidence supporting the charges against Yugoslavia. On the other hand, if they all decline, the Yugoslav Government will undoubtedly assert that this is proof of prejudice existing in the U.S. and will claim that its gesture demonstrated its own desire for full investigation of the true facts.

Conclusions: No useful purpose would be served by a visit to Yugoslavia of a small private group traveling under the direct auspices of the Yugoslav Government. However, the Department should not openly oppose such a visit, since an obstructive position would lay us open to the charge that we are afraid to have the real facts made known. It would further be undesirable for all six to refuse the invitation simply on the ground that they were otherwise occupied.

Recommendations: It is recommended that if any of the six members consult the Secretary or the Department regarding the attitude they should take, they should be told that the Department doubts that any advantage would be gained by the proposed tour and that, as Mr. Byrnes has already stated, we felt the matter is not one for investigation or determination by a group of private citizens, or even officials, of any one country. In our view the problem of Greek-Yugoslav relations is one of international concern and should be dealt with only on an international, multilateral basis. We consider that this is especially true in view of the fact that this problem has already been thoroughly investigated by an agency of the United Nations and that it is now being actively considered in the General

Assembly of the United Nations. While the U.S. Government would not wish to prevent any responsible individual from making such investigations as he might be able to do, we would regret any action which would seem to imply that the matter was not being adequately handled by the United Nations or that the United States, more than any other member of the UN, had a special concern or interest in the problem.[1]

[1] Approved by Mr. Lovett in a marginal notation.

868.00/9–3047 : Telegram

Governor Dwight P. Griswold to the Secretary of State

SECRET ATHENS, September 30, 1947—7 p. m.

Amag 293. To Wilds from Griswold. September 27 McGhee and I lunched Sophoulis home. Good relations established. September 29 held long conference with Sophoulis. Stressed importance mutual frankness and cooperation. Stated my belief that it of "utmost importance to Greece" he continue as Prime Minister and "in all sincerity I believe it would be catastrophe for Greece and also for Mission if your Government should fall".

Referring national guard (Amag 277, September 26) stated we were seeking method assist its organization but desired bring relevant facts his attention. Clay[1] outlined critical economic situation with country teetering edge wild inflation and absolute necessity that budget be balanced and that any increased military personnel or activities including national guard must be accomplished by transfers within balanced budget. Patterson underscored Clay's analysis.

As facts and figures presented Sophoulis increasingly impressed and appreciative remarking that his ministers had not informed him seriousness situation. He finally admitted that inflation problem and bandit problem of equal importance but remarked his personal belief essential defeat bandits immediately else Markos would be in Athens within three or four months. For this reason he considered national guard essential. He was clearly concerned at report on economic conditions and I requested further meeting with him and appropriate ministers after they had opportunity study situation.

I then suggested they consider possibility of transferring American aid promised for permanent ten thousand army increase to temporary national guard ten thousand cancelling permanent army increase because latter could not be inducted before December. I suggested also possibility that as May and Mad disbanded and *gendarmerie* reduced

[1] Eugene H. Clay, economic adviser to Governor Griswold.

equipment and funds could be transferred to permit later enlargement national guard. Sophoulis immediately accepted suggestion.

Sophoulis also supported tentative drastic budget cuts outlined by Clay. These and my suggestion regarding transfer American army [*aid*] to national guard will be subject conference October 1.

Livesay then gave brief encouraging report bandit situation B corps area based his recent trip north. Bandits not dispersing when attacked as heretofore. Therefore easier target for army. He suggested reason for new tactics might be increased danger impressed recruits slipping off to take advantage amnesty.

GRISWOLD

868.20/10–147 : Telegram

The Chargé in Greece (Keeley) to the Secretary of State

SECRET ATHENS, October 1, 1947—8 p. m.

1688. Under Secretary to Prime Minister called September 30 at direction of Prime Minister to ask Embassy to send following message:

"The Prime Minister would be grateful if the Embassy would transmit to the US Government his urgent request that General Livesay be given broader authority so as to be able to advise the Prime Minister and the Greek Government on all phases of military matters. This request is made because the Prime Minister has been impressed by the impartiality and sound judgment of General Livesay in matters of supply and logistics to which his advice is now limited by his present instructions."

I understand from Under Secretary that this conclusion was reached by Prime Minister through same chain of reasoning but wholly independently of recommendation made by Governor Griswold in paragraph 5 of Amag 222, of September 15.

Governor Griswold still believes, as indicated in Amag 222, it highly desirable that General Livesay be given promptly maximum authority permitted by law under which Amag is operating, so as to enable him to offer such advice as he may feel competent to give and as may be called for by developing situation.

Ambassador concurs in foregoing but with respect to question of increasing military establishment here for purpose of giving operational advice to units of Greek Army on more extensive scale, believes decision should be postponed until completion of General Chamberlin's studies.

General Chamberlin telegraphing his views separately to War Department.

KEELEY

867.20/10–247 : Telegram

The Ambassador to Turkey (Wilson) to the Secretary of State

TOP SECRET BERN, October 2, 1947—7 p. m.

973. From Wilson. Ankara's 751, September 29 to Department. I submit following for Department's consideration in formulating reply to Turk Foreign Minister's request for financial assistance.

1. We are disturbed over this information that notwithstanding decision to release one class thereby reducing army expenditure by 150 million liras Turk Government believes necessary request $100 million financial assistance to cover contemplated budget deficit caused mainly by national defense expenditures. When Foreign Minister Hasan Saka raised with us question of size Turk armed forces (mytel August 17) it appeared that serious budget problem would arise only if decision were made to maintain armed forces at present strength thereby requiring 150 million liras additional for national defense. Now that Turk Government has decided reduce armed forces by about one-third it is difficult to understand why 140 to 150 million liras additional will nevertheless be required for national defense. We note Foreign Minister told Bursley that Ministry National Defense asking "enormous sum". We would be interested in knowing details such request if Turk Government should think desirable furnish them to us. It has been our opinion based on information heretofore available to us that if Turk Government decided to save 150 million liras by releasing one class, this saving together with American military aid supplies in amount of $100 million should enable Turkish Govt reduce its national defense budget in 1948.

2. As Turkish Govt knows US Govt maintains deep and most friendly interest in Turkey's problems and wishes to be of all possible and appropriate assistance to Turkey. Turkish Govt, however as member of Paris Committee of European Economic Cooperation will be aware of enormous financial demands being made on US to finance Europe's economic reconstruction. Paris committee's report [1] assumes high degree of self-help on part participating countries and US is confident that Turkey will wish to do its full part and will in particular, in order to maintain its own internal financial stability scrutinize carefully its budget appropriations in order to insure that only most necessary expenditures are approved. We are confident that Turkish Govt on reconsideration and with knowledge of extent demands on US financial resources to assist war-ravaged European countries to economic reconstruction will not expect US to give

[1] For the *General Report* of the Committee of European Economic Cooperation, released at Paris on September 21, 1947, see Department of State Publication 2930.

financial assistance to Turkey to cover budget deficit. US would, however, be glad to assist Turkey in studying Turkey's budget problems and making suggestions, and US Govt would therefore be prepared send expert mission to Turkey for this purpose if Turkish Govt so desires (I hope we will be in position to offer this).

3. It is noted that part of $100 million requested might go for non-military purposes. In this connection US Government advised Turk Government over year ago that United States Government would be unable to extend credits for economic development to Turkey beyond the $25 million credit opened by Export-Import Bank, and that Turkey should present its request for economic credits to new International Bank. We understood some months ago that Turkish Govt had decided act on this advice and was preparing its case for presentation to International Bank. We should appreciate advice re status this. (For Dept's information I have urged Prime Minister and Foreign Minister frequently in past weeks to expedite action before International Bank in order take advantage favorable atmosphere re Turkey).

4. We continue to believe that with United States aid program for Turkey which will relieve Turk budget of necessity paying for needed military equipment, and with assistance from International Bank for sound economic developments projects, Turkey should be able to maintain security of country without adding to economic burden, while at same time making healthy progress in development of country's natural resources.

As Turk budget is now actively under preparation and must be submitted to Assembly before latter convenes November first I believe we should lose no time in transmitting reply to Turk Government and dispelling any illusion if such exists that United States may be expected to finance budget deficit. If Turk budget situation has suddenly deteriorated in unexpected and alarming manner (which I find hard to believe), then Turks should develop facts in detail in order to convince us of need for assistance.[2]

Sent Department 973; repeated Ankara as 5.

[WILSON]

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[2] In telegram 574, October 8, 6 p. m., to Ankara, the Department expressed its full agreement with the views of Ambassador Wilson as set forth in telegram 973, except for the sending of a mission to Ankara at this time suggested in paragraph 2 of his message. The Department's disagreement was based on the practical difficulties of assembling such a mission. Otherwise the Embassy in Ankara was authorized to communicate the substance of the Ambassador's message to the Turkish Government (867.20/9–2947).

Editorial Note

Loy W. Henderson, on October 4, addressed the Wellesley Club in Washington, D.C., on "American Aid to Greece—A Step toward Lasting Peace"; for the text of his address, see Department of State *Bulletin*, October 19, 1947, page 772.

868.00/10–447 : Telegram

The Acting Secretary of State to the Embassy in Greece

CONFIDENTIAL WASHINGTON, October 4, 1947—4 p. m.

1636. In conversation with Henderson Oct 2 Tsaldaris expressed reluctance to take immediate steps for foreign supervision of amnesty because of various difficulties and possible complications which he foresaw. Said he had sent telegram to Sophoulis expressing same view. Pursuant Tsaldaris request for further statement of Dept's attitude, we have today advised Greek Embassy substantially as follows:

We have believed international supervision of Greek amnesty would be desirable, particularly in view of fact that Greek Govt has publicly stated its intention invite international supervision and because of widespread feeling that such supervision might encourage more guerrillas to surrender. We have, therefore, suggested various methods by which such international supervision or observation might be obtained.

We now understand, however, that Greek Govt has doubts practicability and wisdom of endeavoring to introduce international supervision of amnesty at moment. We understand some of those doubts arise from concern lest raising of question of international supervision might tend to confuse deliberations of General Assembly with regard to sending of General Assembly Commission to Greece. Question of inviting international supervision or observation of amnesty is obviously matter which Greek Govt must decide for itself. We therefore do not wish to urge this measure if Greek Govt is convinced it would be wiser not to take it at this time.

In line with this you should not press matter with Greek Govt.

LOVETT

867.00/10–847

The Acting Secretary of State to the Secretary of the Army (Royall)

WASHINGTON, October 8, 1947.

MY DEAR MR. SECRETARY: In response to a request contained in a letter from Major General George J. Richards to Mr. Peurifoy, As-

sistant Secretary of State, dated September 16, 1947,[1] the State Department has instructed the Treasury Department to arrange for the transfer of $45,420,000 to the Department of the Army from the Greek-Turkish Aid Appropriation. This sum is for the purpose of furnishing assistance to Turkey under the Greek-Turkish Aid Act of May 22, 1947. The State Department has also advised General Richards that the above sum of $45,420,000 is to be held in reserve by his office for the Army program (including the highway and arsenal improvement programs) and the Air Force program and allotted for commitment and expenditure only in accordance with subsequent letters from the Department of State approving the release of the funds for specific purposes.

A copy of the relevant letter to General Richards from Mr. Peurifoy, dated September 30, 1947, is enclosed for your information.[1]

You will note that the arrangement with General Richards makes possible the release of funds for necessary immediate procurement under the Turkish Aid Program upon the basis of approval by the Department of State of segments of the several component programs. This will avoid any hindrance to the progress of this work which might arise from a delay in the submission to and approval by the Department of State of the firm and comprehensive program recommendations called for by the Memorandum of Understanding[2] between our two Departments in regard to the Turkish Aid Program and by the letter of August 22, 1947 from the [Acting] Secretary of State to the Secretary of War according general approval to the one year aid programs recommended in the July 15 Report to the Secretary of State by the American Ambassador to Turkey.

While the State Department is prepared to expedite portions of the program by releasing funds in the manner outlined in the letter to General Richards, it does not expect that more than a temporary and minimum use of this device will be made. It is assumed that the Department of the Army will within a very short time submit its recommended revised program for State Department over-all consideration and approval. Such approval will make possible the allocation of funds to cover the entire approved Army programs and avoid piecemeal consideration of program segments. This will be in accord with the request contained in the [Acting] Secretary of State's letter of August 22, 1947, referred to above, and with the intention

[1] Not printed.

[2] Not printed; a copy is attached to Acting Secretary Lovett's letter of August 19 to Secretary of War Royall, not printed.

expressed in the War Department's letter dated August 29, 1947, from Lieutenant General LeR. Lutes to Mr. George C. McGhee.[3]

Sincerely yours, ROBERT A. LOVETT

[3] Not printed. In a letter of October 16, Charles M. Hulten, Deputy Assistant Secretary of State for Administration, advised General Richards that "in view of subsequent discussions with officers of the Departments of the Army and Air Force, the State Department has, except with respect to the Highway Improvement Program, approved the portion of the aid program upon which your request of September 16, 1947 for the transfer of the above mentioned $45,420,000 was based. In pursuance of the letter of September 30, you are, therefore, authorized to allot amounts from the $45,420,000 for expenditure in accordance with your request of September 16, 1947." (867.00/10–1647)

868.00/10–947 : Telegram

Governor Dwight P. Griswold to the Secretary of State

TOP SECRET ATHENS, October 9, 1947—7 a. m.

Amag 334. Following is my considered judgment on question sending US Army officers Greece soonest to furnish operational advice Greek Army as recommended Amag 222:[1]

1. Best assurance maintenance international peace this area is prompt defeat Greek bandits, reestablishment internal security, prevention economic collapse and concentrated effort rehabilitate Greece. Despite assistance, arms and asylum by northern neighbors bandits still entirely Greek and bandit warfare still domestic problem. Continuance bandit pressure and success however increases danger international complications such as overt support proposed "independent" Macedonia or Bulgarian seizure Thrace. Defeat of bandits will terminate international danger unless Soviet determined on aggressive policy any event.

2. Satisfied Greek Army capable defeating bandits but US operational advice essential expedite offensive and secure speedy termination bandit activity. Each day's delay prolongs danger and jeopardizes result.

3. I am convinced all phases of military and economic assistance to Greece must be coordinated under single head and spokesman as contemplated by Congress in enacting Greek aid bill.

Defeat of Communism not solely a question of military action as demonstrated Germany, France and elsewhere. In Greece military and economic fronts are of equal importance. Failure on either front will result Communism. Essential to success Truman Doctrine that American military and economic aid continue to be fully coordinated

[1] Dated September 15, p. 337.

as at present even if, as urged, present scope military aid extended to include operational advice. Strength present procedure illustrated recent and succeeding conferences with Sophoulis (Amag 293 [2]) at which united military and economic approach presented by myself, Livesay and Clay on necessity balancing budget and meeting drachma expenses required for Army and national guard within balanced budget. Slight and unimportant differences viewpoints Ambassador and myself during recent Government crisis illustrate risks involved in divided and co-equal American authority foreign country even where fields of authority overlap only slightly. Dangers arising from lack of unified control would be multiplied many times if furnishing military operational advice were separated from furnishing military logistic advice. If this should be done I believe it would be necessary in order secure proper coordination to place both AMAG and agency furnishing operational advice directly under Ambassador who should then be given full responsibility and direction all American aid to Greece. American experience in Germany with McNarney–Clay setup [3] illustrated dangers from lack necessary coordination which can be achieved only through single head. With sovereign and independent Greek Government in picture difficulties experienced Germany would be intensified here, with persistent effort by Greeks to play military and economic missions against each other. British Ambassador has informed me of difficulties British experienced with five independent British missions Greece and admitted lack of single head important cause relative failure British. This confirmed by both British and US members Currency Committee.

4. What has been proposed is furnishing operational advice only. This falls directly within Greece-Turkey aid statute which authorizes use military advisers to assist Greek Army without restriction as to type of advice and provides single chief to administer entire program. I am familiar Secretary Patterson's statements before Congressional committee that military advisory functions would be limited to matters of supply and that he believed number US officers involved would not exceed forty. I believe Department would have little difficulty, however, convincing Congressional leaders of necessity expanding scope activities to maximum within statutory authority in light developing situation and its increasing seriousness (bandits now estimated 18,400. Compare Amag 222). Republican and Democratic Congressmen visiting Greece have all agreed necessity such operational advice and many took for granted AMAG already properly furnishing such advice.

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[2] Dated September 30, p. 355.

[3] Gen. Joseph T. McNarney was Commander in Chief of United States Forces in Europe and United States Military Governor for Germany, and Lt. Gen. Lucius D. Clay was Deputy Military Governor for Germany, both officers holding these positions until March 1947.

5. Furnishing operational advice within framework American aid program logical and practical though not moral extension present aid in light conditions which have developed. Such extension would inject no new political element in domestic or international scene. Operational advisory work would be only one small, though temporarily very important, phase broad military and economic aid approved by Congress to implement Truman Doctrine for survival Greece as free and independent nation. Furnishing operational advice considered outside Greek aid program would be fraught with political dangers because such aid would then be considered as going beyond intention Greek aid statute and might reasonably be construed both at home and abroad as war-like gesture possibly preliminary combat operations. It might cause adverse effect our policies UN by giving appearance new unilateral US action and it would clearly give unnecessary handle for Soviet propaganda.

6. I am not asking and would oppose use of even single American officer or soldier against Greek bandits, certainly while warfare continues domestic problem. I urge only furnishing operational advice as logical development under present circumstances to furnishing supplies and logistic aid. Such advice would not and should not be prelude to or aspect of American combat. If US ever compelled resort combat in Greece all phases American military aid should be transferred from AMAG to War Department. Unless however, such situation develops I am convinced all phases of military and economic assistance should be handled under Greek aid statute. Living allowances additional officers required for operational advice can be absorbed through allocation to program expense of living allowances of Army supply and operational personnel directly engaged program work. Such allocation has precedent in Corps of Engineers and additional personnel proposed public health and agricultural programs.

7. After further study consider that suggestion included Amag 222 that operational advisors might be attached office MA provided actually under Livesay as head of USAGG, though perhaps feasible, would not prove satisfactory arrangement. For reasons set forth this telegram, convinced suggestion of separate military mission would be prime serious error.

8. Subject this telegram discussed with McGhee who wholeheartedly endorsed views expressed herein. General Livesay also in full accord. Telegram repeated to Ambassador and General Chamberlin. General preparing separate report to War Department (Embassy's telegram 1688, October 1). Ambassador in agreement majority my views but prefers defer comment on others until completion Chamberlin survey and return Washington.

GRISWOLD

Statement Released by the Department of State, October 10, 1947 [1]

The attention of the Department of State has been drawn to published rumors that the United States is sponsoring the merger of the Greek and Turkish General Staffs.

The Department categorically denies that there is any basis whatsoever for such rumors.

[1] Reprinted from Department of State *Bulletin*, October 19, 1947, p. 778.

867.20/10–447 : Telegram

The Acting Secretary of State to the Embassy in Turkey

TOP SECRET WASHINGTON, October 10, 1947—5 p. m.

582. From a review of Embtel 751, Sept 29, Wilson's Oct 2 from Bern and urtel 769, Oct 4,[1] Turk Govt's plans for demobilization still appear somewhat confused. It might assist them in reaching definite decision if you were to convey following message which has been cleared with appropriate officials Dept of Army. Communication should be personal and oral to either Sadak or Saka [2] (re latter's approach to Wilson Aug 16, Embtel 655).

1. Our estimate of international situation is that while it is obviously bad, there is no immediate danger of war. We do not believe USSR wants war. Soviet policy appears to be directed toward achievement of its aims through subversive activities of communist parties in various foreign countries and such other political, economic and psychological weapons as it finds available. First objective is obviously creation in strategic areas of state of chaos which Russians and their satellites can utilize to establish regimes subservient to them. So long as they find this policy promises results, and at least until they have made greater progress in their internal rehabilitation, we believe Russians will avoid armed clash.

2. We do not believe that partial demobilization of sort Turks are considering would have any material effect on Russian attitude or course of action in area. However, if Turks should decide to carry out demobilization plans, it would seem to us highly desirable that they be presented in such way as to make move appear part of reorganization of army having as one of its effects and advantages reduction in number of men under arms. It might be given out that because of receipt of new American equipment effective strength of army would actually be increased despite smaller size. It could be emphasized in addition that release of manpower for productive work and reduction of military expenses would build up economic strength of country, thus defeating hope of those who would like to see Turkey weakened

[1] Not printed.

[2] Hasan Saka had become Turkish Prime Minister the previous month, with Necmettin Sadak as Foreign Minister.

internally. Turks should of course be careful to prevent any impression that demobilization implied change in foreign policy or lessening of determination to maintain their sovereignty, independence and integrity.

Explain that foregoing is not intended as advice, since we consider Turks must make own decision, but is merely reflection our thinking which Turks may take into consideration or not as they choose.

For your background info Army considers that planned Turk reduction in force prior to time aid program becomes effective would definitely weaken Turk capacity to resist attack but concurs our feeling that attack unlikely and acknowledges that advantages of reducing military burden may outweigh purely military considerations.

Question has been actively discussed with Brit Emb here. London will instruct Kelly [3] to make separate approach to Turks expressing forthright view that balance of advantage on side of reduction. Not a joint Anglo-US approach.

Turk military situation has been reviewed by Gen Morgan of Brit Joint Staff Mission and high US Army officers.[4]

Sent Ankara 582; rptd Moscow as 1829, and London as 4379.

LOVETT

[3] Sir David V. Kelly, British Ambassador in Turkey.

[4] According to telegram 795, October 14, from Ankara, Chargé Bursley had that morning given the information contained in telegram 582 to the Turkish Foreign Minister. The latter said that the thinking of the Turkish Government was very much along the same lines (867.20/10–1447).

867.20/10–1047 : Telegram

The Chargé in Turkey (Bursley) to the Secretary of State

TOP SECRET ANKARA, October 10, 1947—5 p. m.

780. When in compliance instructions re credit request (Deptel 574, October 8 [1]) I informed Foreign Minister this morning our position, he was obviously disappointed and said so. He inquired regarding significance our desire for information on two points while we were taking negative position on request. He stated that when present session GNA closed, which he hoped would be October 13, further proposals might be worked out. I emphasized the very heavy demands on us for European reconstruction.

Minister said that he had not meant that part of new credit, if granted, might be used for non-military purposes but that credit might permit economic development outlays from budget adding that this discrepancy is not "essential". Whether or not I misunderstood, which I doubt, it seems to me to come to about same thing.

[1] Not printed; but see footnote 2, p. 358.

I am still unable understand Turks' position this matter. They continue vague on military aspects and have failed to present facts to substantiate a good case if they have one.[2]

To Department as 780; to Florence for Ambassador Wilson.

BURSLEY

[2] Telegram 793, October 15, 5 p. m., reported that on the morning of October 15, the Turkish Foreign Minister informed Chargé Bursley that his country had been unable to reduce military budgets to reasonable proportions. He stated also that, shortly before or after the return of Ambassador Wilson, he would provide detailed information on the points the United States had raised to convince the Department that the Turkish requests had not been made without full consideration (867.20/10–1547). According to telegram 812, October 22, on the evening of October 21, the Prime Minister informed the Chargé that the 1925 class would be released about November 20 and that the 1928 class would not be called up until about March (867.20/10–2247).

Editorial Note

Mr. Henderson met with Mr. Tsaldaris on October 15 at the latter's request for a private and informal conversation. Mr. Henderson then prepared four memoranda dealing with as many aspects of their conversation. The Greek Foreign Minister expressed concern lest the willingness of the American Delegation in New York to have the Greek resolution watered down indicated a weakening of American determination to support the integrity and independence of Greece. Mr. Henderson informed him that "he could rest assured that the determination of the American Government to support the independence and integrity of Greece had not weakened in the slightest. I had no reason to believe that the United States would falter in its determination to support Greek independence and integrity so long as the Government and people of Greece demonstrated a similar determination by taking all appropriate measures to strengthen Greek economy and to restore law and order." (501.BC Greece/10–1547)

Mr. Henderson informed Mr. Tsaldaris that no decision had yet been made with regard to establishing a Greek National Guard of 50,000 men (868.20/10–1547).

Mr. Tsaldaris stated he had reason to believe that within the next two weeks, Albania and Bulgaria would recognize the guerrillas in northern Greece as the Government of Greece, an action he interpreted as aggression. He expressed the hope that the United States Government would answer such an act of recognition by sending at least a token detachment of American troops to Greece. Mr. Henderson advised the Greek Foreign Minister that as far as he knew, "no American plan had been formulated to reply to recognition by the neighbors of Greece of the guerrillas as a government by sending American forces to Greece. I said that it seemed more likely that we would not

interpret the mere act of recognition as aggression unless that act should be accompanied by increased aid to the guerrillas. I was not in a position to say what we would do in case the neighbors of Greece should recognize the guerrillas and should at once begin to aid them openly on a large scale." (868.01/10–1547)

Lastly, Mr. Tsaldaris raised the question as to whether the United States Government had formulated a policy as to what it would do in case Greece's neighbors sent troops openly into Greece. He felt that Greece would be invaded unless continued pressure and infiltration would result in his Government's overthrow without an invasion, or unless the United States Government would make it absolutely clear to the Soviet Union that it was prepared under Article 51 of the United Nations Charter to defend Greece by force in case of armed invasion. Mr. Henderson made no reply. (868.00/10–1547)

868.00/10–1547

Memorandum of Conversation, by the Deputy Coordinator for Aid to Greece and Turkey (Wilds)

TOP SECRET [WASHINGTON,] October 15, 1947.

Saturday morning Mr. Lovett and I discussed further the Griswold proposals concerning our military role in Greece.[1]

(1) Griswold first proposes that we urge the British to provide planning and tactical advice. In the past they have refused and may again. If that is the case, Griswold believes the United States must provide it.

a. If the British do it, we have a draft agreement between U.S. Army Group and the British Military Mission covering the relations between them and the Greek Government.

b. If the United States agrees to offer operational advice, Griswold proposes that his instructions be modified for Livesay, and that we send 125 to 200 additional U.S. officers as a planning staff for Livesay and tactical observers with Greek forces.

(2) Griswold again urges that should the British withdraw their forces in Greece, U.S. troops replace them.

In reviewing these matters Mr. Lovett made the following comments:

[1] Mr. Wilds had prepared a briefing memorandum for Mr. Lovett on October 11 in which he noted that "The nettle in this problem is whether to give planning and operational advice to the Greek general staff and army." The memorandum also stated that at the meeting with military officials on September 17 (see p. 344), Mr. Wilds had "urged that if possible our decisions with respect to giving operational advice be taken in terms of a prior position on the larger issue of sending U.S. troops to Greece." (868.00/10–1147)

1. The United States Mission should not replace the British Military Mission.

2. United States combat forces cannot be sent to Greece under the existing law.

3. After McGhee and Chamberlin return, he asked me to have the Army formulate their proposals on questions 1) and 2) and put them up to the National Security Council. We should take no action until after the decisions have come over to us from the President and until after the final vote in the General Assembly on the Greek border question.

4. It is difficult to see a need for as many as 125 to 200 officers. Perhaps 25 or 30 could be quietly fed in to Livesay as observers.

WALTER WILDS

868.00/10–1547

Memorandum by the Director of the Office of Near Eastern and African Affairs (Henderson) to the Under Secretary of State (Lovett)

TOP SECRET [WASHINGTON,] October 15, 1947.

There appear to be three salient features of the attached monthly report from the Chief of the American Mission for Aid to Greece.[1] They are: (*a*) Governor Griswold states that his Mission is making progress, that it is receiving good cooperation from the Greek Government, and that it has reached the point at which it can begin to put its plans into operation; (*b*) Governor Griswold gives a summary of the recent cabinet crisis and his own active intervention; (*c*) the economic situation in Greece continues to be critical and the report clearly foreshadows the need for very substantial additional aid to be made available to Greece after the expiration of the present American aid program on June 30, 1948.

With regard to the technical aspects of the Mission's work and its approach to the Greek economic problem, I have no special comment to make other than to say that the report appears to show that the Aid Mission is progressing as well as could be expected and is obviously grappling with its problems in a serious fashion.

The section of the report dealing with the political situation repays careful reading because of the clear picture it gives of Governor Griswold's personal approach to these matters. I should like to call especially to your attention Governor Griswold's statement, on page three,

[1] Dated September 15, not printed; this, the first Monthly Report of AMAG, was transmitted to the Department on September 19 by Governor Griswold (868.20/9–1947).

that he "determined to try to stop" the formation of an extreme rightist cabinet "by attacking it on two fronts". It appears that he took the initiative in consulting with three of the Greek political leaders with this object in view and, among other things, "urged Mr. Stephanopoulos to lead a fight within the Populist Party against the creation of a restricted rightist government." Governor Griswold states frankly that he used the economic leverage of the Aid Program as a club to induce the Greek political leaders to form a broad coalition government. He asserts that without this club the present Populist-Liberal coalition could not have been formed. In this connection, he states that Ambassador MacVeagh disapproved of some of his actions in discussing political matters with Greek political leaders, but he justifies his policy by saying that the Ambassador had no "club" to use.

I believe we should give careful consideration to the position taken by Governor Griswold with respect to political affairs in Greece. Although I think we are all agreed that the Aid Mission must take a very keen interest in the character of the Greek Government and has every right and duty to present its views, I believe that in questions of major political consequence, such as the formation of a new government, its views should be channeled through the Ambassador and that its members, including the Chief, should refrain from taking the initiative in discussing such questions with Greek political leaders. Without in any way reflecting upon Governor Griswold and his staff, I think it is doubtful that they can be sufficiently versed in the intricacies of Greek politics or American foreign relations to justify them in operating independently or in overriding the views and advice of a veteran and highly capable Ambassador. The question is of more than academic interest since another Greek cabinet crisis may arise at any time, and it would be most desirable to avoid the confusion and unfavorable publicity which resulted from the uncoordinated activities of Governor Griswold and Ambassador MacVeagh during the recent change of government. We plan to have discussions with U/GT on this and related matters and will let you have our recommendations shortly.

In the final chapter of his report Governor Griswold sounds a note of warning that factors beyond the control of the Aid Mission may require a reorientation of the original plans and objectives. He points out that if the military situation requires the expenditure of larger sums for the Greek Army, the remaining Aid funds will be insufficient to meet the objectives of the program.

In the light of information furnished me by U/GT and members of my own staff, I feel that this warning should be put even more strongly. It appears that several developments in the past few months have greatly reduced the hopes held last spring that Greece could be

substantially helped within the limits of time and funds provided by the Greek-Turkish Aid Bill. These developments include: (*a*) the extreme drought in Greece which has resulted in a deficit requiring the expenditure of some $25,000,000 more than the amount originally planned for food shipments if the planned ration level is to be maintained; (*b*) the delays in getting the program under way and putting into effect a plan for the promotion of Greek exports, the result of which is likely to be a serious reduction in the amount of foreign exchange which it was anticipated would be earned during the period; (*c*) increased costs in the U.S. and elsewhere, reducing the buying power of the funds provided; and (*d*) the decision of the Export-Import Bank to withdraw the unexpended balance of the credit which it extended to Greece last year. The foregoing adverse developments are, of course, in addition to and overshadowed by the increasingly grave security situation, which is not only forcing the diversion of funds to military expenditures but is also reducing Greek productive activity.

Even with the most effective administration of the Aid Program, it is obvious that these factors make success of the program infinitely more difficult to achieve. I concur in the plan to incorporate some warning of this sort into the President's first report to Congress on the Greek-Turkish Aid Program.[2]

L[OY] W. H[ENDERSON]

[2] For President Truman's *1st Report to Congress on Assistance to Greece and Turkey for the Period Ended September 30, 1947*, see Department of State Publication No. 2957, released in November 1947.

Editorial Note

For a report on Greece by Mr. McGhee after his return from that country, broadcast over the Columbia Broadcasting System on October 15, see Department of State *Bulletin*, October 26, 1947, page 829.

868.00/10–1747 : Telegram

The Acting Secretary of State to the American Mission for Aid to Greece

SECRET WASHINGTON, October 17, 1947—9 p. m.

Gama 340. For Griswold. Dept considers recent Dana Schmidt article in *NY Times* entitled "Griswold, Most Powerful Man in Greece" as most unfortunate misrepresentation of US role in Greece.

Prime thesis of article is that AMAG exercises unlimited power in Greece; whereas in testimony before Congress, in UN debates, and in all other public statements, US officials have consistently affirmed our determination to respect Greek sovereignty and to avoid involvement in details of Greek internal politics.

Schmidt article, including verbatim statements attributed to Chief AMAG, quoted *in extenso* by Yugoslav delegate in UN debate on Oct 11 in support of allegations of US imperialism and responsibility for continued civil strife in Greece. Such articles raise doubts among otherwise friendly nations as to US intentions in Greece and tend to jeopardize support needed for UN action in Greek case.

Dept recommends that your public relations staff be instructed to do all in its power to correct impressions arising from Schmidt's article and to prevent, insofar as possible, recurrence of similar misinterpretations.

LOVETT

868.515/10–1847 : Telegram

The Acting Secretary of State to the American Mission for Aid to Greece

CONFIDENTIAL WASHINGTON, October 18, 1947—noon.
US URGENT

Gama No. 341. From State and Treasury. 1. Concur fully in firm position AMAG has taken against gold sales in conferences with Greek Govt as outlined Amag 337, Oct. 9.[1]

2. Gold sales even on limited basis proposed by Patterson and Gregory contrary to US gold policy as indicated by following:

(*a*) US has opposed internal gold sales as anti-inflation mechanism in Greece, China and other countries.

(*b*) Program recommended by Patterson and Gregory is inconsistent with general principles of International Monetary Fund's efforts to do away with international transactions in gold at premium prices. US has announced it will fully support these efforts and is

[1] Not printed; it stated that the "Prime Minister and other members of Greek Government urgently request approval of AMAG for occasional sale of gold on the domestic market to meet short-term crises and the assistance of AMAG in obtaining additional gold sovereigns. . . . The government urges that gold coin stocks of bank be increased to at least 1,000,000 sovereigns" as a stabilizing factor. AMAG advised the Greek Government that it could not approve the program. It informed the Department that the firm position on gold sales would be continued. At the same time, it was convinced that "inflexible refusal of gold sales in face of possible serious speculative crises might well prove short-sighted and far more costly than immediate saving in gold. If crisis situation should develop because of sharply rising gold rate, which would seriously prejudice program, consider AMAG would be justified in approving limited sale of gold on basis recommended by Gregory and Patterson." (868.51/10–947)

currently tightening US gold regulations to implement this policy. UK and Canada taking similar action.

(*c*) Treas in view of US gold policy has refused (in a letter of Oct 6, 1947, to Sec Army) to furnish gold coins to Army for sale to official Greek banking institutions.

3. Wide experience in various countries indicates internal gold sales, although ineffective as inflation control, result in accumulation of private fortunes while dissipating much needed exchange resources. Knowledge that US Govt has sanctioned use by Greek authorities of limited gold and foreign exchange resources for sale of gold to private Greek individuals who would use it for hoarding and speculative purposes would create highly unfavorable impression on US people and Congress and in Treasury's view might weaken Congressional support of Greek and European aid programs.

4. While force of your arguments fully appreciated, we are not convinced that Greek situation warrants departure from US gold policy or risks outlined para 3. Please inform us of:

(*a*) Weekly developments in sterling and dollar exchange rates and gold price.
(*b*) Monthly Govt expenditures and receipts.
(*c*) Price developments.
(*d*) Monthly exports.
(*e*) Significant changes in regulations and laws pertaining to above items.

LOVETT

868.00/10–1847 : Telegram

The Chargé in Greece (Keeley) to the Secretary of State

SECRET
URGENT

ATHENS, October 18, 1947—1 p. m.

1799. Continued public discussions pros and cons rumored impending changes in Greek military leadership (Embtels 1537 [*1637*], September 21 and 1651, September 24[1]) without any categorical

[1] Neither printed; they reported discussions on September 20 and 22 between the Greek Prime Minister and members of the Herter Subcommittee of the House Select Committee on Foreign Aid. The Prime Minister deplored his inability to make changes in the Greek General Staff, which he attributed to Governor Griswold. Mr. Minor, at the meeting on September 22, interposed that "there seemed be misunderstanding Griswold's views and actions. Governor in complete harmony with Embassy's views had meticulously refrained from any attempt to dictate or control government's actions, particularly in military matters, confining himself to friendly advice in respect those matters having direct bearing upon success aid program, emphasizing on basis consensus American, British and Greek military opinions that (1) wholesale changes in top commands in midst of hostilities would probably cause confusion which would slow operations and (2) any changes based on political persuasion of individuals rather than on basis increasing efficiency would probably have adverse morale effect." (868.00/9–2147, 9–2447)

Government statement on subject lowering morale of public and particularly of army whose offensive spirit against bands progressively deteriorating. After meeting October 15 called by British Ambassador and attended by General Rawlins, Governor Griswold, General Livesay, Moffat, Minor and me to explore all angles situation, British Ambassador, Griswold, Moffat and I called on Prime Minister to express concern over harmful public discussions and to assure him that British and US were not opposed, as repeatedly alleged, to individual changes in army designed in agreement with Generals Rawlins and Livesay to increase its efficiency and fighting spirit. Sophoulis said he was glad to have our assurance on this score. He recognized that changes based on party considerations undesirable and reiterated previous statements that he wants to change only Chief Staff as symbol to army and people of new leadership and new program military offensive against rebels which must henceforth go hand in hand with extension of amnesty. He had accepted premiership in order pacify country through amnesty and intensified military action and if he were blocked in these efforts, he would resign. While Ventiris possibly excellent soldier, results under his leadership had been unsatisfactory and he was now refusing cooperate with Government. He did not wish hurt Ventiris and would even be agreeable his promotion to Inspector General but General Rawlins was adamantly opposed to any change and had lined up Minister of War Stratos with him. British Ambassador interposed to deny either that Rawlins opposed change Chief Staff or had intrigued with Stratos against removal Ventiris, saying that Rawlins had in fact told Stratos that change Ventiris desirable and that of Army Commander and one or two corps commanders essential. Prime Minister said he only interested removing Ventiris as Chief Staff. He recognized a few other changes might be required but would leave those to military advisers to work out with new Chief Staff. Prime Minister admitted receiving telegram from Tsaldaris saying he had been informed by friends that widespread army changes were contemplated and as this would endanger national cause asking to be consulted before any changes effected. He had not yet replied to Tsaldaris telegram and expressed hope British and American Governments would help in convincing Tsaldaris necessity change Ventiris.

I suggested that as rumors had evidently magnified extent contemplated changes and area disagreement, it might be helpful for Generals Rawlins and Livesay to consult with Minister War and agree upon two or three possible panels of desirable changes which if acceptable to Prime Minister and Cabinet here could be communicated to Tsaldaris, thus at least narrowing discussion to actualities. Prime Minister readily agreed, saying he would accept in advance any slate upon which Rawlins, Livesay and Stratos would agree, provided that,

to avoid charges he is playing party politics, no Liberal here included. Said he [apparent garble] was thus "becoming executioner of his party" but he did so in spirit compromise to get on with offensive side his program. British Ambassador interposed to emphasize that all panels should include change in Chief Staff.

Immediately thereafter Livesay and Rawlins called on Stratos and [*who?*] refused agree any changes, contending (1) there is no military necessity for change and (2) change in command now would be admission weakness and lower army morale. He said that if changes to be made for political reasons, his shoulders not sufficiently broad assume responsibility in absence Tsaldaris, especially since latter had informed him discussion changes had caused bad impression in US. Rawlins stated that while he agreed there is no military necessity remove Ventiris as Chief Staff, there is real military reason for change Army Commander and suggested Ventiris best man in army for that position. Stratos contended this would be demotion. While maintaining refusal to join in any recommendation to [panel?] for changes, Stratos finally said he would convene higher military council during Volos Conference (which meeting October 16–19 and which Livesay and Rawlins are attending) to discuss subject Army Commander.

At meeting later in day at British Embassy, it was agreed Livesay and Rawlins should draw up three panels suggested changes, which in their opinion would in present circumstances improve efficiency of army, for discussion with Stratos at Volos and eventual presentation to Prime Minister with statement Stratos views.

Embassy and AMAG cannot escape conclusion that Rawlins has consistently protected Ventiris first by opposing his removal as Chief Staff and when that appeared untenable suggesting his appointment as Army Commander. While Rawlins' resistance may have influenced Stratos, his present inflexible attitude may spring from Tsaldaris who, erroneously informed that wholesale changes are envisaged, may honestly oppose them on military grounds or may, as some feel, in [*be*] conniving to get rid of Sophoulis. It is also possible his attitude is based on belief he is being loyal to commitment to US (OM [*see?*] telegram 1549, September 9). All other Populists in Government are understood to favor replacement Ventiris and few changes, if only to break impasse. Both militarily and politically continuance present situation harmful and we all feel that we should use our good offices to assist in reasonable solution.

British Commander, Griswold and I are convinced that Sophoulis must in general be given fullest possible support in order strengthen his Government. If this coalition fails, ensuing crisis and probable formation rightist government can have only dangerous consequences

for our own transcending interests. We also believe, and Livesay holds same view, that regardless Ventiris' military ability, it is impossible continue with Prime Minister and Chief Staff at loggerheads (Stephanopoulis, Populist Minister Coordination, told Clay AMAG October 16 re delayed decisions on important budgetary matters including provision for setting up national guard and related cut in *gendarmerie* that General Staff blocking Government's policy and no progress possible until Chief Staff changed). While Livesay shares Rawlins' feeling that Ventiris as soldier would perhaps be best man available for Army Commander, all except Rawlins agree it is too optimistic to believe that Ventiris would exert himself as Army Commander to carry out policy of Prime Minister who forced his ouster as Chief Staff. Consequently we feel it sensible solution to support Sophoulis' suggestion that to make way for more cooperative Chief Staff, Ventiris be promoted to innocuous position of Inspector General. This as well as few other changes designed to increase army's offensive spirit, notably in Army Commander and C Corps Commander, which Livesay and Rawlins believe desirable, could, and Sophoulis agreed would, be done according to established legal procedure, which should be reassuring to those who honestly fear a political purge of the army.

I shall revert to subject after Volos Conference and may suggest that Department then approach Tsaldaris.[2]

KEELEY

[2] According to telegram 1831, October 24, 5 p. m., from Athens, the impasse over changes in the Greek High Command was broken on October 23 when the Supreme National Defense Council approved the appointment of General Yiadjis as Chief of Staff and General Ventiris as Commander of the Greek Army (868.20/10–2447).
Telegram 1823, October 22, 8 p. m., from Athens reported that Chargé Keeley, Governor Griswold, and the British Ambassador had discussed these changes, the chief ones recommended by Generals Livesay and Rawlins, and had presented them for consideration by the Prime Minister on October 21. Telegram 1827, October 23, 8 p. m., from Athens, reported that the Prime Minister informed the Chargé on the evening of October 22 that he accepted the proposals. (868.20/10–2247, 10–2347)

868.00/10–2047

Report by Major General S. J. Chamberlin to the Chief of Staff of the Army (Eisenhower)

[Extract]

TOP SECRET [WASHINGTON,] 20 October 1947.

THE GREEK SITUATION

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6. *It is Recommended:*

a. That efforts be directed to obtain on the highest level a broad definition of U.S. objectives in Greece in order to permit timely provision of adequate means automatically prior to emergent situations.

b. That the U.S. approve immediate formation of Home Guard Battalions to an approximate total of 50 to free the Greek National Army for operations against the Guerrilla Forces and to maintain flexible position for the creation of additional battalions as the developing situation demands. These should be supported to the maximum from Greek economy supplemented as necessary by U.S. aid funds.

c. That the British Military Mission be retained in Greece for training until either the preponderance of equipment becomes U.S. or until further U.S. aid measures require that replacement by American personnel is necessary and desirable.

d. That additional machine guns be provided for the Greek Army. Tentatively, subject to coordination with Greek Army and USAGG, the machine gun organization should include 1 battalion (3 companys [*sic*] of 3 platoons) per division. For details see Inclosure II, Tab B.[1]

That U.S. mountain artillery (75 mm Pack Howitzer) be substituted for 25 pounders and 3.7 in. British mountain guns in Greek Artillery Units without increase in strength of units. The extent of substitution be coordinated with USAGG who is now making study in detail.

e. That the British be induced to leave the British Forces in Greece, in present strength indefinitely. Failing this, to install an Allied or U.S. Force, such force to be installed prior to withdrawal of British.

f. That the arming of Greek civilians be discontinued for the present.

g. That the *Gendarmerie* be released from Army control and revert to its civil police function. That its strength be reduced in consonance with its mission and as developed by further study. That the British continue the Police Mission in Greece.

h. That the USAGG be augmented by 8 officers and 12 enlisted men to expedite issue of supplies and render technical advice in their use and maintenance. See Inclosure 3, Tab H.[1]

i. That there be established in Greece immediately a U.S. Advisory and Planning Group under nominal control of the Ambassador, but reporting directly to the Joint Chiefs of Staff, with mission of planning and furnishing advice to the U.S. Ambassador, the Chief of the Aid Mission and the U.S. Armed Forces on the developing situation and in the coordination of the U.S. military effort, and additionally furnishing high level military advice, coordinated with British, to the Greek Government and its armed forces upon request of the Greek Government. Composition in officers initially not to exceed 20 officers of which approximately 9 will be from the Army including the senior member because of primary interest. For details of Army representation see Tab I.[1]

[1] Not printed.

j. That there be established in Greek National Army units a group of U.S. Army Observers with the duties of energizing operational action, restoring the offensive spirit and advising on planning and operations. These observers to report to the senior Army representative, U.S. Joint Advisory and Planning Group. Composition from U.S. Army including Army personnel on U.S. Advisory and Planning Group, 69 officers and 83 enlisted men. For details see Tab I.[2]

k. That a combined British-American Armed Forces Committee consisting of senior representatives of Army, Navy, and Air in Greece, be formed with the task of high level military coordination, U.S. and British military efforts in Greece, and to act in advisory capacity on military matters of combined interest to respective Ambassadors and Chiefs of Staff.

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[2] Not printed.

Editorial Note

On October 22, 1947, the Department of State released *The Greek Aid Program* as Publication No. 2939. The publication reviewed the matters of "Why Help Greece?", "What Kind of Assistance Does Greece Need?", "What Our Money Will Be Spent for", "Our Advisory Mission in Greece", and "The Measure of Success".

868.00/10–2447

Draft Letter From the Acting Secretary of State to the Secretary of Defense (Forrestal)[1]

TOP SECRET WASHINGTON, October 24, 1947.

MY DEAR MR. SECRETARY: Now that the General Assembly has completed its plenary action on the Greek border question, and General Chamberlin's telegraphic recommendations concerning his recent survey of Greece are at hand, we believe that it is highly desirable for us to take a prompt decision as to whether the United States give operational advice to the Greek armed forces. This was initially proposed by our representatives in Athens on September 15th following the request of the Greek Prime Minister, and was also recommended in General Chamberlin's telegram of October 8th.

This Department feels that the United States should offer the requested operational advice to the Greek armed forces without further delay. Such action need not, in our view, prejudice any following

[1] An attached note states that this paper was to be brought up on Monday, the 27th, at a meeting of the National Security Council.

decision in respect of broader responsibility which we may wish later to assume in Greece.

The Department also agrees with the original proposals made by our representatives in Athens, and confirmed by General Chamberlin, as to the assignment of additional officers to provide a planning staff and to serve as tactical observers down to the division level of the Greek army. It further believes that operational advice and the additional personnel entailed should be under the responsibility of the Chief of the present United States Army Group. The Department is prepared to supplement Governor Griswold's instructions to assure that his principal military and naval subordinates may be free to make purely military decisions, and to assure thorough coordination of all American activities in Greece.

If you believe it appropriate, I should like to discuss this subject at the next meeting of the National Security Council. In view of our current reports as to the deteriorating security situation in Greece, I trust that we can then take positive action on this matter. Thereafter the Department is prepared to advise the appropriate Congressional leaders concerning this extension of our military activities in Greece which, while not in conflict with the stipulations of Public Law 75, does go beyond that described in our testimony at the hearings thereon.

Sincerely yours,

868.00/10–2447 : Telegram

Governor Dwight P. Griswold to the Secretary of State

SECRET ATHENS, October 24, 1947—6 p. m.

Amag 391. Re Gama 340.[1] 1. It is my considered opinion that it would be wrong for AMAG or for US Government to attempt to represent to world opinion that AMAG does not have great power or that it is not involved in Greek internal affairs. Greek Government in its note of June 15 expressly requests exercise by Mission of limited but very great powers in many vital fields normally regarded as internal matter. Certainly it would be in error to attempt to portray the present emergency situation in any other manner to the free and well informed US press.

2. Much stronger and more detailed stories about US involvement were printed in both Greek and American press during recent mission of Loy Henderson. American press sources for these stories were Greek political circles and certainly some from US Embassy. This not said critically as I feel Henderson involvement was clearly justified and very worthwhile. Cables arriving regularly from State Depart-

[1] Dated October 17, p. 370.

ment ask AMAG similarly to involve itself. See recent Gama 322 [2] and 341 [3] on general strike and gold sales. Current efforts establish FTA and revise military leadership to favor offensive war are further examples involvement.

3. Distinction to be observed in my opinion is not involvement or non-involvement Greek internal affairs but whether involvement would result in serving selfish special interest or aid Greek rehabilitation in line with request of Greek Government; whether crudely carried out and creating internal adverse reaction as threat Greek sovereignty or sufficiently diplomatic and on cooperative friendly basis to have Greek people and other free peoples of world realize and support objectives sought as in best interests of Greek independence and sovereignty.

4. In my opinion it is very necessary that great power of Chief AMAG should be recognized within Greece whether or not he be considered "most powerful man in Greece". This opinion on part of Greeks is necessary on basis my experience if good results are to be obtained and US policy and aid program are to be successful. Power of AMAG is clearly not unlimited and does not extend to every detail internal affairs. It must be tactfully and discreetly used on cooperative basis and not dictatorially or unilaterally. I feel State Department should give every support to development of above opinion on the part of Greeks or in any other country where AMAG type of operation is requested by government and desired by people.

5. I believe it was intent of Congress that this Mission act discreetly but forcefully to help in the rehabilitation of Greece to the end that Communism would be checked here. Congress also intended and visiting Congressmen have stressed that strict controls over expenditure of American and Greek funds be exercised by the Mission. This means involvement in internal affairs and I see no advantage pretending it is something else. The Greek Government in its note asked specifically for the exercise of such powers by Mission and great majority of Greeks approve and in fact have insisted upon American involvement as Greek last hope against succumbing to the Communists. My judgment is that American public opinion expects forthright action and I feel that our policies are bearing fruit.

6. I regard as unfortunate and shall attempt to correct any impression that AMAG has unlimited power or is involved in details of internal politics. However, I do not believe Schmidt article contained

[2] Dated October 15; it expressed the deep concern of the Department of State and the Department of Labor over the prospect of a Greek general strike and the expectation that AMAG was considering the advisability of interim wage reform in hardship cases, if without prejudice to the overall anti-inflation policy (868.5045/10–1047).

[3] Dated October 18, p. 371.

any such statements. Schmidt article was not inspired or promoted by me. It was written as profile of me and he obtained data freely from all Mission sources which we believe is as it should be. Direct quotes were not specifically authorized but they represent self-evident truths and I do not consider them significant. Yugoslav and other satellite spokesmen at Lake Success have innumerable rich sources for such misstatements and in any event have demonstrated how easily they can fabricate them.

GRISWOLD

868.00/10–2447 : Telegram

The Chargé in Greece (Keeley) to the Secretary of State

SECRET ATHENS, October 24, 1947—8 p. m.

US URGENT NIACT

1838. Reuters (British) local correspondent on September 29 broke story that consideration was being given to a project to attach 30 or more American officers to Greek Army units for operational purposes. British Ambassador promptly assured Embassy neither he nor heads British missions responsible for leakage, and correspondent when questioned stated source his information American Army officer known to Embassy to hold such views. Embassy attached no importance to alleged disclosure feeling if anything such stories helpful in war of nerves pending some more tangible assistance to losing battle Greeks valiantly trying to wage against potentially insurmountable odds.

No member Embassy staff sat in on any discussions with General Chamberlin except one concerning Prime Minister's request for broadening General Livesay's powers during which Chamberlin listened but declined disclose his views other than as set forth in mytel 1688, of Oct. 1. Revelation by Embassy staff classified information concerning his recommendations therefore impossible. So far as we know General Chamberlin did not disclose his views to anyone here. As officer whose views allegedly served as basis for Reuters' story above-mentioned travelled with General Chamberlin on his trip throughout northern Greece author Alsop story (Deptel 1714 October 21 [1]) might well have assumed they reflected the General's opinions and constructed his story accordingly.

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[1] This telegram to the Embassy and AMAG stated: "*Wash Post* Oct 20 published [Joseph] Alsop despatch from Athens revealing highly classified info re proposed US operational advice to Greek Army. This revelation most embarrassing in view current GA consideration Greek case and our strong desire to avoid all publicity on subject at least until necessary high-level decisions have been taken. Dept requests your suggestions and views Greek FonOff as to answers to be made numerous US press queries on subject. Info re source Alsop despatch also requested." (868.00/10–2147)

Dana Schmidt, *New York Times* correspondent, told me today that at press conference yesterday Prime Minister Sophoulis, in response to queries concerning accuracy local reprint Alsop story, confirmed that such project being considered but later on appeared vexed at publicity given his statements and said that while not denying it he wished not be quoted. I have not myself yet queried Prime Minister but Chief American Section Foreign Office denied any knowledge thereof other than news stories.

Embassy believes that best course now, if Department cannot yet confirm intention offer Greeks operational advice, is to capitalize on story as useful part of war nerves by declining to confirm or deny its accuracy but adding that every conceivable means of aiding Greeks to maintain their democratic independence is being explored so as to enable US Government to be ready to cooperate fullest possible extent with UN and to take such other steps as may be necessary to protect our interests as situation develops.

AMAG replying separately.[2]

KEELEY

[2] In telegram Amag 396, October 25, 4 p. m., not printed. The Department informed the Embassy and AMAG in telegram 1777, Gama 393, November 3, that "Although appreciating that motive for disclosure to trusted newsmen of US consideration operational advice was to achieve local psychological advantage of advance speculation of US intentions Dept disturbed that info transmitted under such highly confidential classification should have been discussed with other than appropriate governmental officials without prior clearance from State or Army Depts. Request all necessary measures be taken in future to prevent unauthorized disclosure classified info." (868.00/10–2447)

867.00/10–2747

Memorandum by the Acting Chief of the Division of Greek, Turkish and Iranian Affairs (Jernegan) to the Director of the Office of Near Eastern and African Affairs (Henderson)

TOP SECRET [WASHINGTON,] October 27, 1947.

General Chamberlin's written report [1] submitted to General Eisenhower after his return to Washington contains substantially the same points brought out in his telegram of October 8 from Athens. The only really significant addition is a statement that American policy as at present laid down is not broad enough nor far-sighted enough to provide for future contingencies. General Chamberlin recommends "a broad definition of U.S. objectives in Greece in order to permit timely provision of adequate means (to reach these objectives) automatically prior to emergent situations." In other words, he believes that we

[1] Dated October 20, p. 375.

should lay down now a series of steps to be taken by the U.S. in the event of various potential developments in Greece. Among these possible developments General Chamberlin lists:

a) The introduction of "international brigades" to fight with the guerrillas;
b) The introduction of Albanian, Bulgarian, and Yugoslav forces to fight with the guerrillas in Greece;
c) An overt attack on Greece by the satellites;
d) An overt attack on Greece by the Soviet Union.

General Chamberlin recommends that we should either get out of Greece now or be prepared to commit whatever forces or adopt whatever means may be necessary to achieve our objectives. He does not, however, recommend the present introduction of American troops into Greece, although he says that this will be necessary if the British troops now there should be withdrawn without replacement by an international force. With respect to the possible new developments listed above, General Chamberlin considers that the appearance of international brigades on the side of the guerrillas would probably force the Greek Army to give a certain amount of ground, the extent of the retreat depending on the size of the brigades in action, but that with proper Greek leadership they could be contained. Introduction of satellite armed forces would, he thinks, mean the immediate loss of Macedonia and Thrace, including Salonika, and the ultimate loss of all of Greece unless outside assistance were furnished the Greek Government. With proper support from Allied ground, air and naval units, he thinks the Greek forces should be able to hold a line on the southern boundary of Macedonia against the satellites and possibly even retake all of Macedonia. Overt attack by the Soviet Union, in General Chamberlin's view, would bring on World War III.

Other important points made in General Chamberlin's report are:

1. It is extremely doubtful that Greece can support the required military force after July 1, 1948 without foreign assistance. An assurance of future support is necessary for present planning. Since such continued support would require new Congressional action, he suggests that there be a prompt decision on this point by the executive branch of the American Government followed by an approach to Congressional leaders.

2. British forces now in Greece serve the purpose of maintaining Greek morale and deterring overt intervention in Greece by the neighboring countries. Their present reduced strength is sufficient for this purpose but any further reduction would make them non-self-supporting and probably require their complete withdrawal. General Chamberlin considers their retention in Greece essential. If, however, the

British should insist on evacuating them, he thinks that they must be replaced either by an international force, not including Soviet troops, or by American forces.

3. The greatest immediate danger to Greece lies in the possible recognition by the satellite states of a "free Greek" government of the rebels. According to General Chamberlin, if this took place, neither international law nor the Charter of the UN would present sufficiently serious obstacles to deter open assistance by the Soviet Union and its satellites to the guerrillas.

4. Guerrilla forces at present are in sufficient strength and occupy sufficiently strong positions to maintain themselves through the coming winter and seriously to harrass the Greek army and civil population. No concerted offensive by the guerrillas seems to be imminent, and it appears that the Greek army should be able to maintain its own positions. However, the prolongation of the present unstable conditions with continued substantial guerrilla activity is likely to have a very bad effect on the morale of the people and army.

5. The great needs of the Greek army are for revivification of its offensive spirit, freedom from political interference and release of its units from static guard duty. (More than one-half of all the infantry battalions are now dispersed for the protection of villages and towns, thereby making it impossible to organize striking forces for a real offensive against the guerrillas.)

6. To eliminate the need for dispersal of combat forces, it has been proposed that a national guard be created under the direction of the army to take over guard duties. General Chamberlin recommends that this force have a strength of 50 battalions. (It is believed that this would amount to about 50,000 men). The Greek government has already started action to call up reservists to constitute the first 20 battalions.

7. General Chamberlin considers that under present circumstances the greatest threat to Greece is the military threat and that it should be met by military measures. He therefore recommends that the solution of military problems should be given priority over the development of the broad economic program. Within the military field, he recommends that the army be given priority over the navy and that a study be made to determine whether the navy could not be reduced in size for reasons of economy.

8. With proper leadership, provided there is no increase in intervention by the Northern states, and assuming that all units are made available for offensive operations, General Chamberlin believes that the Greek Army at its present strength should be able to reduce the guerrillas to small, roving, uncoordinated bands.

9. General Chamberlin strongly recommends that the British military, naval and police missions be retained in Greece. He thinks it probable, however, that in due course it will be desirable to effect a gradual replacement of the British military training mission by a similar American mission.

10. As stated in his telegram of October 8, General Chamberlin recommends the establishment of a joint military planning staff, nominally under the Ambassador but responsive directly to the JCS in Washington. He further recommends the establishment of a group of American military observers with the Greek army down to division level to instill offensive spirit and to report to the advisory planning staff on developments. With respect to the suggestion that the planning staff and observers should be a part of the existing American Military Group in Greece, General Chamberlin says:

"The U.S. Army Group Greece is unsuitable as an agency for furnishing operational guidance because it is subordinate to the American Mission for Aid to Greece, an independent agency operating outside the executive department of the Government. Control of advice to the Greek army on planning and operations should be vested in the acknowledged military leadership of the U.S. under local control of the Ambassador. A separate military agency is therefore required, nominally responsible to the senior representative of the U.S. Government in Greece but reporting directly to the JCS on all matters within its competence."

General Chamberlin points out that in order to be effective the U.S. military observers with the Greek army would be obliged to enter areas of active combat and would be subjected to the possibility of being killed or captured. He nevertheless considers such officers to be essential.

11. General Chamberlin recommends that the present irregular Greek defense forces, May and Mad, are ineffective and should be disbanded. Arming of civilians generally should be discontinued. Likewise, the *gendarmerie* should be reduced from its present size of about 31,000 to 20 or 25,000, and it should be returned to its normal police functions. (At present, a large part of the *gendarmerie* is being used in tactical operations with the Greek army.) All the military and semi-military duties now being performed by the irregular groups and the *gendarmerie* should be assumed by the national guard.

12. General Chamberlin considers it inadvisable to attempt to have the British provide the military operational advice required, because British prestige in Greece has diminished and it is improbable that British advice would be followed by the Greek forces.

13. The fact that the Communist Party is permitted to function legally in Greece has had a serious effect on the morale of the Greek army.

868.20 Missions/10–1547

Draft Memorandum by the Ambassador to Greece (MacVeagh)[1] *to the Director of the Office of Near Eastern and African Affairs (Henderson)*

TOP SECRET [WASHINGTON, undated.]

PROPOSED NEW MILITARY MISSION TO GREECE AND COORDINATION OF U.S. ACTIVITIES

The military situation in Greece has just been studied by General Chamberlin, who has made a report on the matter, and the economic situation is well-known to the Department from the reports of the Embassy's Economic Section and of AMAG. The two situations are closely connected, since economic reconstruction cannot succeed in the absence of order and tranquillity, while economic chaos favors the spread of Communism and the recruitment of the rebel forces.

The Aid to Greece and Turkey Bill was passed last spring on the basis of studies of both these situations made last winter. The program set up under the Bill is only now getting started. In the meantime many months have gone by and the military situation has deteriorated considerably. AMAG has already been forced to increase the proportion of its funds allocated for military supplies, and the Prime Minister of Greece has requested that the Military Section of AMAG be authorized to go beyond its present functions of supplying the Greek Army and give operational and planning advice.

General Chamberlin's study on the spot has resulted in his belief that such operational and planning advice must certainly be given if the Greek Army is successfully to cope with the guerrilla problem. He believes that a specially selected group of officers should be sent to Greece for this purpose since the officers now attached to AMAG are experts only in supply. He also believes that this group should constitute a separate mission nominally under the Ambassador and reporting directly to the War Department, or, perhaps preferably, the Joint Chiefs of Staff.

I agree with General Chamberlin. It appears to me that arguments advanced for placing his proposed group under AMAG fail to take account of the limited objectives of the AMAG organization. I feel the aims of the new group must include not only the giving of operational advice to the Greek Army in the existing circumstances, but

[1] Ambassador MacVeagh left Athens on September 12 and was in consultation in the Department of State from September 17 to 22. He accompanied General Chamberlin on his special mission to Greece, leaving for Athens on September 22 and departing from the Greek capital on October 11. He was again in consultation in the Department from October 23 to 28, beginning sick leave the latter day. (123 MacVeagh file)

also forward planning to take care of possible developments of which no account was taken when the AMAG was constituted. In fact, I feel that forward planning may become the most important part of its duties owing to the daily increasing probability of further involvement of the Soviet satellite states, and even perhaps of Russia itself, in Greece's internal struggle. In my view, the proposed group should be free to concern itself with suggestions as to future policy on the highest level, but this is no part of the functions of AMAG, which is only an instrument created to carry out a policy already formed, and possibly already out of date.

I have heard the argument advanced that it would be dangerous to create a military mission, not under the jurisdiction of AMAG, which would deal with plans and operations while supplies remained under AMAG's control. This, it is said, would create a lack of coordination in our military assistance to Greece which would be highly undesirable and might even be disastrous. However, no such lack of coordination need arise if both AMAG and the new military group were coordinated under higher authority in the field as well as at home. In the field, this might be done under the Ambassador, who in fact should be the coordinator of all US activities in the country where he alone has representative capacity. As things are at present, there seems to be a mistaken idea in some quarters as to AMAG's status in Greece and a belief that it in some way constitutes independent mission on a par with the Embassy. I believe this idea, which is somewhat supported by the existing relationship of "liaison" between the two missions, should be corrected and the facts as to our representation clarified. Perhaps this might best be done by not leaving the Ambassador's precedence merely tacit, as at present, but by expressly charging the Chief of Diplomatic Mission, or his representative, with the active coordination of all governmental agencies in his territory, as I remember was done in South Africa (and elsewhere) when I was Minister to that country and had to do with the aspiring activities of BEW, OLLA, WSA, OWI, OSS, etc. I have no personal interest in this matter and no desire to undertake more specific responsibilities than are already laid on my shoulders, but the fact remains that coordination without a coordinator is hardly to be expected in any enterprise, and that in a foreign country the President's representative, or his deputy, alone can have the requisite knowledge and authority over all the many varied branches of American activity to fulfill the requirements of the coordinating task.

868.20/10–2847

Memorandum of Conversation, by the Acting Chief of the Division of Greek, Turkish and Iranian Affairs (Jernegan)

SECRET [WASHINGTON,] October 28, 1947.

Participants: Mr. Constantine Tsaldaris, Foreign Minister of Greece.
Ambassador Dendramis.
Mr. Gouras, Counselor of the Greek Embassy.
Mr. Henderson, NEA.
Mr. McGhee, U/GT.
Mr. Jernegan, GTI.

Mr. Tsaldaris raised the question of the creation of a national guard in Greece to relieve the Greek Army of the necessity of protecting villages and towns against guerrilla attack so that it could be concentrated for offensive operations. Mr. McGhee said we had just received a telegram from the American military group in Athens saying that it had been agreed with the Greek Government to allocate to the national guard the six million dollars previously earmarked to support a permanent increase of 10,000 men in the Greek Army. It was calculated that this sum of money, plus the funds which could be made available by savings through disbanding the existing irregular forces and reduction in the size of the *gendarmerie* would permit the formation of thirty-two national guard battalions or a total of 16,000 men. The American Mission for Aid to Greece considered that any greater expenditures in this field would produce a ruinous inflation in Greece.

The Foreign Minister remarked that he could not understand how a force of 16,000 men could meet the needs of the situation.[1] He inquired whether the Department could not instruct Governor Griswold to authorize a larger force. Mr. Henderson said that we must depend on our representatives on the spot who know all the facts and are in direct contact with the Greek Government. He knew that Governor Griswold was just as interested as the Department of State in restoring order in Greece, but had to consider economic as well as military aspects of the problem. Mr. McGhee added that the Greek Government's budget is already out of balance by one trillion drachma. This kind of budgetary situation could bring on runaway inflation from which Greece might never recover.

[1] In a conversation with Mr. Lovett on October 29, Mr. Tsaldaris expressed the hope that some means would be found to increase the national guard to 50,000 men (868.00/10–2947).

Mr. Tsaldaris then asked whether the quantity of supplies which could be furnished under the funds already allocated to military expenditures could not be increased by reducing the price being charged by the United States for surplus items. Mr. McGhee said he did not believe this could be done since it would have the effect of circumventing the intention of Congress when it appropriated the Aid funds. Congress had designated a certain sum of money to be spent for aid to Greece, and this amount had been calculated on the basis of our standard pricing policy. To change that policy would amount to increasing total expenditures without the consent of Congress.

868.00/10–2847

Memorandum of Conversation, by the Acting Chief of the Division of Greek, Turkish and Iranian Affairs (Jernegan)

CONFIDENTIAL [WASHINGTON,] October 28, 1947.

Participants: Mr. Constantine Tsaldaris, Foreign Minister of Greece.
Ambassador Dendramis.
Mr. Gouras, Counselor of the Greek Embassy.
Mr. Henderson, NEA.
Mr. McGhee, U/GT.
Mr. Jernegan, GTI.

Mr. Tsaldaris referred to the large number of Greeks who had been driven from their villages and sought refuge in the towns and cities as a result of guerrilla activity.[1] The care of these refugees amounts to a heavy financial burden which was beyond the capacity of the Greek Government and which could not be covered by the existing allocations of American funds for Aid to Greece. He said that Greece needed an additional 30 million dollars to meet this problem.

Mr. McGhee said that the funds already available under the Greek Aid Program would take care of all the important relief supplies, such as grain and milk, needed for the refugees. The relief program had been calculated to take care of all deficits in Greek internal supplies of the type of necessities involved. The new costs introduced by the refu-

[1] Governor Griswold advised in telegram Amag 397, October 27, from Athens, of the evacuation of 300,000 persons from their homes, principally in northern and central Greece, to prevent their forcible recruitment by the guerrillas and the theft of supplies. Since the Greek Government was able to provide the drachma equivalent of $15,000,000 out of the $30,000,000 necessary to care for the refugees, he recommended the deficiency be supplied from United States Foreign Relief Program funds (868.00/10–2747).

gee problem were primarily costs for housing, blankets, and the like which were not part of the relief program and were properly the responsibility of the Greek Government. Essentially, they were internal costs which should be met from the Greek budget. The post-UNRRA relief appropriation made by Congress had not been intended to meet internal costs of the recipient countries, and it would not be possible to divert funds from that appropriation to relieve the Greek budgetary deficit.

Mr. Tsaldaris asked whether it would not be possible to obtain from Congress additional funds for this specific purpose. Both Mr. McGhee and Mr. Henderson expressed the view that it would be unwise to make such a request of Congress so soon after the approval of the Greek Aid Bill. Mr. Henderson emphasized that a request made to Congress now might have very adverse effects on the possibility of continued aid to Greece after June 30, 1948 when the present appropriation expires.

867.00/10–2047

The Secretary of State to the Secretary of the Army (Royall)

WASHINGTON, October 29, 1947.

MY DEAR MR. SECRETARY: I refer to your letter of October 20, 1947 [1] transmitting firm schedules of requirements for certain of the programs of assistance to Turkey under the Act of May 22, 1947 and in pursuance of the American Ambassador's Report of July 15, 1947.

The Department of State hereby approves the Ground Force Equipment and Supplies Program as stated in Tab "A" of your letter of October 20, the Arsenal Improvement Program as stated in Tab "C", and the Mission Table of Organization as stated in Tab "D" and included in Tab "A".[2] It is understood that these schedules of requirements are subject to minor modifications and that the State Department will be notified of any major changes that may later be proposed as the result of unforeseen developments.

Upon receipt of a request from the Budget Officer, Department of the Army, the State Department will allocate funds to the Department

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[1] Not printed.

[2] The amounts for the various programs set forth in the letter of October 20 were as follows: Tab A, $48,500,000, including the $650,000 in Tab D; Tab B, $5,000,000; and Tab C, $5,000,000. The various programs, therefore, totaled $58,500,000.

of the Army to the extent of 95 per cent of the total estimated cost of each of the above mentioned programs, within the general limit set by the Ambassador's Report of July 15, 1947, including amounts already allocated for the same programs. The remaining five per cent will be withheld as a reserve in accordance with the Department's letter of August 22, 1947.

In as much as the Highway Improvement Program, described in Tab "B" of your letter of October 20 and elsewhere referred to therein, has by recent agreement been placed under the supervision of the Public Roads Administration, that program is excepted from the approvals accorded by this letter. In this connection I refer to Mr. McGhee's letter of October 17, 1947, and to the letter to General Lutes dated October 24, 1947. A copy of the latter is enclosed for your information.

Sincerely yours,

For the Secretary of State:
GEORGE C. MCGHEE
Coordinator of Aid
to Greece and Turkey

868.20/10–2947 : Telegram

The Acting Secretary of State to the American Mission for Aid to Greece

TOP SECRET WASHINGTON, October 29, 1947—5 p. m.

Gama 379. For Griswold. Dept approves application of six million dollars toward formation National Defense Corps of estimated 32 battalions or 16,000 men (your figures) (Ref L240 and War 89156) in place of permanent increase of 10,000 in size regular army approved Gama 209.[1] This action on assumption change has your approval as indicated by Livesay in L240 even though it involves through use of Greek equipment Defense Corps larger than you originally proposed to Sophoulis. Tsaldaris made strong plea to Dept yesterday for Defense Corps. Army Dept being advised State Dept approval and will proceed implementation. In future believe recommendations to Secretary on such matters having your approval should come through Dept channels. Please advise your estimate total drachma expenditure necessary to equip and maintain 32 battalions.

LOVETT

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[1] Dated September 17, not printed, but see footnote 5, p. 340.

868.20 Missions/11–447

Memorandum by Admiral Sidney W. Souers, Executive Secretary of the National Security Council, to the National Security Council

TOP SECRET WASHINGTON, October 30, 1947.

Subject: Extension of Operational Advice to the Greek Armed Forces

At an informal meeting on Monday, October 27, 1947, attended by various members of the National Security Council, the report by Major General S. J. Chamberlin on the situation in Greece was considered. The Executive Secretary was directed to prepare a statement of the Council's agreement that US military assistance to Greece should be expanded to furnish operational advice in addition to matériel and instruction in its use, subject to certain provisions.

Accordingly, the enclosed draft statement [1] (Enclosure A) of an agreement by the Council, which has been prepared in collaboration with representatives of the Departments of State and of the Army, is submitted for approval.

It is requested that each individual member of the National Security Council indicate his approval of the statement in Enclosure A, as a matter of urgency, by filling in the return memorandum in Enclosure B.[2]

SIDNEY W. SOUERS

[Annex]

As presented by the President to the Congress, one of the primary objectives of the foreign policy of the United States is the creation of conditions in which we and other nations will be able to work out a way of life free from coercion. In order to realize our objectives and in the interests of international peace and hence our national security, the United States has committed itself to help the free peoples of Greece and Turkey to maintain their free institutions and their national integrity against aggressive movements that seek to impose upon them totalitarian regimes.

In furtherance of our objectives and in consideration of our commitment, the National Security Council has considered the deteriorating military situation in Greece and what immediate steps might be taken to assist and improve the operations of the Greek armed forces against the Communist guerrilla forces. Although the American Mission for Aid to Greece (AMAG) is achieving some progress of an economic nature in areas secure from Communist guerrilla operations

[1] *Infra.*
[2] Not found attached.

and is delivering military supplies and equipment to the Greek National Army, the failure of the Greek armed forces to defeat the guerrillas during the summer months has required the diversion for military purposes of a portion of American aid previously allocated to economic projects.

The Chief of Staff, U.S. Army, recently dispatched Major General S. J. Chamberlin to Greece to make an estimate of the military situation there and to recommend corrective measures which might be taken to improve the situation. One of the measures recommended by General Chamberlin and approved by General Eisenhower subject to certain contingencies, is that of furnishing operational advice to the Greek armed forces, in addition to the current program of furnishing supplies and equipment and instruction in its use. Such a measure would require initially the addition of approximately 90 additional U.S. officers and a slightly lower number of enlisted men, in order to form an Advisory and Planning Group to provide high staff advice to the Greek forces, and to place observers with Greek military units down to and including divisions. This would not involve the use of U.S. armed forces in combat.

The National Security Council has agreed that such an Advisory and Planning Group to the Greek armed forces should be established, subject to the following provisions:

a. The Secretary of the Army, as the representative of the National Military Establishment, should advise the Foreign Affairs Committee of the House of Representatives and the Senate Foreign Relations Committee of the proposed action and the fact that it will involve initially the addition of approximately 90 officers and a slightly lower number of enlisted men to AMAG and an extension of assistance beyond that previously presented to the Congressional Committees to include giving operational advice to the Greek Army.

b. The Advisory and Planning Group should be a part of AMAG, but with direct communication to the Joint Chiefs of Staff in Washington on matters concerning military operations. In the field of operational advice to the Greek forces, the Chief of AMAG will be expected to leave to the head of the Advisory and Planning Group military decisions which do not affect over-all AMAG policies or other AMAG activities. Military decisions involving high policy, as defined in supplemental instructions, which are attached,[3] to be issued to the U.S. Ambassador to Greece and the Chief of AMAG, will be brought to the attention of the Ambassador by the head of the Advisory and Planning Group, through the Chief of AMAG, and no such decisions will be taken without the Ambassador's authority, which he will extend only in accordance with instructions already received or to be promptly sought by him from the Department of State.

c. Subject to the approval of the President, the Secretary of State at an appropriate time will initiate a strong recommendation to the

[3] *Infra.*

Congress that assistance to Greece be continued beyond the expiration of the present program, which expires on June 30, 1948. All members of the Council have agreed to support such a recommendation.[4]

[Sub-Annex]

STATEMENT OF DEPARTMENT'S POSITION ON ORGANIZATION OF AMERICAN ACTIVITIES IN GREECE [5]

TOP SECRET [WASHINGTON,] October 23, 1947.

(The following statement is proposed as a supplement to the existing instructions of the Ambassador and the Chief of AMAG, and is based upon the assumption that American military activity in Greece will continue to be on a restricted and advisory basis, as envisaged in General Chamberlin's telegram from Athens. In the event that any major change in the scope or type of military operations by the United States should be decided upon, this position should be immediately reconsidered.)

1. The Ambassador is and should be universally recognized as the American representative in Greece charged with dealing with the Greek Government on matters of high policy as defined in Paragraph 4 below. The Embassy should be the sole channel for dealing with the Greek Government or other foreign officials on such matters, except when the Ambassador may approve or request a direct approach by one of the other American officials.

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[4] In a memorandum of November 4, Admiral Souers informed the National Security Council that President Truman "has approved the program recommended by the National Security Council . . . and has directed that it be implemented under the coordination of the Secretary of State." The President's approval was given on November 3.

On November 7, Secretary Marshall informed Secretary of the Army Royall that "The Department of State is anxious to proceed immediately with the implementation of the program approved by the President . . . and I have been informed that the Department of the Army is in fact proceeding with preparations to this end. The first step would appear to be communication of our intention to the Foreign Affairs Committee of the House of Representatives and the Foreign Relations Committee of the Senate, which it was agreed you would undertake. It would be very much appreciated, therefore, if you would transmit the necessary information to those Committees at the earliest possible moment. As soon as this has been accomplished, I propose to send the necessary instructions to the American Ambassador in Greece and the Chief of the American Mission for Aid to Greece in accordance with the agreed statement of October 23."

In a letter to Secretary of Defense Forrestal the same day, Secretary Marshall covered much the same ground and then added: "It would be very much appreciated if you would take the necessary steps for the formation and dispatch to Greece of the joint Army, Navy, and Air group of officers and enlisted men . . . in order to provide the desired operational advice, and to establish American observers with the appropriate units of the Greek armed forces." (868.20 Missions/11–447)

[5] This statement is on the stationery of the Under Secretary of State.

2. Any matter of concern to other American officials in Greece and requiring a high policy decision should be immediately brought to the attention of the Ambassador through appropriate channels and no action taken without his authority, which he will extend only in accordance with instructions already received or to be promptly sought by him from the Department. On the other hand, the Ambassador will bring to the attention of other American officials in Greece any major questions on which he proposes to take action insofar as such question may affect their operations. In particular, the Chief of AMAG and his principal military and naval subordinates in Greece will be consulted and at all times be given every opportunity to present their views to the Ambassador on major questions, and will be kept closely informed by him of all developments of policy.

3. If discussion of a question involving a high policy decision affecting the operations of AMAG reveals that there is a fundamental difference of views between the Ambassador and the Chief of AMAG or his principal military or naval subordinates, these views shall be jointly brought to the attention of the Department before any action is taken.

4. By "high policy decision" is meant one which involves major political factors or repercussions apart from the technical desirability or undesirability of the action proposed. Among the matters on which such high policy decisions would be required are:

a) Any action by United States representatives in connection with a change in the Greek Cabinet;
b) Any action by United States representatives to bring about or prevent a change in the high command of the Greek armed forces;
c) Any substantial increase or decrease in the size of the Greek armed forces;
d) Any disagreement arising with the Greek or British authorities which, regardless of its source, may impair cooperation between American officials in Greece and Greek and British officials;
e) Any major question involving the relations of Greece with the United Nations or any foreign nation other than the United States;
f) Any major question involving the policies of the Greek Government toward Greek political parties, trade unions, subversive elements, rebel armed forces, etc., including questions of punishment, amnesties and the like;
g) Any question involving the holding of elections in Greece.

The foregoing list is not intended to be inclusive but rather to give examples.

5. In matters affecting AMAG in which high policy is not involved, the responsibility for decision rests with the Chief of AMAG, who is the sole director of AMAG operations. If any decision on a high policy matter should involve a new expenditure or a reallocation of AMAG

funds, such expenditure or reallocation could, of course, be made only with the approval of the Chief of AMAG, or on the basis of decisions reached in Washington.

6. All military and naval assistance to Greece, whether in the form of supplies or in the form of advice on logistics, training or operations, should be handled by the military and naval units of AMAG. High policy decisions in this field should be dealt with in accordance with Paragraphs 1, 2, and 3 above. Other questions should normally be handled by the Chief of AMAG in consultation with his principal military and naval subordinates. However, in the field of operational advice to the Greek forces, the Chief of AMAG would be expected to leave to his principal military and naval subordinates military decisions which do not affect overall AMAG policies or other AMAG activities. Military decisions involving high policy should be brought to the attention of the Ambassador by the Chief of AMAG in accordance with Paragraph 2 above.

7. The Greek Government and the British authorities should be informed in general terms of the relative responsibilities set forth in this paper, and it should be made clear to them that the Ambassador is the sole channel for handling high policy questions.

868.00/11–447 : Telegram

Governor Dwight P. Griswold to the Secretary of State

SECRET ATHENS, November 4, 1947—7 a. m.

Amag 421. Completely in dark as to recommendations made by General Chamberlin except for *Time* magazine article October 27 and have no knowledge accuracy that story. General Chamberlin never asked either Livesay or myself for views on developments of situation. I read him, however, Amag 334[1] before its despatch [apparent garble] he informed of mine. He said he was going to recommend assignment US military observers but gave no indication of procedure he favored or of any other aspect his recommendations to Washington except necessity of National Guard about 25,000 strength. View importance policy considerations affecting Greek Aid Mission now under consideration Washington believe authentic summary Chamberlin's recommendations should be furnished me for study and comment in light Mission experience to date.

Regarding *Time* magazine account I want to repeat categorically no important differences MacVeagh and myself in past nor do I see any in future. Some minor differences on technique obtained during

[1] Dated October 9, p. 361.

political crisis but these in no way interfered or hampered effectiveness Mission. Presume self-seeking Greeks attempted exaggerate these minor differences into important disagreements. These press stories and such articles as *Time* article asserting reportedly high authority that Mission has been failure can, however, when not promptly repudiated, do much harm. I do not consider it would be advisable, as allegedly recommended, place present AMAG and Embassy under single head. Liaison excellent. Situation Greece different from Turkey. Civilian aspect aid program in Greece results extensive and complex AMAG operations. Functions AMAG and Embassy quite distinct. In same way that I should not feel qualified to head Embassy as well as Mission, I question whether Ambassador would have background or time to head Mission as well as Embassy.

Unless Chamberlin has advanced compelling reasons for handling operational advice outside Greek aid statute I still believe (Amag 334) for political, economic and administrative reasons such advice should be handled through AMAG. Actually no civilian head whether chief of Mission or Ambassador would presume interfere such tactical advice. However, certain results strategic advice might have acute bearing on Greek economy and in allocation American aid. Military and economic aspects Greek aid program vitally interrelated and of equal importance attainment US objectives. I believe it essential to effective results that all military and economic aid to Greece be handled through one Mission with single head as contemplated Greek aid statute.

If operational advice not coordinated with other Mission activities within AMAG I feel difficulties may ensue from military tendency to concentrate on military problems to exclusion civilian economic problems. Pertinent and significant this view is that according *Time* article Chamberlin's recommendations completely ignored economic aspects Mission work. Also that although reportedly dubbing Mission a failure Chamberlin never once talked with me or any of AMAG staff on economic program of Mission.

GRISWOLD

868.20/11–447 : Telegram

Governor Dwight P. Griswold to the Secretary of State

TOP SECRET ATHENS, November 4, 1947—3 p. m.

Amag 425. Re Gama 379.[1] Although I suggested to Sophoulis (Amag 293 [2]) possibility transfer of promised American aid 10,000 permanent army increase to equal number national guard (National

[1] Dated October 29, p. 390.
[2] Dated September 30, p. 355.

Defense Corps) it was our intention use that aid if so desired by Greek Government for organization and maintenance maximum strength National Defense Corps within available Greek and American resources (see memos conversation September 18, 24 and 29 and letters exchanged October 6, 25 and 29 all of which regularly forwarded by despatch [3]). Specific suggestion of 10,000 intended partly head off extravagant Greek ambition of 50,000 strength and partly indicate that if National Defense Corps organized and equipped same extent army, limitations on American aid would prevent organization of greater strength. Sophoulis still talks 50,000 but Livesay, and Chamberlin when here, believe Defense Corps should have about 25,000 strength. We have made alternate suggestions as to use of rations and equipment in effort achieve this number. Present Greek plans call for National Defense Corps uniformed and rationed same basis GNA but because of static role, lesser armament and equipment. Accordingly same amount American funds will support larger number National Defense Corps units than regular army provided necessary Greek resources available. Transfer American aid for rations and rifles from auxiliary gendarmes when eliminated will permit further increase. Drachmas now available auxiliary gendarmes would furnish some drachmas for National Defense Corps. Also drachmas now paid Mad. Under present General Staff plan Defense Corps of 16,000 appears feasible within Greek and American resources but I believe adjustments can be effected which will permit organization 20,000 plus or minus. Greek budget as now planned reduces *gendarmerie* to 22,000, eliminate all financial support for Mad (no financial support for May discovered) and provides 40 billion drachmas for National Defense Corps which should be sufficient for neighborhood 40 battalions, 500 each, together with staff. Greek General Staff has been requested furnish by November 5 detailed estimates drachma cost their Defense Corps plans for immediate study by Mission.

Livesay telegram L 240, sent War Department after official SNDC action approving transfer promised increased American aid from army to National Defense Corps and after preliminary study General Staff plans in order secure necessary authority deal with details. I was awaiting official letter from Prime Minister before requesting Department approval for cancellation promised increased army aid and transfer that aid to organization and maintenance Defense Corps. As stated Amag 406,[4] I sent October 29 written approval general principle to Prime Minister on basis War Department telegram 89156.

[3] None printed.
[4] Dated October 30, not printed.

On basis my despatches and telegrams exchanged, I assume I have Department's approval continue rations and supplies GNA of 120,000 plus 20,000 temporary and to use 6 million earmarked for 10,000 permanent army increase together with any savings in rations and equipment through *gendarmerie* reduction for organization and maintenance National Defense Corps in such manner as will secure maximum effective strength.

Will forward estimated drachma expenses National Defense Corps as soon as Greek figures can be studied, together with details as to strength and organization and types American assistance.[5]

Secretary of State please pass to War.

GRISWOLD

[5] The Department, in telegram Gama 406, November 5, to Athens, approved the program for the National Defense Corps, as set forth in this telegram (868.20/11–447).

868.00/10–2447 : Telegram

The Secretary of State to the American Mission for Aid to Greece

SECRET WASHINGTON, November 4, 1947—6 p. m.

Gama 399. Re Amag 391.[1] Dept agrees US Govt is in fact and necessarily involved certain aspects Greek internal affairs. We also realize it impossible prevent some press comment this regard. However it is our policy as indicated paragraphs 4, 5, 6, and 7 of Top Secret letter of instructions July 11 that American influence be exercised as discreetly as possible and that credit and responsibility for all measures be attributed Greek Govt and people wherever possible.

While we agree it necessary US influence and control over funds be recognized in Greece, we hope this can be accomplished through direct contacts proper officials with Greek authorities and doubt that articles in American press useful this regard.

Our position vis-à-vis other nations in UN is especially complicated by publicity from American sources which can be used as evidence in support of charges we have "taken over" Greece. This type publicity much more damaging than ordinary fabrications of Russians and their satellites because nations friendly to us usually discount obvious Soviet propaganda but are impressed by stories which seem to come from our own sources. We rely heavily on UN action for help in directing [*protecting* [2]] Greece and are anxious avoid anything which weakens our support from nations outside Soviet orbit.

MARSHALL

[1] Dated October 24, p. 378.

[2] Correction requested in telegram Gama 405, November 5, 6 p. m. to Athens (868.00/11–547).

868.00/11–447 : Telegram

The Secretary of State to the American Mission for Aid to Greece

SECRET WASHINGTON, November 6, 1947—noon.

Gama 410. To Griswold from McGhee. Re Amag 421.[1] Pursuant to advice of National Security Council President approved on Nov 3 sending to Greece an Advisory and Planning Group of 90 officers and a somewhat less number of enlisted men to be placed under AMAG Military Section. Dept of Army has already made preliminary preparations and program will be implemented soon as Secy War advises Chairmen House Committee on Foreign Affairs and Senate Committee on Foreign Relations. As part of this decision amplified instructions will be sent to you and Amb MacVeagh clarifying but not changing original intent of your basic instructions.

Dept will seek your advice before action, if any, taken here with respect to remaining recommendations of Chamberlin report, relevant portions of which will be forwarded to AMAG by Dept of Army.

Please pass to Emb.

Do not inform Greek authorities of foregoing until receipt further instructions.

MARSHALL

[1] Dated November 4, p. 395.

868.00/11–347 : Telegram

The Secretary of State to the American Mission for Aid to Greece

SECRET WASHINGTON, November 7, 1947—7 p. m.

Gama 429. For Griswold. Notwithstanding gravity Greek budgetary problem and after sympathetic consideration your views (Amag 345 and 419 [1]) Dept has decided agree British arrangement with Greek Govt latter to pay costs other than food and personnel UK military missions in Greece on scale not greater than for similar US personnel with AMAG control thru review Greek budget. US agreement this arrangement to be conditioned on British agreement that similar request will not be made respect additional types expense or additional missions in Greece. Foregoing based on (1) consistency Marshall letter to Bevin Moscow April 1947 stating "it appears to me feasible to have the Greek Govt, if it is not already doing so, provide food and quarters

[1] Dated October 10 and November 3, respectively. In No. 345, Governor Griswold protested that under the draft agreement, the Greek Government would be required to pay practically all costs of the British military missions except salaries, which would impose a heavy burden on the Greek budget. He made a plea that the British bear a "fair share" of the costs of the common effort in Greece. In No. 419, he reported these costs to the Greek budget at 10,880,100,000 drachmas, based on figures from the British Embassy. (868.00/10–1047, 11–347)

for the British Mission" this being broader than present British request; (2) political and military desirability British military missions' remaining in Greece; (3) difficulty British pay full costs view present UK financial position international account. Dept also hopes this arrangement will create favorable environment British to agree to leave their troops in Greece without definite time limit after December 15.

MARSHALL

868.00/11–747 : Telegram

The Secretary of State to the Embassy in Greece

TOP SECRET WASHINGTON, November 7, 1947—8 p. m.

1803. Gama 430. For Emb and AMAG. President has approved program of furnishing operational advice to Greek armed forces through joint Army, Navy and Air staff and military observers with Greek forces down to and including divisions, all to be part of AMAG. Steps to implement this decision now being taken here. You will be advised by Army Dept regarding personnel to be assigned and estimated time of arrival. To allow for extension American activities in Greece resulting from this decision and to clarify and amplify previous instructions, following statement on organization of American activities in Greece has been agreed to by National Security Council and approved by President.

[Here follow seven numbered paragraphs of statement of October 23 (see page 393) as transmitted in telegraphic style.]

Although reference is made in foregoing to "principal military and naval subordinates" of Chief of AMAG, it is understood senior Army officer will be designated as Chief of entire Army, Navy and Air group, at least for purposes of planning and operational advice.

Dept of Army is advising Congressional Foreign Relations and Foreign Affairs Committees of decision to extend military activities AMAG.

Do not communicate decision to Greek or other foreign authorities until receipt of further word.

MARSHALL

867.20/11–1247 : Telegram

The Ambassador in Turkey (Wilson) to the Secretary of State

TOP SECRET ANKARA, November 12, 1947—1 p. m.

864. Foreign Minister has now given me detailed statement in support request for credit to cover national defense needs above budget allocations (mytel 851, November 6 [1]). Summary as follows:

[1] Not printed.

Turkish Government plans demobilize one class and maintain army of two classes or 320,000 men, sum of 377 million liras in 1948 budget covers minimum expenditures army of only 230,000 men; to cover cost 90,000 additional men to bring strength to 320,000 will require additional sum of 123 million liras; furthermore it will be necessary retain in service part of 1926 class to be demobilized next March in order assist training recruits 1928 class, which will cost 73 million liras additional; foregoing means supplemental appropriation required of 196 million liras making total credit 573 million required for national defense in 1948. In addition army stocks of clothing, shoes, equipment, gasoline, et cetera, have been exhausted through drawing on them during past seven years; in case need of sudden mobilization, Turk armed forces lack necessary equipment for army larger than 470,000 men now under arms; Minister of National Defense estimates will cost 326 million liras build up necessary stocks make possible mobilize additional 500,000 men. Statement adds financial situation Turkey does not permit Government meet cost economic development country while at same time devoting 50 percent budget to National Defense, and requests US Government reconsider Turkey's need for credit cover these essential National Defense needs which cannot be met from budget.

Sadak gave me budget breakdown for National Defense and data supporting his request which will require translation and study. At first glance appear to be contradictions and gaps in data necessitating request for further information. I will transmit report and comment soon as possible.

While telling Sadak I knew my Government would be prepared give careful consideration to data submitted, I stressed heavy demands made on US financial resources for reconstruction war-devastated economies western Europe. He asserted impossible make savings in budget allocation other Ministries which are "at bare minimum" required for adequate operation. Government believes economically unsound and politically inexpedient increase taxes.

Sadak added Government hopes present to International Bank in about a month request for credits for economic development particularly modernization coal mines.

WILSON

868.00/11–1347 : Telegram

Governor Dwight P. Griswold to the Secretary of State

SECRET ATHENS, November 13, 1947—5 p. m.

Amag 466. Reference to Amag 454[1] will disclose that several important conditions vitally affecting AMAG operations have developed or become known since Mission organized:

Substantial curtailment estimated Greek wheat crop, increased world price of wheat, Greek Government bread subsidy and free distribution of food all serve to reduce AMAG funds originally planned to bring out consumer goods to combat inflation and furnish drachmas for reconstruction program. Another new and unanticipated factor is bandit policy of forcible recruitment which has had important military and economic effects recent months. Bandit forces increased from 12,000 to 18,000 despite several thousand reported casualties or surrenders. It is one factor in ineffectiveness GNA operations and it means that continuance this now apparently established policy will give bandits substantial reservoir future recruits from among Greek population until GNA successful its campaign. Although forced recruiting may be considered sign of weakness, I do not think it affords grounds much optimism. Hard-core Communists have successfully prevented any large scale acceptance amnesty and fighting ability bandits appears undiminished. Only favorable effect may be changed bandit tactics to prevent desertions. By curtailing normal dispersion procedures, they afford more attackable foes for GNA. Unfortunately recent [apparent omission] did not indicate any improvement GNA. Most serious effect forced recruiting has been compulsory evacuation villages by GNA as mentioned Amag 454.

To diminish possibilities forced recruiting by bandits and securing supplies by raiding villages, GNA recent months embarked intensive policy mass evacuation villages from areas within bandit range. Army transports evacuees to safe areas and then assumes no further responsibility. Evacuees now estimated at 310,000 in addition to thousands of refugees who have fled voluntarily for security. Unless reversal of policy immediately and effectively implemented, estimated evacuees will total half million by January 1.

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[1] Dated November 11; the second section of the telegram outlined eight dangers to the success of AMAG posed by developing inflationary pressures: the effect on public confidence of the military stalemate; the threat to budgetary equilibrium arising from the rapid increase in costs for refugee care; increased costs of imports; supply shortages; the temporary but extremely dangerous increase in drachma circulation arising from credit expansion via the printing press; accelerating increases in the price index; intensifying demands for wage increases; and the administrative impossibility of introducing extensive rationing or other effective controls in time to alleviate temporary inflationary pressures (868.00/11–1147).

Large number evacuees want to return their villages where risks preferable their miserable condition as refugees. Political dangers obvious as evacuees even more than refugees feel abandoned by Government and subject Communist propaganda. Policy also psychological value to bandit [apparent omission] confession Government weakness and yielding territory to bandits. Economic results, however, even more serious. Food, clothing, shelter, heat and health measures must be provided by Government and although provision for refugee relief has been made in Greek budget it cannot care effectively for situation beyond short period. Furthermore peasants unable plant winter crop and have been bringing their cattle which they now eating for lack cattle food and shelter. Effect on food production will be noticeable next spring.

Government agreed November 8 to stop further evacuations except where absolutely necessary and General Staff orders that effect issued November 9. However, effect in implementing these orders not yet certain. In any event existing refugee problems will still be too great for Greek Government and AMAG simply will not be able to assume this new and unexpected task unless it abandons entirely reconstruction program.

In my opinion it would be serious political and economic mistake to give up reconstruction program contemplated by Congress and American people when Greek aid statute enacted. I believe $300,000,000 appropriated for AMAG sufficient accomplish objectives stated when AMAG established.

Recommendations for special session Congress:

USFRP functions terminate about January 1 and must be picked up by AMAG. Because of unanticipated relief requirements which have developed I earnestly recommend that provision be made for USFRP or some equivalent agency continue until June 30 responsibility for furnishing general relief assistance and assume especially relief assistance necessitated by refugee situation. I believe members of Congress who have visited Greece and particularly those who witnessed refugee situation northern Greece would support such a recommendation.

Assuming that $50,000,000 present USFRP funds will be available Greece, I believe $50,000,000 additional will be required to meet relief costs until June 30. Clay will explain basis estimate which involves certain policy decisions.

I am convinced it would be error however because of Greek psychology publicly to appropriate or earmark any special sum for Greek relief. Rather, I urge that out of any appropriation for European aid made by Congress at special session a sum be specified which might

be available for relief in several named countries including Greece, and that a maximum amount within this sum be agreed in executive session between Congressional leaders, Department and USFRP to be available for Greek relief. Small allotments against this sum could be called forward as needed. Procedure outlined would give us additional handle needed in seeking appropriate action by Greek Government especially relative return of refugees to their villages and making better use of Greek aid. Would also permit release of unneeded amounts for use other countries if by securing return of refugees to homes estimated relief costs can be reduced.

GRISWOLD

868.00/11–1447 : Telegram

Governor Dwight P. Griswold to the Secretary of State

TOP SECRET
URGENT

ATHENS, November 14, 1947—2 p. m.[1]

Amag 471. Personal for Secretary Marshall. I have studied carefully new instructions set forth Department's telegram 1803 November 7 (Gama 430) and feel compelled request reconsideration of those parts dealing with relationship between Ambassador and Chief of AMAG. Either new instructions show that I no longer have confidence of President and yourself or else, as I hope, new instructions were based on misconception of situation here and without realization of their practical effect. I concur fully that portion new instructions dealing with relations AMAG Chief and military and naval subordinates in field of operational advice. I am disturbed, however, that occasion of decision to furnish operational advice in accordance my recommendations was utilized to effect new instructions on relations between Ambassador and Chief.

New instructions by specifying that "Ambassador is and should be universally recognized as American representative in Greece charged with dealing with Greek Government on matter high policy as defined" and that "Embassy should be sole channel for dealing with Greek Government or other foreign officials on such matters except when Ambassador may approve or request direct approach by one of other American officials," constitute fundamental change in my previous instructions. Those provided that I should have supreme authority in Greece over all American assistance, both civilian and military, and should determine and supervise the programs of American aid to Greece; that the mission should operate as an entity separate from the Embassy although working in close collaboration; and that the Am-

[1] This telegram was received at 12 : 29 a. m., November 15.

bassador should continue in charge of the conduct of "overall relations" with Greek Government and to have primary responsibility for all aspects of those relations "which are not directly related to the activities of the Mission." In your Top Secret personal instructions of July 11 you indicated that the particular responsibilities of the Ambassador included "bringing about changes in Greek Government, question of holding elections, and matter of amnesty for political prisoners."

I believe new instructions are also in conflict with spirit of the report submitted by Senate Committee on Foreign Relations which in paragraph 5 referred to Chief as being "responsible for entire program of assistance to Greece." This position was affirmed to me by President and I so informed Congressman Sheppard in hearings on supplemental appropriation bill for 1948 (page 1267).

New instructions would basically change practical arrangements affecting Mission operations by giving Ambassador right to be sole contact with Greek Government on so-called high policy decisions and relegating Chief of AMAG to administrative and technical contacts with Greek Government. Such arrangements I believe totally unworkable. New instructions would actually establish two heads of Mission giving senior position and power to Ambassador but without giving him corresponding responsibility for Mission work, whereas Chief would be left with responsibility but little power of authority. Under new instructions it would not be possible for me to remain here as I could not do effective or efficient work. Economic, political and military questions are all interrelated here and inextricably interwoven with "high policy" questions; although only very rarely with political questions affecting long range relationship between Greece and US. As Greek Government operations are carried on it is physically impossible, to give one example, to separate budget problems from refugee problem, need for national defense corps, taxation, cooperativeness of individual ministers or of Greek General Staff, or even change in military leadership.

As another example, in attempting to hold the line against runaway inflation numerous vital policy decisions must be made affecting Greek political and military issues as well as almost every aspect Greek economic life. One such decision involved wage scales and threatened general strikes. The Mission was successful in bringing about the first collective bargaining agreement since pre-Metaxas[2] days between trade unions, employers' representatives and the Government. It would be basically impossible to change spokesman in compliance with new

[2] Gen. John Metaxas was Greek Prime Minister from 1936 to 1941.

instructions that Embassy be sole channel each time a subject of "high policy" is mentioned to Greek Government and any attempt to do so would completely destroy effectiveness Mission in achieving objectives Greek aid statute. Furthermore, procedure would be invitation to Greeks to attempt play Ambassador and Chief against each other, and could also subject Ambassador to meeting dissatisfied groups and officials who would defer cooperation with Mission in hope of influencing individual having final authority.

In actual practice there has been increasingly close cooperation between Mission and Embassy. At no time has there been a single disagreement on objectives to be achieved. There was one relatively minor difference between Ambassador and myself as to degree of pressure which should be put on Greek Government to achieve change in Government desired by Department, Ambassador and Mission. Possibly in violation your Top Secret personal instructions I employed stronger pressure than Ambassador, fearing delay dangerous to Mission objectives resulting from normal diplomatic pressure; the results, I believe, justified this initiative. Only other difference between us was over wisdom of placing military operational advice under Chief of AMAG. We were both in full agreement on necessity operational advice. I believed politically and administratively such advice should be furnished within Greek aid statute and so recommended to Washington. I am convinced key to achievement American objectives Greece is mutual consultation and cooperation between Ambassador and myself, not change in fundamental relationship.

Whatever decision may be made on my request for reconsideration of the new instructions, I urge deletion paragraph 7 those instructions that "Greek Government and British authorities should be informed in general terms of relative responsibilities set forth this paper, and it should be made clear to them Ambassador sole channel for handling high policy questions." Such information conveyed Greek Government would as usual soon be published and would be construed everywhere as split between Embassy and Mission and not merely repudiation of me personally but also repudiation of work of Mission to date. I fear American prestige would be lowered and ability US Government achieve objectives Greek aid statute impaired. Even if it were possible to keep such information secret, furnishing information requested to Greek and British authorities would stultify position of Chief and make it impossible for him whoever he may be to operate effectively.

If you believe Mission operations to date have been effective toward achieving intent Greek aid statute I earnestly recommend that there be no change in previous instructions relating to relations between Ambassador and Chief. If on other hand you believe administration

AMAG has been unsuccessful, I then recommend that power and responsibility for all American aid program be placed in Ambassador.

As the President asked me to accept this difficult position and assured me I would have full authority I am sending him directly essentially identical telegram.[3]

GRISWOLD

[3] Amag 472, November 14, 7 a. m., not printed.

868.20 Missions/11–1447 : Telegram

The Secretary of State to the Embassy in Greece

SECRET
PRIORITY

WASHINGTON, November 14, 1947—9 p. m.

1837. In connection Army Dept statement (Deptel 1829 Nov 14 [1]) you should inform Greek Govt US approval program for furnishing operational advice to Greek armed forces through joint Army–Navy–Air staff and military observers with Greek forces down to and including divisions. All such staff will be part of AMAG. In explaining foregoing extension of military responsibilities you should take occasion to clarify organization of and relationship between Emb and AMAG (Deptel 1803 Nov 7) in so far as it applies to Greek Govt. Explanation should include statement that Amb is the US rep in Greece charged with dealing with Greek Govt on matters high policy. Emb is channel for dealing with Greek Govt or other foreign officials on such matters, except when Amb may approve or request direct approach by other US officials. General indication should be given as to what constitutes high policy as indicated Deptel 1803. In all matters affecting operations of AMAG in which high policy not involved responsibility for decisions rests with Chief AMAG who is sole director AMAG operations. All military and naval assistance to Greece whether in form supplies or advice, should be handled by military and naval units AMAG unless high policy decisions involved in which case authority rests with Amb under instructions from Dept. Chargé d'Affaires of course bears responsibilities of Amb in absence of latter just as responsibilities of Chief AMAG during his absence are vested in Acting Chief.

Foregoing info should also be given to appropriate Brit authorities.

[1] Not printed; the statement read: "Secy of Army Royall announced today that the Dept of the Army, in accordance with the request of the Greek Govt and with the approval of the Secy of Defense and the Dept of State, is increasing the size of the Military Advisory Group to Greece by approximately ninety officers and eighty enlisted men. This will provide personnel to furnish military advice to the Greek Army Staff down to the division level." (868.20 Missions/11–1447)

Inform Griswold these instructions and discuss with him prior to approaching Greek Govt. Advise Greek Govt with Griswold present. We suggest that you request both PriMin and MinFonAff to be present at interview.

In discussing foregoing it should be made clear that relationships outlined above represent no change from situation obtaining since AMAG established and that clarification at this time necessary only because of additional group being despatched for military advice.

MARSHALL

868.20 Missions/11–1547 : Telegram

The Secretary of State to the Embassy in Greece

SECRET WASHINGTON, November 15, 1947—11 a. m.

US URGENT

1838. Do not take any action on Deptel 1837 Nov 14 until further notice except to advise Greek Govt re operational advice as set forth first two sentences reftel.[1]

MARSHALL

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[1] Acting Secretary of State Lovett transmitted copies of telegrams Amag 472 and of No. 1803, November 7, to Athens, to President Truman on November 15. His transmitting memorandum stated: "In the light of Governor Griswold's comments on the supplementary instructions . . . we propose to give further consideration to the question and to discuss it again in the National Security Council." (868.00/11–1547)

The same day the Department informed the Embassy in Greece in telegram 1839 that "Supplementary instructions to Emb and AMAG contained Deptel 1803 should be considered as in suspense pending further notice." Governor Griswold was similarly informed in telegram Gama 457, November 15, 1 p. m. (868.00/11–1547).

Regarding Amag 472, see footnote 3, p. 407.

868.01/11–1747

Memorandum by the Acting Chief of the Division of Greek, Turkish and Iranian Affairs (Jernegan)[1]

SECRET [WASHINGTON,] November 17, 1947.

With reference to our meeting of November 14, there are outlined below various measures which might be taken if some one or more of the Soviet satellite states or the USSR itself should accord recognition to the Greek guerrillas. I am indicating the Division which I think

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[1] Addressed to Walworth Barbour, Acting Chief of the Division of Southern European Affairs, Harding F. Bancroft, Associate Chief of the Division of International Security Affairs, and Raymund T. Yingling, Assistant Legal Adviser for Military Affairs and Occupied Areas.

could most appropriately study the pros and cons of each step, and I would appreciate it if the indicated Division in each case would prepare an informal statement setting forth the advantages and disadvantages of the particular measure in question, together with a recommendation as to whether it should be seriously considered or discarded. Needless to say, I would welcome any additional suggestions which may occur to you.

1. The permanent Balkan Committee of the General Assembly should at once consider the situation created by an act of recognition of the rebel government, in the light of the recent General Assembly resolution on Greece, and should make a prompt report to the members of the United Nations. This report should include a recommendation for the calling of a special session of the General Assembly. It might also include suggestions for interim action by the members. (For consideration by IS)

2. In line with arguments advanced by Foreign Minister Tsaldaris, Greece might declare that the act of recognition itself constituted a new aggression against Greece, and/or violation of the recommendations of the General Assembly, and request special action by the U.N. (For consideration by IS and LE)

3. What action might the UN take in response to the recommendations of the permanent Balkan Committee or the special request of the Greek Government? Should the United States seek to obtain such action through the General Assembly or through the Security Council? (For consideration by IS)

4. Could the Greek Government properly call for urgent assistance under the provisions of Article 51 of the UN Charter, pending action by one of the UN organs? (For consideration by IS)

5. In response to a Greek request for aid under Article 51 the United States might send American troops and naval units to Greece to give moral support to the Greek Government and people and to protect strategic points and relieve the Greek forces to that extent. (For consideration by SE and GTI)

6. Simultaneously, the United States might urge other nations members of the UN (excluding of course the USSR and satellites) to respond to the Greek request for help by sending troops to the extent of their ability. (For consideration by IS, SE, and GTI)

7. As one measure which might be taken through the UN, (point 3 above) the United States might seek to have the General Assembly condemn the act of recognition as contrary to the recommendations of the General Assembly, as a violation of the spirit, if not the letter, of the Charter of the UN, or something of this sort. (For consideration by IS and LE)

8. Would it be desirable and practicable to invoke Article 106 of the UN Charter, either before, during, or after a meeting of the General Assembly? (For consideration by IS)

9. Could any action be taken under the terms of the peace treaty with Bulgaria, assuming that Bulgaria extended recognition to the rebel government? (For consideration by LE and SE)

10. In addition to or instead of the despatch of American armed forces to Greece the United States might increase its assistance to the Greek armed forces through the provision of supplies and equipment and funds to permit further increases in the size and effectiveness of the Greek forces. (For consideration by GTI)

868.20/11–1747 : Telegram

The Secretary of State to the Embassy in Greece

TOP SECRET WASHINGTON, November 17, 1947—8 p. m.

1842. Gama 464. For Emb and Griswold. Nov. 12 letter from Sec Army [1] (ref Gama 379 and 406 and Amag 425 [2]) asks assurance further funds beyond aproved six million dollars will be available if this amount inadequate form National Defense Corps 32 battalions which Army thinks size committed. Dept reply states in substance: (1) a Dept letter of Oct. 29 [1] (see Gama 379) indicated approval switch six million dollars from permanent increase 10,000 men in Greek National Army to formation Greek National Defense Corps; (2) this effectively withdrew Dept approval permanent increase 10,000 men in Greek National Army; (3) Dept has received no proposals from Ambassador and Chief of Mission re either exact size Greek National Defense Corps or change in set amount six million dollars (figures given in Amag 425 understood to represent only estimates of what can be done with six million plus any savings in rationing and equipment through *Gendarmerie* reduction); (4) Dept therefore unaware any commitment re exact size National Defense Corps.

Please advise if foregoing is not in accordance with your understanding or if you have any different recommendations at this time.

MARSHALL

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[1] Not printed.

[2] Nos. 379 and 425, dated October 29 and November 4, respectively, pp. 390, 396. No. 406, dated November 5, not printed, but see footnote 5, p. 398.

868.00/11–1847

Memorandum by the Director of the Office of Near Eastern and African Affairs (Henderson) and the Coordinator for Aid to Greece and Turkey (McGhee) to the Under Secretary of State (Lovett)

TOP SECRET [WASHINGTON,] November 18, 1947.

Comments made by Governor Griswold in Amag No. 471, dated November 14, 1947, with respect to instructions by the Department set forth in Gama No. 430, dated November 7, 1947, indicate the necessity for reappraisal of the relationship between Griswold and the Ambassador. In seeking a solution to the immediate issue, i.e., relationship between Griswold and the Ambassador in the light of the assignment of military personnel for the purpose of giving planning and operational advice to the Greek National Army, an attempt must also be made to solve the basic problem of the relationship between the Embassy and AMAG personnel.

Solution of this issue can be found among three alternatives:

1. Inform Governor Griswold that the amplified instructions contained in Gama No. 430 must be adhered to with the exception that the Greek Government and the British Ambassador need not be advised; and that the supplementary instructions were drafted only after careful consideration of the Department and the National Security Council, and are based not on consideration of personalities, but upon established principles of international relations, including the function of an Embassy, what it may properly do and may not do and the responsibility for which it may or may not divest itself. Governor Griswold should be advised that the Department feels that with good will and the spirit of sincere cooperation he and the Ambassador can work satisfactorily together under these instructions. It would be stated that the Department and the President have complete confidence in Griswold and hope he will stay under these conditions. He would be advised at the same time that the Ambassador would be under instructions to lend full cooperation and support to Governor Griswold.

2. Make an attempt to work out an arrangement which would result in a spirit of real cooperation between Governor Griswold and the Ambassador on a basis which would assure the Governor that his prestige will not be weakened or the effectiveness of his work diminished. An appeal would be made to both in the interests of the United States and of world peace to work together with the single purpose of achieving success in our Greek program. A telegram should be sent to the Governor stating the circumstances which led to issuance of supplementary instructions; making certain suggestions for amendment of these instructions in light of his comments and inviting him

to make other comments; expressing our readiness to recommend suitable amendments to the National Security Council; informing him that the telegram had been shown Mr. MacVeagh who is still ill and who also takes position that resignation of Governor Griswold would be unfortunate and that he wishes assurances be sent that Governor Griswold could rely on his full cooperation and desire to help. This telegram would of course be approved by Mr. MacVeagh before despatch and with our understanding with Mr. MacVeagh that he is prepared to work out procedures which would be satisfactory to Governor Griswold. This solution would:

a. Make it possible for the Ambassador to continue the traditional role of Ambassador without intervening in internal Greek affairs to the extent which it must be recognized that Governor Griswold and AMAG should engage.

b. Provide an independent representative of the Department who is experienced in political relations with other governments, who can provide counsel for Governor Griswold in overall and political matters and who can report to the Department independently on conditions in Greece.

3. Naming of Governor Griswold as Ambassador to Greece, in addition to his present duties, and the integration of Embassy and Mission activities. Certain functions of AMAG, particularly in the military, economic, labor and information fields, impinge so directly on the activities of the Embassy that the expanded concept of the AMAG function results in overlap and in some cases almost complete duplication of effort between the Embassy and AMAG. The naming of Governor Griswold as Ambassador would:[1]

a. Concentrate in one person the responsibility for all relations between the United States and Greek Governments, giving added prestige and power to the one representative and preventing any dispute as to primacy of one over the other and the possibility of Greeks playing one against the other. Although it is clear that under these circumstances Governor Griswold would perform functions not traditionally performed by an Ambassador, it can nevertheless be argued that the important thing is whether or not a representative of the United States Government performs these functions, not whether he is the Ambassador or the Chief of the Aid Mission.

b. Make possible the integration of the activities of the Mission and the Embassy. Where it is conceded that the Mission has primacy, such as in the fields of finance and economics, Embassy personnel in these fields could be subordinated to the responsible AMAG official. Duplication of functions and the possibility of any difference in policy would be eliminated, relationships with the Greek Government would be simplified and possibility for the Greeks playing Embassy personnel against Mission personnel would be eliminated.

[1] Marginal notation by Mr. Peurifoy: "I agree with this alternative as the only practical solution."

In case Governor Griswold is made Ambassador, he should understand that among his functions would be that of promoting friendly relations with Greece and of meeting socially leaders in various phases of Greek life. The representation work which an Ambassador cannot avoid, particularly in a country the morale of which we are trying to bolster, would consume a considerable portion of Governor Griswold's time. He should, therefore, have a deputy to carry much of the burden of AMAG work just as the Minister Counselor would carry the major portion of routine Embassy work.

Recommendation:

(1) It is recommended that this problem be discussed as a whole with the President prior to the Department's taking a firm position with respect to any of the three alternate solutions proposed. Discussion with the President should, however, be along the lines of these three alternatives. When this is presented to the President the Department should, if requested or if advisable in the opinion of the Secretary, offer one of the following positions as decided by the Secretary:

(*a*) Mr. Armour and Mr. Henderson recommend: "2".

(*b*) Mr. Peurifoy and Mr. McGhee recommend: Governor Griswold should be advised that No. 1 represents in the view of the Department the maximum possible delegation of authority in matters of "high policy" by the Ambassador to the Chief of AMAG. If in Governor Griswold's opinion the Chief of AMAG cannot fulfill his responsibilities thereunder which he must assume to assure success of his Mission, then the Department wishes to recommend, subject to his consent, his nomination as Ambassador to Greece as outlined in solution 3.

868.00/11–1147 : Telegram

The Acting Secretary of State to the American Mission for Aid to Greece

SECRET
URGENT

WASHINGTON, November 18, 1947—9 p. m.

Gama No. 470. Refer Amag 466, 454, 397,[1] and other messages dealing with budget problems.

PL 84 funds for Greece now definitely limited to about $40,000,000, to provide quantities of foodstuffs to be cabled separately. All resources under 84 fully committed. Greek share is to cover July–December 1947 shipments.

Dept considers any additional aid should be requested under PL 75, and cannot avoid earmarking for Greece. It is impossible at this date

[1] Dated November 13, November 11, and October 27, respectively. Nos. 454 and 397 are not printed, but see footnotes on pp. 402, 388.

arrange inclusion supplementary Greek Aid Program budget in first budget presentation to special session for interim aid. Dept's judgment is that request will have better chance for approval by Congress in next regular session, however, if you consider need too pressing for delay Dept is, subject to discussion with Congressional leaders, prepared make separate presentation under PL 75 before close special session. For your info Dept plans tentatively earmark $27,000,000 as Greek share for first quarter of ERP, that is second quarter calendar 1948, however these funds cannot of course be counted on until after legislative action.

[Here follows Department's request for AMAG to furnish figures and justification for a supplemental budget.]

It is proposed to seek increased OFLC credit amounting to $25,000,000 instead of $10,000,000 suggested Amag 474.[2] Your supplemental budget justification should take into account possibilities of securing such a sum and further the likelihood that surplus goods approaching this value can be secured, in ETO or other theatres, of a nature suitable for Greek needs.

View time factor urge reply by 21st November.

LOVETT

[2] Dated November 15, not printed; it reported information from the Greek Government that it had used or contracted for $46,000,000 of its $55,000,000 surplus property credit and that it would probably exhaust the remainder as a result of current negotiations for additional purchases (868.00/11–1547).

868.00/11–1847 : Telegram

The Acting Secretary of State to the American Mission for Aid to Greece

SECRET WASHINGTON, November 18, 1947—9 p. m.

Gama 475. From State and Treas. 1. Bank of Greece has cabled FRB NY requesting swap of 330,000 Napoleons for sovereigns.

2. Treas in position effect exchange Napoleons but Dept not prepared to recommend any action which would facilitate further dissipation Greek exchange resources in gold sales while Greek exchange deficit being covered by funds appropriated by US Congress. Therefore, action on Bank of Greece's request deferred.

3. Our position outlined Gama 341.[1] We remain unconvinced that by manipulating of gold price, commodity price-level can be held below level dictated by available supplies and purchasing power. From such info as we possess, rise in commodity and gold prices has not exceeded what might be expected as initial reaction plan railroad and new taxes.

[1] Dated October 18, p. 371.

4. Dept notes from Amag 454 Nov. 11,[2] fourth section, that mission feels concern over necessity heavy expenditures AMAG funds during next few months and fears Greek exchange earnings will be insufficient to pay for essential imports next spring and summer. Dissipation now Greek gold will add to real crisis then if Mission fears realized. Thus, despite analysis Amag 454 and in view fact that at best gold sales can have only temporary psychological effect, we doubt wisdom gold sales this juncture.

5. We should like to point out further that Dept does not believe it will be feasible to permit use of AMAG funds or current Greek exchange earnings for acquisition new gold if present stocks exhausted. Therefore attempt to hold gold price now may only result in more difficult situation later. Only net result may be that Greek resources represented by present stocks will be in hoards of Greek profiteers instead of being available for purchase commodities needed by general Greek public. This has been history of Greek gold operations and we are unconvinced circumstances are different at present.

[Here follow paragraphs numbered 6 and 7 requesting AMAG to cable detailed economic and financial data.]

LOVETT

[2] Not printed but see footnote 1, p. 402.

868.014/11–1947 : Telegram

The Acting Secretary of State to the Embassy in Greece

CONFIDENTIAL WASHINGTON, November 19, 1947—7 p. m.

1857. While in US, Tsaldaris requested Dept publicly indicate approval of Greek ratification Italian peace treaty and our willingness to support Greek desire to present claim re Northern Epirus before CFM at some appropriate time. Such declaration, Tsaldaris states, would obviate necessity for Greece to raise this claim in UN debates on revision of Italian peace treaty. Dept believes Greek action in UN on this matter highly undesirable as would lend substance to Soviet charges that Greece has aggressive intentions in Balkans and is cause of unrest in area. Dept does not support Greek claim to Northern Epirus but support for Greek presentation of claim before CFM at appropriate time indicated by Secy Byrnes to Tsaldaris in Paris Sept 1946 and promised by Dept in letters to Congressmen in Jan 1947.

In view of above Dept has decided to issue following statement and will notify you of release date:

[Here follows statement made by Acting Secretary of State Lovett, which was released on November 21; for text, see Department of State *Bulletin*, November 30, 1947, page 1058.]

Pls inform Gk Govt that US does not consider present as "appropriate time" mentioned in statement and would be unable to agree to consideration any Gk claims at forthcoming CFM meeting.

Sent Athens 1857; rpt Rome 2408.

LOVETT

868.00/11–1447 : Telegram

The Acting Secretary of State to the American Mission for Aid to Greece

TOP SECRET WASHINGTON, November 20, 1947—5 p. m.

Gama 484. Personal for Griswold. Statement on organization US activities in Greece transmitted Gama 430 [1] was not intended to imply lack of confidence in you on part of Dept or President (Amag 471 [2]). This statement prepared primarily because of desire of Armed Services Depts to avoid any possible confusion with regard to appropriate channels for approaching Grk Govt and Washington which might handicap work of both AMAG and Emb, thereby reducing effectiveness of additional military staff being provided to furnish operational advice and planning to Grk armed forces. Since decision to provide operational advice and planning involves far-reaching consequences and renders it even more important that no step for assuring success US aid program be overlooked, Dept endeavored, in cooperation with other interested depts, to work out statement which would prevent any possible future misunderstandings with regard to responsibility, organization or channels. This statement not intended to replace instructions already issued you but to assist in clarifying former instructions in connection with addition to AMAG of military group with functions not provided for in original AMAG organization. There was no intention to curtail your authority and responsibility as set forth in original instructions and of course no desire to take any step which would render more difficult work of AMAG or Emb.

In view your recommendations Amag 471 that there be no change in previous instructions relating to relations between Amb and Chief AMAG, and in view your opinion that satisfactory relationship has been established between AMAG and Emb, President has agreed to inform National Security Council that statement contained Gama 430 is being withdrawn with exception substance para 6 which states that "all military and naval assistance to Greece, whether in form of supplies or of advice on logistics, training or operations, should be handled by military and naval units AMAG" and that "in field operational

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[1] Dated November 7, p. 400.

[2] Dated November 14, p. 404.

advice to Greek forces, Chief AMAG would be expected leave to his principal military and naval subordinates military decisions which do not affect overall AMAG policies or other AMAG activities".

Since statement contained Amag [*Gama*] 430 is being withdrawn, there is no reason for discussing with Grk or Brit officials organizational relationships between AMAG and Emb. It is necessary only to inform Grk and Brit officials that additional military personnel, to furnish operational advice, will be integrated with already existing military section AMAG under jurisdiction head military section.

I completely agree with your conviction that key to achievement American objectives in Greece is mutual consultation and cooperation between AMAG and Emb. Our aims in Greece can be realized only by unity of purpose and consistent presentation US policy. I feel that both AMAG and Emb have vitally important roles to play in executing US policy and our sole desire is that their contributions be utilized to fullest extent in complete harmony.

For your info state of health of Amb, who has recently undergone serious operation, is such that it is impossible to determine whether he will be physically able to resume his duties in Greece. It is hoped that within a few days more precise info can be given you regarding plans Amb.[3]

LOVETT

[3] In a personal message, Gama 486, November 20, Mr. McGhee informed Governor Griswold as follows: "I think you should know that the President as well as the Secretary personally approved Gama No. 484 and that every one feels that a satisfactory and final solution has now been reached to this problem. I can assure you that every one here is pleased with the results you and your Mission have achieved to date and have complete confidence in you personally." (868.00/11–2047)

761.67/11–2147 : Telegram

The Ambassador in Turkey (Wilson) to the Secretary of State

SECRET ANKARA, November 21, 1947—11 a. m.

897. Foreign Minister tells me Turkish Ambassador Moscow reports at November 7 reception Marshal Bulganin [1] came to speak with him, Vinogradov, Soviet Ambassador to Turkey (who has been absent from Ankara well over year) serving as interpreter. Bulganin began by saying he had admired Turkey in past but now Turkey had placed herself under American hegemony, was allowing US Army create bases in Turkey and serving as instrument of US in latter's plans to prepare war against USSR. Turkish Ambassador replied was amazed to hear such statements since no one wished war so far as he

[1] Nikolay Alexandrovich Bulganin, Minister of Armed Forces of the Soviet Union.

was aware and Turkish military establishments only defensive in character. Conversation continued a few minutes on this tone. Sadak remarked wryly this was first conversation above handling routine matters in which high Soviet official had engaged representative of Turkish Government in past year and half.

Sent Department as 897, Department pass Moscow as 23.

WILSON

768.74/11–1447 : Telegram

The Acting Secretary of State to the Embassy in Greece

CONFIDENTIAL WASHINGTON, November 22, 1947—1 p. m.

1889. Pls inform FonOff that US considers Grks would be well advised to endeavor to establish normal diplomatic relations with all their northern neighbors in near future. In addition to reasons advanced Sofia tel 1044 [1] (rptd as its 29 Athens) early establishment relations with Bulgaria seems desirable for effective prosecution Grk reparations rights under Art 21 of peace treaty. As to Albania, termination formal state of war and establishment diplomatic relations would serve to vitiate Soviet and satellite charges that Greece has aggressive designs in Balkans. Grk FonOff will recall that at UN Grks pledged fullest cooperation in implementation GA resolution on Grk case, first portion of which calls for establishment normal diplomatic relations in area. Further, in conversation with Dept officials, Tsaldaris indicated Grk intention to present UN Special Balkan Committee with declaration of Grk willingness in this regard. Dept considers latter action would greatly benefit Grk cause and has noted as steps in this direction FonMin's recent statement re Bulgaria to parliament (urtel 1940 [2]) and recent remarks of FonOff Under Secy (urtel 1961 [3]). You may wish to point out that diplomatic recognition of regime does not invariably imply approval or agreement with its methods and aims and that existence diplomatic relations between two countries does not necessarily mean that all outstanding questions between them have been resolved. You may refer, for example, to fact US established normal diplomatic relations with Bulgaria while concurrently protesting actions of Bulgarian Govt re Petkov and opposing admission of Bulgaria to UN. In your discretion you may reaffirm to FonOff US

[1] Dated November 12, 11 a. m., not printed; the reasons given were that Greek failure to recognize the Bulgarian Government would leave Greek interests unprotected and might create an excuse for Bulgarian recognition of the Greek "democratic government" (768.74/11–1247).

[2] Dated November 11, not printed; Foreign Minister Tsaldaris, in an address before Parliament on November 10, stated that Greece was ready to proceed to reestablish relations with Bulgaria notwithstanding her hostile attitude toward Greece and her unwillingness to fulfill her obligations under the peace treaty (868.00/11–1147).

[3] Dated November 14, 11 a. m., not printed.

view that Grk claims for additional territory to north are unrealizable under present and foreseeable conditions and might well be suspended, if not abandoned, in interest of peace and stability in area.

Sent Athens [1889]; rptd BalCom, Salonika 128.

LOVETT

868.00/11–1947 : Telegram

The Acting Secretary of State to the Secretary of State, at London [1]

SECRET WASHINGTON, November 25, 1947—9 p. m.

Telmar 4. British military officials both here and Athens have indicated uncertainty regarding position their military missions Greece in light our recent announcement of decision furnish military advice to Grk armed forces and establish staff group plus observers for this purpose. British apparently feel we may be planning take over functions they are performing and they have informally suggested idea their missions might be reduced or withdrawn.

Dept has advised Emb Athens and AMAG as follows by telegram (Deptel 1890 [2]) Nov. 22:

"1. US decision to furnish additional military advice to Grk forces (Amag 496 Nov 19 [3]) does not alter US view British military missions should remain Greece. Importance US attaches their remaining evidenced by US willingness have Greece meet certain their costs.

2. Dept understands Brit Govt policy prohibits Brit officers in Greece from giving officially military advice of kind US officers will give. Therefore no apparent conflict functions US and Brit officers. Any case, coordination should be possible.

3. Dept considers arrangements for coordinating activities US and Brit military missions matter for military and has referred it to Army Dept. We are informed one of first duties joint American military staff will be recommend to US Joint Chiefs of Staff arrangements for relations between Brit and US military agencies Greece. Joint Chiefs will then complete arrangements thru appropriate Brit authorities.

4. Dept will continue press for speedy action these questions." [4]

Army Dept has similarly explained our views to Brit Joint Staff Mission here.

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[1] The Secretary was attending the Fifth Session of the Council of Foreign Ministers which met at London from November 25 to December 15, 1947.

[2] Identified also as Gama 502, not printed.

[3] Not printed.

[4] In telegram 1906, Gama 518, November 25, the Department informed the Embassy and AMAG at Athens that "If you have not already done so pls convey substance Deptel 1890 (Gama 502) to appropriate Brit authorities. If Brit appear still uncertain or indicate disposition curtail their activities, pls inform Dept and Secretary Marshall in London. The continued presence of the Brit Military Mission in Greece is of the utmost importance to the policies of the US not only in Greece but in the whole Middle East." (868.00/11–2547)

We understand Bevin may raise this question with you. You may wish explain matter along foregoing line and endeavor check any Brit disposition to use new American activities as excuse for curtailment Brit activities Greece. Understand Army Dept cabling Byroade [5] this subject.

Rptd for info to Emb 1908 and AMAG, Athens as 523.

LOVETT

[5] Col. Henry A. Byroade of the General Staff, Department of the Army; at this time, Military Adviser to the United States Delegation at the Fifth Session of the Council of Foreign Ministers.

868.00/11–2647 : Telegram

Governor Dwight P. Griswold to the Secretary of State

SECRET ATHENS, November 26, 1947—4 p. m.

Amag 542. ReGama 475.[1] 1. Inquiry by Bank of Greece of FRB NY regarding exchange of napoleons for sovereigns made without prior consultation Mission or approval of foreign members of Currency Committee.

2. While unable to prevent sales from present sovereign stocks of Bank of Greece, Mission has repeatedly informed Govt that US assistance in procuring additional sovereigns even through conversion of napoleons is most unlikely. In view of further intensification of inflationary pressure and increasingly grave political repercussions, however, Mission strongly urges authorization for conversion of napoleons be granted.

3. General price index October 1939 equals 100 has risen to 25018 on November 22 from 23047 on November 1, 21543 on October 1 and 20473 on August 31. Inflationary pressures outlined in Amag 337 and 454 [2] primarily responsible. In particular, coincidence of certificate plan, 150% increase in customs duties, 66% increase in turnover tax, and belated wage increases in transport and other public utilities have recently resulted in drastic increases in industrial and transport costs. For example, railway rates to be increased by 88% and price of industrial coal by 87%. Such abrupt elimination of former subsidies constitutes great shock to entire economy which has become severely intensified by speculation in gold and commodity markets. Although profit margins probably sufficiently high to absorb bulk of cost increases resulting from AMAG initiated reforms, there is widespread effort to pass on to consumer full amount of cost increases.

[1] Dated November 18, p. 414.

[2] Dated October 9 and November 11, respectively, neither printed, but see footnotes 1, pp. 371, 402.

As result of rapid rise in commodity prices in recent weeks, renewed series of demands for wage increases appears imminent, again confronting Govt with dilemma of flat refusal at risk of general strike or wage concessions and accelerated inflation.

4. No reform measures in form of direct taxation, expenditure controls, price controls, rationing, etc., can be applied in time to escape necessity of choice between above alternatives. Mission believes only possible course is to try to check speculation on gold and commodity exchanges by intermittent gold sales while simultaneously limiting wage-rate concessions to the minima politically feasible. Mission agrees that commodity price level cannot, by manipulating gold price, be held below level dictated by available supplies and purchasing power. Mission has repeatedly made clear that its advocacy of gold sales is based only on temporary psychological effects of such sales which obviously are not fundamental correctives.

5. Gold sale policy pursued since November 6 directed to closely limited objective of checking panicky increases in gold rate by intermittent intervention. Requests of Govt for stabilization of rate at artificially low level of 150 thousand drachmas firmly rejected by foreign members of Currency Committee with Mission's concurrence. Early attempt to hold rate at 165–175 thousand resulted in heavy sales totalling 41 thousand sovereigns from November 7 to 12. Subsequent withdrawal from market followed by rise in rate to 187 thousand on November 25.

Greece has been through two runaway inflations within eight years. As result psychology firmly fixed that investment in gold essential as hedge against new inflation. Gold psychology nation-wide with even peasants hoarding one or two sovereigns. Relative stability gold price would be most important factor in holding inflation during these critical months while confidence shaken by military situation and economy shaken by reform. It should also have effect of bringing goods into market now held off market in hope of further price rise.

6. Stock of sovereigns in Bank of Greece available for sale is a strong factor in market confidence. Greatly concerned lest approaching exhaustion of existing stocks induce even more panicky demands. Announcement of conversion of napoleons to sovereigns would unquestionably exert strong stabilizing effect on gold market.

7. Govt subject to heavy political pressure as result of rise in gold rate and general price level. Minister of National Economy Varvoutis, Liberal, and most able and effective Minister, threatens to resign if rate exceeds 200 thousand. Ministers united on essentiality of gold sales regardless of political affiliations. As evidence of desperation of Govt, Economic Policy Committee without informing Patterson and Greg-

ory ordered Bank of Greece on November 21 to resume gold sales regardless contrary agreements. A reasoned letter by foreign members Currency Committee to Ministers primarily concerned pointing out dangers aroused heated resentment by Tsaldaris who asked Keeley and Griswold to home and discussed gold.

8. Gravely concerned lest support and prestige of present Govt be seriously weakened by continued speculative rise in gold market. Such weakening of present Cabinet prestige is itself adequate basis for this request for emergency exception to long-range US policy. Fall of present Cabinet would be little short of disastrous to American objectives. No new govt likely to be so able, cooperative or broadly based and there would be almost certain series of political crises which in itself would create lack of economic confidence and intensify present trends, and serious danger rightist govt would emerge recreating political liability for US in US and in international picture; and creating political dissension and strengthen Communist agitation within Greece. Frankly, we think it necessary to buy time until army begins to march and imports begin to reach market in greater quantity. Economic Ministers have manifested in recent months much more realistic and nonpartisan approach to problems of Greece. Believe they merit interim assistance in form of speedy conversion of napoleons and continuance of gold sales.

9. For examination basic economic aspects of gold policy I ask you to send to Athens for brief study some policy level representative of State and Treasury.

10. Entire subject fully discussed with Embassy which entirely concurs with views of Mission expressed above.

Pass copy to Clay.

GRISWOLD

868.00/11–2647 : Telegram

The Acting Secretary of State to the American Mission for Aid to Greece

SECRET WASHINGTON, November 26, 1947—7 p. m.

Gama No. 526. Dept urgently considering question additional Greek Aid from all possible sources and requests no further announcements this subject from Athens until further advice received. As indicated Gama 470 [1] not possible include additional Greek Aid request in interim aid for Europe bill as reported from your conference of 25th by Schmidt in *Times* article of 26th. Following is statement made by Acting Sec at today's press conference:

[1] Dated November 18, p. 413.

"Reports from the American Mission for Aid to Greece indicate that several factors affecting the success of the Aid Program have recently emerged which were not envisaged when the Greek Aid Program was presented to Congress:

(1) The guerrilla warfare has resulted in the forced and planned evacuation of 310,000 refugees, who are now crowded in Salonika and other cities in the north of Greece near the guerrilla areas. These refugees are completely without source of livelihood, will not be able to produce on their own farms crops which were a part of the original Greek supply estimates, and are wholly dependent on the state for support. It is estimated that this number may increase to 500,000 by January 1.

(2) Approximately one-third of the Greek wheat crop was lost through the recent drouth.

(3) It has been necessary to allocate nine million dollars from funds earmarked for economic purposes to increased supplies and equipment being furnished the Greek Army.

(4) Increase in world prices has substantially reduced the buying power of Greek Aid Funds.

(5) Availability of funds for Greece under the post-UNRRA relief program will be 10 million dollars less than originally planned.

The American Mission and the Department are studying carefully the probable effect of these factors on the recovery program in Greece and the possibility of meeting this emergency by reallocation of remaining Greek Aid funds. This question is also being considered in connection with the participation of Greece in the European Recovery Plan.

The necessity for the Department's requesting an additional appropriation for the present fiscal year will depend on the outcome of these studies."

LOVETT

867.51/11–2647 : Telegram

The Acting Secretary of State to the Embassy in Turkey

RESTRICTED WASHINGTON, November 26, 1947—7 p. m.

675. Board Directors Eximbank Nov 26 approved credit Turk Govt $8 million to finance conversion six cargo passenger ships purchased from Maritime Commission.

Turk Govt to pay Maritime about $2,720,000 for purchase six vessels. Conversion cost estimated $8 million for which credit approved is to be repaid over period 7 years and to be guaranteed by Turk Govt with such additional security by way of lien on each vessel that may be practicable or desirable. Interest 3½ percent.[1]

LOVETT

[1] Telegram 685, December 2, 7 p. m., to Ankara noted that the $8,000,000 credit was in addition to the $25,000,000 line of credit approved in July 1946 (867.51/11–2947).

841.2368/9–1247 : Telegram

The Acting Secretary of State to the Secretary of State, at London

TOP SECRET WASHINGTON, November 29, 1947—2 p. m.

Telmar 21. For the Secretary from Lovett. You will recall that following urgent representations through Amb Douglas last summer Bevin agreed Sept 15 to postpone withdrawal remaining Brit combat troops Greece at least until Dec 15. At that time he intimated developments might conceivably make it possible for him to continue Brit forces Greece beyond that date.

In recent weeks this question has been further considered by Dept and armed services and all are agreed it is most important Brit retain present forces (about 6000 men) in Greece. During recent talks here this view was again presented to Brit military and diplomatic representatives who indicated full understanding but asserted that Brit Gov still faced great difficulties this question. Although holding out hope that way might be found at least to extend Dec 15 deadline, they were unable make any commitment.

If Brit troops should be withdrawn now results would be extremely grave. While it may be hopeful sign that Brit Gov has made no recent move to pull them out, you may wish to discuss this matter with Bevin with a view to obtaining a more definite assurance. As Dec 15 date is less than three weeks away, it is hoped early occasion may be found to express our view that recent events justify retention troops beyond Dec 15 (ref para two, Douglas' tel 4952, Sep 12). It is hoped that Bevin will enter into understanding that, (1) troops will be retained Greece beyond Dec 15, and (2) they will not be withdrawn without prior consultation with US well in advance of proposed evacuation.

It would of course be more helpful if Bevin could agree to retain Brit troops in Greece either indefinitely or for at least a period long enough to insure internal stability in Greece. We appreciate however that it may not be feasible to make the suggestion.

Problem paper (dated Nov 20)[1] for Secretary's book being forwarded air pouch Dec 2 gives additional background.

LOVETT

[1] Not found in Department of State files.

868.00/11–2947 : Telegram

The Chargé in Greece (Keeley) to the Secretary of State

SECRET ATHENS, November 29, 1947—6 p. m.

2060. Tsaldaris asked Griswold and me call on him November 25. He began conversation by expressing deep concern over whole situa-

tion in Greece. Said it strikes him that things are moving much too slowly; by the time recommendations are made and acted upon measures too often prove inadequate. Speaking frankly he said many actions seem to be taken without full knowledge their implications or ramifications. Cited this connection question balancing of budget which while necessary must be done with due regard inter-relationship of various factors. Also expressed concern over limited powers Griswold saying that when they first met in Washington and he learned that Griswold would be made "High Commissioner" with full powers over aid program he was at first concerned as a Greek that any one man should be given such authority in his country but after thinking matter over had reached conclusion that only thus could situation be saved. In practice, however, it seemed this has not been case and not only has Griswold only limited authority make decisions but his recommendations are not promptly approved by Washington. Gave as example inability of AMAG after two weeks effort to obtain decision re exchange of napoleons for sovereigns. Further example delay was long time consumed in obtaining approval recommendation give operational advice Greek Army and still further delay in implementation decision.

[Here follows further discussion of the gold situation.]

Turning to military situation as example of how interrelated and complicated things in Greece can be, Foreign Minister said that guerrillas have cut communications between Athens, Patras and Yanina and unless order could promptly be restored in Pelloponnesus effect would be widespread and might be disastrous. Pelloponnesus is "sacred homeland" of Greece where war of independence began and was won, whence have always come Greece's best fighters. If these fighters in north learn that their homeland in flames their morale will be shattered and will to fight destroyed.

Foreign Minister then turned to larger aspect Greek problem and speaking, he said, not as Greek or Cabinet member but as world citizen, declared that in his opinion US stake in Greece is much bigger than Greece itself and entails future of western civilization. Neither US nor Greece can afford to fail. It behooves us therefore to act energetically and with greatest speed to meet actualities of situation. It appeared he said that aid to Greece has been apportioned and frozen, so much for military, relief, reconstruction, etc., whereas realities of situation called for more flexibility and prompt access to additional funds if required. Conditions have worsened in Greece since original aid voted due to deteriorating military situation, bad wheat crop, growing refugee problem and higher prices of commodities in world market. Griswold, he thought, should have fund of ten million or so

dollars to use where most needed without protracted negotiations and discussion between him and Washington, and more funds must be found to meet needs unforeseen when aid voted. Again saying he was not thinking of Greece alone, he begged us to act before it is too late.

Griswold explained to Foreign Minister the legal and technical limitations involved and stated that unless Congress should vote more funds situation here must be faced with funds available. Everyone, he said, is doing his best to face up to complicated and difficult problems and will continue to do so.

In terminating, Tsaldaris repeated that everything points to necessity for speed if situation is to be met squarely. Things in his opinion are moving much too slowly and if present Govt cannot succeed in solving urgent problems it will have to give way with all consequences that entails.

While it is patent that Greeks themselves have failed produce kind of speed they ask of US, Embassy feels Tsaldaris has pointed up desirability of facing realistically situation as it has developed and will develop and overriding necessity of reaching and implementing decision as quickly as humanly possible. Case in point is question exchange of napoleons for sovereigns discussed in Amag 542, November 26, so as to have at least this amount on hand in form that it could be immediately used in an emergency. Embassy strongly endorses views expressed that telegram and urges immediate approval. Also, for US to guarantee Federal Reserve loan so as to release its gold cover and exchange latter for sovereigns might be cheap way of forestalling runaway inflation here with all that would be entailed detrimental our own national interests. Time is of the essence and, as Griswold states in reftel, we must buy time until army begins really to march.

As immediate practical measures toward speeding up operations, Embassy recommends that Griswold be given broader powers to make on spot decisions, that matters necessarily referred to Washington be treated more urgently, and that all problems be viewed by Department in their proper relationships. It is not, for example, helpful and seems wholly unrealistic to say that provision for unforeseen refugee problem must come out of Greek budget (Department memo dated October 28 of conversation with Tsaldaris) when AMAG fiscal advisers say that nothing more can come out of budget without immediate danger of inflation. Such problems must be coordinated.

Embassy has frequently pointed out that our thinking must transcend limited circumstances of original aid program if we are not again to suffer consequences of "too little and too late." This has been recognized in military field by decision give military advice to Greek Army even though general situation has deteriorated during two months it

took to reach decision and will probably deteriorate still further before decision can be implemented.

So that all the fine work that has already been done and funds already available may yield maximum results, it is Embassy's considered opinion that all elements situation should be immediately reviewed and coordinated and all necessary steps promptly taken.

This telegram shown to Griswold who concurs.

KEELEY

868.00/12–147 : Telegram

The Acting Secretary of State to the American Mission for Aid to Greece

SECRET WASHINGTON, December 1, 1947—7 p. m.

Gama 540. From State and Treasury. 1. Although opposed to Greek internal gold sales Treasury is prepared only in view your strong representation to effect exchange Greek gold napoleons for gold sovereigns on basis of fine gold content of coin, as recommended in your 542, Nov 26. In determining amount of sovereigns to be delivered, deduction will be made for melting costs and other mint charges for converting napoleons into fine gold bars. A deduction of one-half of one percent will also be made covering the Treasury's handling charges of one-quarter of one percent for both purchases and sales of gold. Detailed arrangements may be completed between Bank of Greece and Federal Reserve Bank New York.

2. Before authorizing further gold sales again urge careful reconsideration of desirability of continuing gold sale program even for temporary emergency purposes in view considerations referred to in Dept's 341 and 475.[1] Particular consideration should be given effect a gold sales program may have on Congress in its consideration of supplemental appropriations for Greek aid.

3. Furthermore, there is absolutely no possibility that new Greek or AMAG funds can be used for purchases of further gold. This means existing gold stock must be husbanded most carefully, and used only in the event of genuine crises of type where sale of small amount of gold will have direct and substantial effect. In light of basic inflationary conditions existing in Greece, which it must be anticipated will continue to exist for some time to come, it will be futile to attempt to maintain any given price level over any substantial period of time. The most that can be hoped for is to retard the rate of increase. Clay concurs.

LOVETT

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[1] Dated October 18 and November 18, respectively, pp. 371, 414.

868.20/12–247 : Telegram

Governor Dwight P. Griswold to the Secretary of State

SECRET ATHENS, December 2, 1947—8 a. m.

Amag 562. At a meeting with Prime Minister November 28, he stated that on recent northern trip he found army morale and training excellent and he personally congratulated and thanked Rawlins who was present for British training. He reported, however, all officers agreed 100 NDC battalions essential and urged we reduce reconstruction program in order make American aid available, remarking such reduction would not be catastrophic, whereas failure defeat bandits would be. I replied Congressional intent envisaged reconstruction program which already curtailed for security reasons and I felt it could not be further reduced; that economic front as vital as military. I pointed out that if Greek Government had abided by commitment, immediate reduction *gendarmerie* fifty battalions could have been organized within available American and Greek resources. I pointed out further that in any event, immediate organization additional battalions is possible [*impossible*] because despite repeated protests, Greek Army and *gendarmerie* had drawn rations in excess authorized strength and nearly exhausted normal pipeline reserve. I used illustrations to emphasize necessity of Greek Government carrying out commitments. I remarked military planning staff would be here before long and after careful study might or might not reach conclusion additional NDC required. I stated categorically no increase funds for NDC at this time and question must be put over until February.

Livesay then brought up fact that NDC units already organized not used release army for offensive operations but located areas where army had not been. Prime Minister admitted fact and stated regretfully that NDC organized and officered by Minister of War without consultation Prime Minister and located largely areas of personal political interest to Minister of War: That this was family quarrel he did not wish discuss further and one of penalties of coalition government.

I then stressed US support for continuance coalition government [1] and concern at reports that some of Ministers, notably Varvoutis, might resign from discouragement.

[Here follows further discussion of these matters.]

GRISWOLD

[1] In telegram 2072, December 3, Chargé Keeley reported that "Cordiality of Liberal-Populist coalition has been strained during past two weeks to point where harmony of action, if not continued existence, of coalition is threatened." (868.00/12–347) In reply, in telegram 1969, December 5, the Department stressed the "continuing necessity continued cooperation of Liberals and Populists during present critical period and approves your intention to reiterate these views to Sophoulis, Tsaldaris and other appropriate politicians of both parties upon suitable occasions." (868.00/12–247)

868.00/12–247 : Telegram

Governor Dwight P. Griswold to the Secretary of State

SECRET ATHENS, December 2, 1947—9 a. m.

Amag 555. Re Gama 470.[1] A. Additional $50,000,000 requested Amag 466 [2] based on assumption PL 84 funds not yet entirely committed. Roughly half of amount requested intended for establishment of contingency fund to cover potential requirements for further assistance resulting from Governmental failure to effectuate return of evacuees, continuing military stalemate, etc. These potential requirements obviously not susceptible to precise measurement in dollar terms at this time.

Since Amag 466 Mission has secured promise Chief of Staff not only no further compulsory evacuations except cases urgent necessity, but also promise to return about 115,000 refugees to homes within two months. (Despatch 26, November 20 [3]). We doubt implementation latter promise but believe any major increase refugees above present estimated 400,000 unlikely. Greek budget provides meager care for average 284,000 for eight months. Assistance required but possibly not so great as first anticipated.

Mission fears that publicized discussion before Congress of necessity provision further dollar assistance in amount requested Amag 466 meet such contingencies would, through effect on Greek psychology, virtually ensure the realization of such contingencies and consequent need for full [$]50,000,000. Definite limitation on funds under PL 84 to $40,000,000 and necessity requesting additional aid under PL 75 with attendant publicity and specific earmarking has accordingly required revision earlier Mission requests for further assistance expressed in Amag 397 [4] and 466. Mission most reluctant to request additional $50,000,000 under PL 75 in view of seriously adverse repercussions upon Mission efforts to secure most efficient utilization of resources presently available to Greece.

B. To assist Department in arriving at best decision regarding overall approach to Greek situation, however, most significant facts in Greek exchange position are set forth below.

. . . . . .

(3) Increase in military requirements of $4,000,000 as per detailed justification from Livesay brought by Clay. Further 1,000,000 required to meet costs of new military observers.

(4) On basis limited price data available here, estimate that Greek import prices in foreign exchange up at least ten percent since April,

[1] Dated November 18, p. 413.
[2] Dated November 13, p. 402.
[3] Not printed.
[4] Dated October 27, 5 p. m., not printed, but see footnote 1, p. 388.

1947. If rise in import prices accepted as valid reason for additional appropriation, compensation for effects of such price increases upon AMAG civilian program alone would require additional grant of 3.5 millions for reconstruction, 1.4 millions for agriculture, .2 millions for public health, 8.4 millions for consumer goods. Total, 13.5 millions.

C. As result of such increases in civilian import requirements and successive curtailments of exchange availabilities, obvious that Mission program now contains absolutely no margin of safety within which further unexpected increases in exchange requirements for military, refugees, etc., or losses of exchange receipts could be absorbed. Mission has to date taken the position with Greeks that any new threat to exchange or budgetary equilibrium simply necessitates even more drastic reform measures. Mission convinced, however, that grave political repercussions inevitable if Greek economy forced to sustain full shock of all losses of exchange receipts and increases in exchange requirements outlined above.

D. Mission therefore urges, first, replacement of $10,000,000 reduction in $50,000,000 previously understood to have been allocated under PL 84, full amount of which is included in official budgetary estimates. Second, diversion of about $15,000,000 from Turkish share of PL 75 funds (refer Gama 151 [5]) on following justifications: 1, replacement in AMAG civil program of $9,000,000 recently diverted to military program and, 2, increased military requirements of 5,000,000 as per statement General Livesay and expenses additional military observers.

Failing such replacement of PL 84 funds and diversion from Turkish allocation, Mission urgently requests inclusion of Greece at special session in final version of interim aid for Europe bill and repeated plea Amag 466 that no fixed amount be specified in law unless specification essential. If as indicated Gama 526,[6] such final inclusion not possible then we urge amendment PL 75 authorizing additional $25,000,000 on basis justifications outlined above.

E. If any official discussion of supplemental appropriation asked above, urgently request that no more than $10,000,000 be earmarked support of Greek Government welfare budget as replacement of unexpected reduction of $10,000,000 in PL 84 funds already valued in official budgetary estimates at 50,000,000. Any suggestion that a greater value of consumer goods and drachma proceeds of their sale will be made available for Government budget would constitute admission that present budget not firmly balanced and contradict repeated Mission assertions that budgetary equilibrium entirely feasible on basis of existing resources. Allocation of more than $10,000,000 to Government budget would also seriously weaken Mission endeavor to strengthen expenditure controls, force return of evacuees, and hasten shift from

[5] Dated August 29, not printed.
[6] Dated November 26, p. 422.

consumption to direct taxation. If necessity for strict budgetary economy and direction income taxation to be recognized by Greeks, possibility of securing new drachma revenues through further dollar assistance must be firmly excluded. Urge official earmarking of drachma receipts from sale of any new grants of consumer goods for deposit in reconstruction fund, already depleted by necessity subsidies upon bread, milk, etc. Such funds could, of course, be allocated to budget at expense of reconstruction if overriding needs develop.

F. This information in reply to Gama 470 and supplements Clay's data. Reply to Gama 495 [7] follows immediately.

Please pass to Clay.

GRISWOLD

[7] Dated November 21; Gama 495 and reply not printed.

867.51/11–2247 : Telegram

The Acting Secretary of State to the Embassy in Turkey

SECRET WASHINGTON, December 2, 1947—7 p. m.

684. Interbank officials would appreciate opportunity discuss with representatives Turk Govt projects to be included in application before it formally presented (urtel 908 Nov 22 [1]). Bank has found informal conversations prior to filing of formal application by a govt have proved very useful in avoiding embarrassment both to Bank and govt concerned. You may inform Prime Min that US Govt feels conversations between representatives Turk Govt and Bank should take place initially on an informal basis and that Bank is prepared commence such discussions at convenience of Turk Govt.[2]

LOVETT

[1] Not printed; it advised that Turkish requests for credits from the International Bank for modernization of the Zonguldak coal basin, port development, modernization of agriculture, highways and railroads, etc., would be ready for presentation shortly (867.51/11–2247).

[2] In telegram 937, December 6, 2 p. m., Ambassador Wilson reported information from the Turkish Prime Minister that the Turkish Government would plan such informal conversations (867.51/12–647).

840.50 Recovery/12–347

Memorandum by the Coordinator for Aid to Greece and Turkey (McGhee) to the Under Secretary of State (Lovett)

SECRET [WASHINGTON,] December 3, 1947.

On October 25, 1947 (Amag 393 [1]), Governor Griswold requested $15,000,000 additional aid for Greece under USFRP (P.L. 84) funds,

[1] Not printed; the additional funds requested were for a special refugee allotment (800.48 FRP/10–2547).

assuming availability of the full $50,000,000 originally earmarked for Greece, which has now been reduced to approximately $40,000,000. On November 13, 1947 (Amag 466), and in subsequent telegrams, this request was increased to $50,000,000 ($60,000,000 taking into account above reduction). On December 2, 1947 (Amag 555), on the basis that additional funds must be sought under the Greek Aid Act, this request was reduced to $25,000,000.

Attached is report by Mr. Eugene Clay, Economic Advisor to the Chief of AMAG and Director of the Financial Division of AMAG, who arrived from Greece on November 21, on the "Economic and Financial Condition of Greece".[2] In this report it is estimated that decreased availabilities due to all causes, of funds originally budgeted, and increased needs, aggregate $118,000,000 for the 15 month period ending June 30, 1948. Foreign exchange estimated available during this period from all sources falls short by $65,000,000 of meeting needs of a minimum and insufficient import program, which was itself reconciled to a lesser shortage of funds estimated earlier, and $124,000,000 short of the import program presented by the Greek Government. Mr. Clay discussed the discrepancy between these figures and the request for $25,000,000 with Governor Griswold by telephone today. Governor Griswold confirmed Clay's figures and estimates of requirements and stated he would reconfirm by cable. The $25,000,000 figure was suggested solely as a matter of strategy in case it was necessary to ask for an appropriation at this time.

Present plans call for the allocation to Greece of $42,000,000 under ERP for the second quarter 1948, which would be available only in the event of favorable action by Congress on ERP in something like its present form. Under present plans this figure could be increased by the ERP administration if Greek needs were demonstrated.

Recommendation:

1. That the Chairman of the Senate Foreign Relations Committee be advised that there will be need for additional appropriated funds for Greece during fiscal 1948, in an amount yet to be determined but which will not exceed $65,000,000, and asked for his advice as to whether:

a. Present non-military Greek Aid funds should be drawn down at a more rapid rate than is permitted by present availabilities and exhausted by April 1, 1948, under the assumption that civilian requirements for Greece will be met from ERP funds starting on that date. This procedure is consistent with present ERP plans, would probably provide funds adequate to meet the 1948 deficit and represents the Department's preference, or whether

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[2] Dated December 1, 1947, not printed.

b. An additional appropriation for Greek aid under Public Law 75 should be requested by the Department early in the next regular session in an amount to be determined and justified later, with Greece omitted from the first quarter ERP request.

2. That an additional OFLC credit of $25,000,000 be granted Greece immediately.

3. That a credit of $10,000,000 be sought for Greece from War Assets Administration for purchase of War Assets surplus, and that the Department representative on NAC propose such a credit to the NAC at the earliest opportunity.

4. That the Department through its representative on the Export-Import Bank request $11,000,000, the remainder of the $25,000,000 originally earmarked for Greece, be unfrozen. These funds could be used in lieu of funds now allocated for the reconstruction program and, if available, could result in a corresponding reduction in request for additional appropriated funds.

868.00/12–347 : Telegram

The Chargé in Greece (Keeley) to the Secretary of State, at London

SECRET ATHENS, December 3, 1947—6 p. m.

2086. Amag 581. For Secretary from Griswold and Embassy. British Embassy and British military missions anxious that British military missions continue in Greece and work closest collaboration AMAG. (Telmar 4, November 25) British here hesitant to discuss procedures, however, pending receipt requested instruction from London especially in light British policy heretofore against giving operational advice.

All agree no difficulty ensuring continuance closest cooperation top levels, but concern felt at possible friction lower levels. In our thinking and also private British thinking here, ideal solution would be complete integration British and American military missions as combined military mission with Livesay, AMAG, as head and Rawlins, BMMG as deputy. As British policy has heretofore opposed furnishing operational advice to Greeks, British Embassy feels London might for policy reasons not accept this arrangement. However, it is possible that as US has now decided give operational advice British Govt might be willing reverse former policy and participate with US as earnest its solidarity with US in Greek aid objectives.

If combined mission not feasible, we would suggest combined or at least integrated planning staff with operational advice and supply matters thereunder handled by American personnel and with training

thereunder handled by British personnel. Under this procedure British although participating in overall planning would not furnish Greeks with operational advice, yet integration of training, operations and logistics would be fully established.

Urge you press British for earliest possible decision so that most effective arrangements in circumstances can be worked out there [*here*] on the spot promptly and recent US decision re military advice be implemented without further delay.

Sent London as 130; repeated Dept as 2086 and Amag 581 for any comment and with request pass Dept Army.

KEELEY

868.00/12–447 : Telegram

The Acting Secretary of State to the Embassy in Greece

CONFIDENTIAL WASHINGTON, December 4, 1947—8 p. m.

1964. *NY Times* Dec 4 reports Sophoulis sending Venizelos to US as personal emissary. Story says Sophoulis feels US officials Athens have failed grasp full extent and nature of peril to Greece and urgent needs her armed forces. Adds Venizelos will plead for arms and equipment for 50 to 100 national guard battalions.

Dept sees no need for any such mission by Venizelos and does not wish to discuss here matters pertaining Greek military establishment which should be handled by Greeks through AMAG and Emb.

In your discretion please endeavor discourage Venizelos trip if its purpose is to go over heads of US reps Athens. If necessary you may say Dept has full confidence its reps Athens and considers any questions pertaining to Greek military needs in particular should be handled through those channels.

Pass to AMAG for info. #563

LOVETT

867.00/12–447 : Telegram

The Acting Secretary of State to the Embassy in Turkey

RESTRICTED WASHINGTON, December 4, 1947—8 p. m.

692. Patsu 45. Air Force Dept letter Dec 2 [1] requests Dept approval ceiling 100 total personnel Air Force Group Aid Mission. This includes both military and civilian without specification number each. Present understanding ceiling 30 military and unspecified civilian.

[1] Not printed.

Air Force states recruitment qualified civilian technical personnel short term assignment extremely difficult. Also that 100 minimum total requirement as above. If you approve Dept prepared ask Nat'l Security Council approval Air Force request and notify Chairmen Congressional Committees Foreign Relations and Affairs Dept intention this respect. McBride [2] familiar Air Force problems and request. Confer McBride his arrival Ankara and forward recommendations.[3]

LOVETT

[2] Maj. Gen. Horace L. McBride, Chief of the U.S. Army Group in the American Mission for Aid to Turkey.

[3] Ambassador Wilson advised, in telegram 951, Ustap 61, December 12, that he and General McBride believed the Air Force request justified (867.00/12–1247). On January 7, 1948, Acting Secretary Lovett informed Secretary Symington that the Department of State approved "a personnel ceiling of approximately 100 for the United States Air Force Group of the Mission for Aid to Turkey, without regard to the number of civilian or military personnel within this total strength." (867.20 Missions/12–247) The Department sent similar information to Ankara the same day in telegram 11, Patsu 54, noting also that there had been no reference of the matter to the National Security Council (867.00/12–1247).

868.00/12–547 : Telegram

The Chargé in Greece (Keeley) to the Secretary of State

CONFIDENTIAL ATHENS, December 5, 1947—8 p. m.

US URGENT

2101. Venizelos granted diplomatic 3(2) visa yesterday (Dec. 4) and sailed for US today on *Vulcania*. Vessel had already left harbor before Deptel 1964 [1] came to my attention (code text received here at 11:30 a. m. today but being unmarked as to urgency was decoded in its turn as routine and reached action officers only at 5:30 p. m. after vessel had sailed).

In view recent morale of Greek Government following communication today by AMAG of Department's gold decision (Gama 540, Dec. 1) and other adverse factors in Greek situation, Embassy considers it unwise dishearten Greeks further by communicating Department's views (1964) at this time. Should Venizelos broach subjects embarrassing to Department or otherwise attempt to go over heads of US representatives Athens, Department might more appropriately then make its attitude known to him and through him to Sophoulis.

As Amag 542, Nov. 26, and my 2060 Nov. 29 should indicate, we here are fully in accord in realizing "full extent and nature of peril to Greece" and, incidentally, to Europe and to US if Greece is permitted to go under. Considering limitations aid law and restrictive decisions, of which Gama 540 is good illustration in respect of one item (gold),

[1] Dated December 4, p. 434.

we have not felt that we could let PriMin or other Greek officials realize how serious we consider situation to be. If *NY Times* article correctly depicts PriMin's feelings, he may have come to conclusion that we are unable to grasp realities of situation that others on spot, particularly those having responsibility of government here, feel are self-evident.

Our impression is, however, that he has not lost confidence in our ability accurately to appraise situation but rather that he feels that Congress needs to be convinced that unforeseen developments since aid bill was voted now require more aid immediately.

In circumstances, it may be good thing for Department to hear Venizelos out and it may even find him useful advocate before Congress.

Embassy is now working on review of entire situation and hopes telegraph summary its views within few days.

KEELEY

868.00/11–2947 : Telegram

The Acting Secretary of State to the Embassy in Greece

SECRET WASHINGTON, December 6, 1947—2 p. m.

1973. Reurtel 2060.[1] Dept fully understands gravity Grk situation. It is furthermore Dept view that Chief AMAG enjoys extremely wide powers under present instructions. So far as allocation aid funds concerned, principal limitation on AMAG's powers has been requirement that Secy approve any increase in military allotments. None of AMAG recommendations this regard has been disapproved. Provision of US operational advice for Grk Army was question prime importance, constituting fundamental departure original US policy, concerned Service Depts and Congressional relations, and involved consequences of national significance. It should be clear to Embassy that authority to decide question of this kind which must be considered by highest authorities this Govt could not be delegated to anyone. As for refugee question Dept cannot allocate funds not appropriated by Congress. Emb and AMAG have been apprised Dept's consideration of request to Congress for additional funds. Specific question of sovereign acquisition and sale (urtel 2060) subject separate communication. It involved departures from this Govt's general financial policies and therefore could not be answered until after discussions with other Governmental agencies.

LOVETT

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[1] Dated November 29, p. 424.

868.00/12–647 : Telegram

The Acting Secretary of State to the American Mission for Aid to Greece

SECRET WASHINGTON, December 6, 1947—4 p. m.

Gama 582. For Griswold from McGhee. Re Amag 555.[1] Request you await Clay's return before formulation further recommendation for additional appropriated funds for Greece during fiscal 1948. Dept considers that no action can be taken at present but will at proper time seek further funds on your recommendation by means considered most feasible after discussions with Congressional leaders. Possible sources are ERP funds for Greece second quarter, Ex-Im Bank unfreezing of $11 million remaining under original credit and as last resort additional request under P.L. 75. Other sources new funds recommended Amag 555 not possible. $25 million additional OFLC credit and $10 million war assets credit have been requested and prospects appear favorable.[2] Dept is considering favorably and will advise you shortly program of accelerated expenditures of your present funds to meet current urgent needs.

LOVETT

[1] Dated December 2, p. 429.

[2] In telegram Gama 606, December 11, the Department informed AMAG that it had authorized the OFLC to negotiate a further $25,000,000 credit with the Greek Embassy (868.00/12–1147).

867.248/12–847

The Acting Secretary of State to the Secretary of the Air Force (Symington)

RESTRICTED WASHINGTON, December 8, 1947.

MY DEAR MR. SYMINGTON: I refer to your letter of December 4, 1947,[1] submitting an over-all Air Force program for aid to Turkey in pursuance of the recommendations made to the Secretary of State on July 15, 1947 in a report of the American Ambassador to Turkey.

The Department of State has approved the Air Force program as recommended in your letter of December 4, and is prepared to allocate the total of $26,750,000,[2] including amounts previously allocated for the

[1] Not printed.

[2] The Air Force program consisted of aircraft, $10,296,000; technical supplies and maintenance equipment for aircraft, $1,841,000; communications and electronic equipment, $5,866,000; motor transportation equipment and supplies, $761,000; airdromes and construction equipment, $2,602,000; instructors and student expense, $2,600,000; training and instructional equipment, $581,000; and bombs and ammunition, $1,056,000, or a total of $25,603,000. A reserve of $1,147,000 brought the grand total to $26,750,000. The program included provision for the transfer of 519 aircraft of various types. (letter of December 4 from the Secretary of the Air Force, 867.248/12–447)

Turkish Air Force program, less a contingency reserve of five per cent of such total amount. This reserve is temporary and in accordance with the previous understanding between our two Departments. The amount reserved by the Department of State will be $1,337,500. The total immediate allocation to the Army Department for the Air Force program, including previous allocations, will, therefore, amount to $25,412,500.

Appropriate arrangements respecting the allocation of these funds will be made by the Department of State with the Budget Officer of the Department of the Army.

Sincerely yours,

For the Acting Secretary of State:
GEORGE C. MCGHEE
Coordinator for Aid to Greece and Turkey

711.68/12–847

The Chargé in Greece (Keeley) to the Secretary of State

SECRET

ATHENS, December 8, 1947.[1]

No. 5735

SIR: I have the honor to transmit herewith a memorandum, entitled "Suggestions for United States Policy in Greece",[2] which has been prepared by the Political Section of the Embassy with the cooperation and concurrence of the Economic Section.

It is hoped that this appraisal of the situation, which represents the considered opinion of those officers of the Embassy who have been closely following developments in recent months, may be helpful to the Department in shaping United States policy in Greece to serve our interests.

The situation in Greece is fraught with such evident peril to the maintenance of fundamental democratic freedom not only in Greece, Europe, and Asia but even in the United States itself, that one can only assume that those whose responsibility it is in our Government to make plans for our national defense are giving careful thought not only to the current situation as it develops but also to the potentialities of the situation, to the extent to which it may be possible to predict what might happen in the foreseeable future. The crux of the matter would seem to be "Is the United States in Greece to see the job through, i.e. to preserve Greek independence from Communist (Soviet) domination, or not?" Those who have collaborated on the

[1] Received December 15.
[2] *Infra.*

enclosed memorandum feel that in our own best interests our answer can only be in the affirmative. If so, our provision for the future must not be limited by the original aid to Greece program or our effectiveness be hampered by any narrow limitation on what we as a nation can do, and promptly, as the developing situation may demand. Whether we like it or not, or are yet prepared to admit it publicly, we must recognize that in Greece we are faced with war, not alone a propaganda war on a large scale but a shooting war, sponsored by those whose way of life is inimical to ours and whose intensified efforts in recent months give evidence of an intent to checkmate our combined efforts to overcome it. While it is the part of wisdom to endeavor to win this contest with the least outlay as long as such a program does not seriously endanger victory, we should not, and must not, handicap ourselves improvidently. For our own national safety we must not rely upon piecemeal action. Economic forces can defeat us as readily as other forces. We should have authorized and available such additional funds and facilities as prudence demands without the costly delay entailed in obtaining, after the fact, more funds from the Congress tardily to meet new situations as they arise. If we are not to lose the war we must not lose too many of the battles for the want of immediate means to win them. The timely availability of a few millions of dollars when needed might well mean the difference between success and failure, victory and defeat.

As a result of views exchanged with the members of the various Congressional groups that visited Greece in recent months, the Embassy is convinced that Congress will grant the necessary authority and funds to protect the vital interests of the United States if the situation is clearly and frankly explained to it. It is suggested that less funds might be required in the long run if the secrecy concerning our intentions were raised so that not only the Congress and the American people may fully appreciate the threat to our way of life and how we intend to combat it but, also, so that those who are threatening that way of life may be left in no doubt as to our intentions and the steadfastness of our purpose in defending it, both at home and in the territory of our friends abroad who share our attachment to the democratic freedoms and are prepared, with our assistance, to defend them.

Respectfully yours, JAMES HUGH KEELE

333-774—72——29

[Enclosure]

Memorandum by the Political Section of the Embassy in Greece [3]

SECRET [ATHENS,] December 6, 1947.

Subject: Suggestions for United States Policy in Greece

I. NEED FOR REALISTIC DECISIONS ON HIGH POLICY LEVEL

The Greek situation has now reached an exceedingly delicate balance point. On the one hand there is the possibility of gradually inching forward towards the reestablishment of order and economic recovery. On the other, there is the possibility of total military and economic collapse. To the extent that adequate provision has not already been made to cope with the developing situation, high policy decisions should be taken by the United States with the least possible delay.

Decisions on particular Greek problems should be taken only after each problem is considered in the light of all other related Greek problems. For example, a decision on the one hand that the needs of the refugees (estimated at more than 400,000 as of this date) should be covered in the Greek budget is wholly unrealistic when on the other hand those responsible for balancing the budget simultaneously state emphatically that such needs cannot be met in the budget without immediate probability of runaway inflation dangerous to the entire Aid Program. Temporary provision for a nine-months' period of minimum needs for shelter, clothing and food for only 284,000 refugees as of October 1 amounted to 266,654,100,000 drachmas, or one-tenth of the total budget of the Greek State.

In arriving at decisions on Greek problems, thinking *must* transcend Greece. For example, it has been suggested that it might be cheaper in the long run to bring into Greece sufficient American troops promptly to restore order, but as such a move might well precipitate war with Soviet Russia and her satellites, the final decision must weigh this as well as other possibilities.

The important thing is that the Greek situation and all that depends upon it with respect to preserving genuine democratic freedoms in Europe and Asia, and eventually in the Western Hemisphere, requires that constant vigilance be exercised to the end that nothing be done that will detract, and nothing left undone that will contribute to the accomplishment of this end objective.

II. FACTORS IN THE SITUATION

a. *Economic situation:* Because of elements that were not, and in some cases could not be, foreseen when the appraisal was made upon

[3] Drafted by Messrs. Minor, Witman, Cromie and Marcy; edited by Chargé Keeley; reviewed and concurred in by Mr. Groves.

which the funds for the American Aid to Greece Program were voted, and because of the deterioration that took place before that aid could be made effective, those funds and the facilities based thereon have proved insufficient to hold the line, let alone effect the reconstruction of the country. Although there have been marked improvements in certain respects, such as in the establishment of a Foreign Trade Organization to bring order out of chaos in that field, there has been deterioration in other respects, so that on balance the economic situation within Greece remains at least as critical as it was a year ago.

The delay involved in the implementation of the Aid Bill, the poor harvest of last year, rising international prices, and close to a half million unforeseen refugees—all of these aggravated and exploited by Communist sabotage and propaganda—have slowed progress to a dangerous pace. The refugee problem alone is a major calamity which, if unrelieved, is such as would threaten the political organization and economy of a stronger nation. To have over five percent of the total population of Greece (over 15 percent of Northern Greece where the problem is particularly serious) homeless, destitute and terrorized is a situation in the face of which no Greek Government can long exist, particularly as the refugee problem is merely an acute manifestation of a generally perilous situation. The memorandum prepared by First Secretary Horace Smith goes into greater detail on the economic aspects of our policy and makes certain recommendations. A copy of that memorandum, which was submitted to the Department under cover of despatch no. 5650 of November 24, 1947,[4] is appended hereto.

b. *Military situation:* The insurrection is intensifying. Even under the most advantageous conditions, military observers do not foresee the containing of the rebels until the end of 1948. On the contrary, the guerrillas appear to be gaining in strength and boldness while, reports of satisfactory morale on the part of the National forces notwithstanding, the efforts of the Greek Government and its forces to control the situation seem to be increasingly less effective. Further, while winter conditions will impede both sides, it is unquestionable that in mountainous terrain largely controlled by the guerrillas the lack of mobility which such conditions impose will favor the guerrillas over the Greek National Army. Were other things equal, the giving of operational advice by American officers might serve to turn the tide. There is, however, no assurance that other factors will not intervene.

Our own transcending interests demand that the military situation be reviewed not in relation to Greece alone but in relation to the world problem. By July 1, 1948, if not sooner, the Greek Army will have consumed all the rations provided for it within the Aid Program.

[4] Not printed.

Whence will come its rations thereafter? Is it realistic, on the grounds of inadequate aid funds, to continue to deny Greece the additional military effectives she contends she needs to end the rebellion? To do so in the face of the deteriorating situation is to give the Greeks and their (our) opponents the impression that it is immaterial to us whether the rebellion ends or not, which surely cannot be the case. If we are not convinced of the need for more effectives, at least we must be prepared immediately to provide more funds and equipment if our military planning staff so recommends, and their judgment should be free, that is, not restricted by the limits of the Aid to Greece Program. That staff should not only feel free, but be instructed, to report what in their opinion the true military situation is and what is needed to cope with it in the light of United States interests in maintaining Greece's freedom from Communist domination. Whatever is required should promptly be given.

c. *Political situation:* Politically, Greece's world position has perhaps improved over what it was a year ago in that the justice of her cause has been recognized by the majority of the United Nations, and Greece has been able to enlist the sympathetic support of the United States in most respects. Greece is, however, still severely criticized by her friends who have, perhaps unwittingly, allowed themselves to be put on the defensive by Communist allegations of "monarcho-fascism", and have themselves weakened Greece's position by all too frequent criticisms that seem to ignore the fact that Greece is at war. This publicly evidenced lack of confidence in the Greek Government is extremely important in the general feeling of confusion and uncertainty which has impeded the Greeks' own efforts to save their country. Meanwhile, Greece's enemies have become more and more open in their designs against her, and recent developments give reason to fear that an even more flagrant offensive is imminent. Thus the formation and location of the Cominform at Belgrade, the increasingly overt assistance and support offered the guerrillas by the satellite countries and by international organizations such as the WFTU, and the conclusion of the Yugoslav-Bulgarian alliance not only are useful weapons in the "war of nerves" but also are potential weapons in any larger developments which may be forthcoming. The war psychosis which is being openly and officially fomented in the satellite countries is a disquieting development.

If no further adverse factors were to enter the picture, and if Greece could confidently count upon adequate ERP aid to replace AMAG when the latter ends, time *might* swing the balance in favor of the realization of American aims in Greece. The influence of AMAG is just now beginning to be felt, American military advisers are about to

arrive, and the UNSCOB *may* prove a deterring factor to the despatch of arms and supplies across the border. Thus, were the Communists to surrender the initiative to us, it might be possible to envisage a slow and gradual improvement in the situation within the framework of a democratic Greece. All evidences, however, support the expectation that the USSR and her satellites will not give up the initiative, but will on the contrary resort to any means necessary to thwart us and to give the balance the push necessary to swing it in their favor. Once swung in that direction, the balance will not return short of war.

III. Indications of Further Communist Action

The Communist rebels and their foreign supporters have repeatedly threatened to take, and have it within their power at any time to take, a simple decision, which would completely upset the delicate balance in Greece: to wit, the formation of a so-called "Free Democratic Government" in rebel-held territory or even in exile. If this has not yet been done, Mr. Johnson's warning before the Security Council may have been the deterrent factor, but the situation has evolved since August 12.

Such a step would presumably include the severance of official relations with the Athens government and the granting of belligerent status to the rebels. Soviet Russia and her satellites would then be freer to give assistance to the rebels and would probably do so in greater degree than we are giving it to the legitimate Government of Greece. Materially the simple formation of a rebel government would probably change the actual situation very little, if at all. Psychologically its effect would be extremely bad in Greece and, propaganda-wise, abroad. Recognition and open assistance would, however, radically alter the whole picture and, incidentally, completely nullify the efforts of UNSCOB, which would find itself, if it could continue to operate at all, in the position of "discovering" that which would by that time be openly acknowledged.

Indications that the Communists are aware of the advantages of such action are not lacking. In addition to evidences of preparedness on the part of the northern countries, the Communists within Greece itself are known to be preparing for general action the moment the word is given. It has recently been confirmed that the guerrillas have at their disposal, and are now utilizing, mountain artillery, a weapon which the United States and Great Britain have so far failed to provide the Greek Army despite repeated requests for such matériel by the Greek Government. Guerrilla propaganda last week asserted that the "Democratic Army" is repairing the several aircraft which have fallen into its hands. While the repair of these aircraft cannot yield

a significant number of serviceable machines, their existence would allow a "Free Greek Government", when and if formed, an opportunity clandestinely to utilize air support from the neighboring countries to the north while alleging that the planes used against the GNA were those very same craft which had been repaired from GNA losses. There is, moreover, strong reason to believe that the Communist Party of Greece (KKE) is designating, training and despatching to the hills an administrative cadre which is destined to be the backbone of a "Free Government". Moreover, many KKE leaders have recently disappeared from Athens and the party rank and file have been led to expect that a "Free Government" will be formed "when General Marcos and old Man Winter have secured enough terrain". These should give us sufficient warning of further dynamic attempts on the part of the KKE and its supporters to achieve the Communist goal in Greece.

IV. The Problem

Pending settlement of basic issues between Washington and the Kremlin, the line must at least be held in Greece. Whether or not, and how, that line is held will play an important part in the final solution of the overall problem. A dynamic policy effectively administered will not only safeguard our vital interests in Greece, but might also serve as a spearhead aimed directly at a vulnerable spot on the Communist periphery.

The problem facing us at the present juncture is to determine how far we are willing to go and what specific steps may be necessary to prevent one more democratic country from undeservedly and irretrievably falling behind the Iron Curtain, and more immediately to forestall, or failing this to counter, the establishment and possible recognition of a rebel "government". The following recommendations are submitted with these objectives in view.

V. Recommendations

A. To meet the specific threat of the formation of a rebel "government" the United States should immediately issue an unequivocal statement reaffirming and strengthening the remarks made by Mr. Herschel Johnson before the Security Council on August 12, 1947.[5] Paraphrasing his declaration in the light of subsequent developments, it should be stated that since effective action by the Security Council was repeatedly prevented by the veto of the Soviet Union, and since Albania, Bulgaria and Yugoslavia have continued to refuse to follow the recommendations of the General Assembly, the United States Government does not consider that individual or collective action by

[5] For text, see SC, *2nd yr., No. 74*, p. 1907.

states willing to act is precluded, so long as they act in accordance with the general purposes and principles of the United Nations. We should reiterate that the United States is prepared and willing to cooperate with like-minded members of the United Nations in taking any step which might become necessary to afford Greece the protection to which she is entitled. More specifically, it should be declared that the forcible establishment, throughout Greece or in any part of her territory, of a minority, totalitarian "government" subservient to the Communist-controlled countries, would be considered an act of aggression which would justify Greece's invoking article 51 of the Charter. It should be asserted that in such an event Greece can count on the whole-hearted support of the United States.

B. Among other things, it might not be inappropriate to reexamine the question of our diplomatic relations with the hostile satellite neighbors of Greece, giving careful consideration to the practicability of recognizing, in concert with the other Western democracies, democratic governments-in-exile of these states. It might even be appropriate to include in the declaration recommended in (A) above, a statement that the United States will feel compelled to reconsider its relations with any state which recognizes such a rebel "government".

C. Apart from the question of a rebel "government" we must now prepare and execute a plan of action measuring up to the urgency of the existing situation. Already Communist propaganda in the Balkans plays the theme that the United States and Britain are "more likely to engage in the 'literary activity' of writing diplomatic notes than in vigorous direct counter-action". Such a program should be applicable in the eventuality that United States action to forestall the formation of a Free Government be either too late or too little. It must be a broad program and envisage action in the political, psychological, military, economic, and informational fields. The following broad recommendations are made to reinforce the already substantial efforts being made under AMAG's present program.

i. *Political and psychological.* Our political and psychological approach must be positive and dynamic. We must not only adopt, but must convince our allies and the rest of the world that the United States has assumed, a determination to "see this through". We have morally committed ourselves to the support of the sovereignty and territorial integrity of Greece. However, this moral commitment has not yet been made explicit, which leads our allies, as well as our enemies, to question our determination. We must realistically support the present coalition Government, or any broadly based government that may succeed it. Similarly we must cease unrealistically asking Greece to make unilateral sacrifices, for example in regard to reparations and

territorial claims, which embarrass and weaken the Greek Government and undermine the confidence of the Greeks in our support of them when contrasted with Soviet support of her satellite states which concurrently have designs and less justifiable claims against Greece.

The United States must be prepared, should a rebel Government be formed either before or in spite of an announcement of American policy as recommended above, to take effective action. Such action would presumably be initiated by (but not limited to) a formal complaint in the United Nations against the satellite nations, should these nations recognize the "Free Government".

It is likewise high time that the United States Government forsook the defensive and stopped apologizing for the present, allegedly "monarcho-fascist" Greek Government. Its shortcomings are multitudinous, but it is by no means as bad as international public opinion has been led by repeated and insidious Communist propaganda to believe. We should not hesitate whenever occasion demands to remind the world that it is a government freely elected by the people under international supervision (Amfoge). It is, to say the least, cooperative and well-intentioned. While it falls short of ideal democracy (as *we* understand the word), we should stress that this is largely because of conditions intentionally created by its Communist enemies. In the face of fantastic obstacles, political, economic and military, the present rulers of Greece are unquestionably making a sincere effort to remain democratic, and occasional deviations are understandable. The present coalition has many weaknesses, but there is no immediate alternative and with firm support and advice it can be reinforced. Fundamental reforms can be effected through this Government if patience, persistence, and an understanding of the limits imposed by the stage of development of the country itself are exercised. American political and psychological policy towards Greece must not lose sight of the fact that there is very little in Greece that cannot stand the light of impartial publicity, which Greece herself has always welcomed, and that we have the advantage of the ascertainable truth on our side. In summary, our failure to give Greece unqualified political and psychological support has considerably impaired the ability of the Greeks to help themselves.

ii. *Military.* In a military sense our decision to send to Greece a group of American officers to give operational advice to the Greek Army has had a salutary effect on Greek morale. But this far-sighted action must be implemented with the least possible delay if it is to have the maximum effect. Too often in the military, as in other fields, our day to day actions, dictated frequently by overriding factors such as shortages of appropriated funds, have had a cumulatively negative

effect which tends to defeat our over-all objective. (As examples; delay in arrival of aircraft, mules, munitions and military equipment, resistance on necessary budgetary grounds to Greek desires for increases in the Army and National Guard and our present objection to the request of the Greek Army for mountain artillery.) Each factor in itself is small but the cumulative effect is to discourage the Greeks from getting along with the guerrilla fighting, to beat down their will to resist and to give credence to their fear that the United States does not seriously intend to see this thing through. These are military matters in which the Political Section is not endeavoring to pass judgment but merely indicating the negative effects in the sum total. No criticism is intended of AMAG or USAGG, which have accomplished the maximum within the limits of inadequate funds.

Similarly we do not feel competent to make a final recommendation with regard to the wisdom of sending American forces to Greece either alone or together with other United Nations forces since we are not able, from our limited viewpoint, to see the problem in the over-all context of our relations with the Soviet Union, nor are we informed as to the considerations of grand strategy involved. What alone is clear from the political viewpoint here is that the situation may at any time develop to a point where a decision for or against the sending of troops would be immediately necessary. This possibility must be faced at once by those competent to do so, if it has not already been faced and decided.

iii. *Economic.* American political exigencies aside, it is unrealistic to expect to save Greece on a piecemeal or year to year basis. Our policy must be long range and must be announced as such. Otherwise skeptical Greeks will tend to withhold their cooperation, as they already have, for the purpose of laying aside a reserve against the day that American assistance is withdrawn. The Porter recommendations on which the AMAG program was based were drawn up on the basis of observations made approximately one year ago, since which time the situation has changed considerably for the worse. Until over-riding political problems are solved, economic theory and sound business principles cannot be controlling considerations. The existing appropriation for Greece is inadequate and additional funds must be provided. The present situation must be presented to Congress and to the American people as transcending mere considerations of economy.

As already recommended, the designated powers of the Chief of AMAG should be broadened to permit him to make on-the-spot decisions and questions necessarily referred to Washington for decision should receive the promptest consideration. It is of the utmost impor-

tance that individual decisions be made with due regard to all other elements of the internal situation and in the light of our overall objectives.

iv. *Information and propaganda.* The most immediate Soviet response to the Truman Doctrine was in the field of propaganda, the United States being prompted [*promoted?*] from no. 3 whipping-boy in the Greek arena (viz, after the Greek and British Governments) to the distinction of public enemy no. 1. Expansion of the Truman Doctrine into the Marshall Plan was answered with a formal declaration of psychological warfare, the Cominform.

Instead of meeting this propaganda attack, we have actually retreated in the main target area, reducing by half the already inadequate local budget of the USIS in Greece and obliging the Greeks to trim by 17 percent the budget of the Greek Under Secretariat for Press and Information.

The value of propaganda as a weapon of war and politics should need no argument, and the consequences of our own and the Greek's relative neglect of this weapon are apparent in the apathy of the Greek people and army, in the widespread confusion of world opinion as to the facts of the situation and American objectives in Greece, and in the feeling among opposition (genuine democratic) elements in the satellite countries that they have been abandoned.

It is recommended, therefore, that in cooperation with the Greeks we launch a concerted campaign designed frankly to arouse the people within Greece and to break guerrilla morale, to counteract the Soviet campaign of lies and vilification throughout the world, and to stimulate resistance activities in the Soviet satellite countries. The set of assumptions in the Department's circular telegram of December 4,[6] just received here, is excellent and might well be made a world-wide directive. The Greek Information Service, at present a neglected political plum, should be raised to a full ministry, adequately staffed both at home and abroad, and aided by the advice of outstanding American public relations experts. Greek affairs should receive more extensive and more positive treatment in OIE propaganda throughout the world, the maximum possible publicity being given to hitherto secret information on subversive, Soviet-sponsored activities, and our diplomatic agents should be instructed to keep all friendly governments consistently and thoroughly informed on the Greek situation. This is particularly important in order to prepare other members of the UN for whatever further international action may be required in defense of Greece. Finally, the current plan to set up a combined Hellenic-American radio station in Greece should be carried through promptly and

[6] Not printed.

there should be no hesitancy about directing some of the programs to the guerrillas themselves and to listeners in the satellite states.

868.51/12–1047 : Telegram

Mr. John B. Howard[1] *to the Secretary of State*

US URGENT SECRET ATHENS, December 10, 1947— 8 p. m.

Amag 643. Reference Gama 540.[2] 1. Authorization for conversion napoleons transmitted to Greek Government on December 5. Napoleons dispatched by air to FRBNY Dec 9.

2. Despite market anticipation of conversion authorization, continuance of strong buying pressure on gold carried rate to 200,000 drachmae on December 5. Government strongly pressed for heavy sales despite depleted stocks in order to prevent rate from exceeding 200,000. Mission communicated your statement of impossibility of using new Greek or AMAG funds for purchase of further gold and took firm position that it would be futile to try to maintain either fixed gold rate or stable price level over any substantial period of time and that intervention could be directed only to limited objective of retarding rate of inflation.

3. Government expressed keen disappointment with mission refusal to stabilize rate and regarded our assertion that procurement of new gold impossible to be tantamount to nullification of conversion privilege. Helmis on night of December 5 privately informed Mission that if no more gold were to be made available and rising price and wage levels therefore inevitable, he could take no further responsibility for maintaining budgetary equilibrium and would consequently have to resign.

4. Mission has so far prevailed upon Government to accept present position of Department regarding gold sales pending developments over next few weeks. Government announced on December 6 not only conversion of napoleons but also a series of economic and financial measures (refer Amag 570[3]) designed to buttress basic economic reforms introduced over the past three months. Government determined to hold wage line in face of threatened strikes. Salary demands of bank

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[1] Acting Chief of the American Mission for Aid to Greece.

[2] Dated December 1, p. 427.

[3] Dated December 2, not printed; it listed seven proposed measures including drastic reduction of bank loans to large industrialists and merchants and acceleration of imports. Parallel with these measures, the Greek Government asserted it must be able to sell sovereigns to keep the sovereign rate and prices more or less stabilized. Governor Griswold concluded that he could not "stress too emphatically the urgency of immediate approval exchange napoleons and official public announcement by Greek Government of exchange in conjunction with call of bank loans." (868.51/12–247)

employees flatly rejected and legislation providing severe sanctions against both employees and employers for interruption of work and production and prohibiting payment for time lost on strikes rushed through Parliament without consultation Mission. Budget submitted to Parliament on December 9. Agreement to accelerated dismissal of surplus Government employees secured.

5. Major immediate problem that of determining volume of gold sales on a daily basis. Since inauguration gold sales, political anxiety of Government in constant conflict with economic approach of foreign members Currency Committee. After reaching impasse three weeks ago, foreign members Currency Committee refused to accept further responsibility for gold sales. Subsequent daily sales in heavy volume by Government order. In order to implement your directive regarding gold sales policy, Mission therefore forced to participate as from December 8 in supervising intermittent intervention through representation on new gold sales committee with Helmis, Mantzavinos, Patterson and Gregory. Mission will limit gold sales to minimum considered feasible.

6. While Mission will seek to reconcile Government to gradual rise in gold rate as adjustment to basic inflationary forces, demand for gold will most probably grow stronger as stocks approach exhaustion. Prospective availability of supplies of gold a vital factor in market confidence. Even if military situation does not deteriorate further, most probable that sovereign stocks presently on hand and to be received against napoleons will be insufficient to last beyond January–February. Inevitable that new economic and political crisis will again develop in anticipation of such prospective exhaustion of sovereign stocks.

7. All agencies US Government concerned with aid program should understand that basic objective of Greek aid program is political, viz, to prevent Soviet domination Greece while helping Greece get back on feet. This political objective is so fundamental that should action essential to achievement US political aims in Greece conflict with some aspect of general US economic policy, an exception to that general policy would in my view be entirely justified. It is obvious that desired reforms cannot be realized overnight and that we must buy time through palliatives such as gold sale pending improvement of military situation and manifestation of full benefits of reform measures recently introduced. It must be recognized that we are dealing with a free government responsive to public opinion and cognizance must be taken of their judgment of Greek political and psychological realities. Significant that all parties united on gold sales policy.

8. While conversion of napoleons has temporarily stabilized situa-

tion, I cannot concur in general policy set forth in third paragraph Gama 540 and request reconsideration. If at any undetermined future time, protection of US political interests in Greece should require gold sales, should it be decided now that absolutely no gold will be made available?

9. In presenting counter-inflation program (Amag 570) Government requested Mission assistance in securing release of gold pledged as security for FRBNY loan as important feature of their program. Loan 10.8 million dollars secured 100 percent by gold originally granted on September 24, 1946 for three months. Subsequently renewed for three month periods on December 24, 1946, March 24, June 24, and September 24, 1947. Mission persuaded Government November 29 to defer request regarding release of gold security pending decision on exchange napoleons. Therefore no reference to FRBNY loan in Amag 570 altho included weekly report. See also Tsaldaris' conversation with Keeley reported Embtel 2060 November 29.

10. I consider it of great importance Department agree in principle to repayment this loan and release of gold security for ultimate conversion into sovereigns if necessary. Public knowledge that no more sovereigns will be made available when present stock exhausted would obviously intensify buying pressure whereas public knowledge of availability of ample reserves would substantially reduce this pressure. Critically important to avoid any new political and economic crisis until after spring military offensive.

11. Additional imports unless in very substantial amount not an adequate substitute for gold sales as a counter-inflationary device. Under present conditions, availability to Greek Government of ten million dollars in gold would be of far greater effectiveness in controlling inflation than consumption import grant of equivalent amount. Dollar for dollar, carefully supervised gold sales provide far more favorable psychological effect and absorb far more drachmae than sales of any other commodity. Thus, additional appropriations for importation of wheat much less effective than gold sales as counter-inflationary measure, owing to political impossibility of sufficiently increasing bread price and of abruptly curtailing free distributions to indigents, refugees, etc. Altho additional imports of consumer goods would effect much needed improvement in standard of life, such improvement would be generally regarded as long overdue and consequently already discounted in public psychology. Similarly, additional imports of industrial and agricultural supplies altho highly essential would not exert immediate counter-inflationary effect but on the contrary would require still further credit expansion to insure their effective utilization.

12. Repayment of Greek loan from FRBNY could be made out of current dollar exchange earnings or possibly even by direct grant to Greek Government for repayment loan, thereby releasing gold security. Foreclosure of gold security to liquidate loan would be anomalous while US giving much larger aid to Greece and would have disastrous psychological effect. On the other hand, renewal of this loan would further weaken financial repsonsibility of Greek Government. Necessity of obtaining US permission for converting gold security into sovereigns should provide sufficient measure of control to prevent abuse of privilege.

Urgently request favorable decision regarding this suggestion prior to maturity date of FRBNY loan December 24.

Griswold approved this telegram prior departure Turkey today.

HOWARD

868.20 Missions/12–1147 : Telegram

The Acting Secretary of State to the Embassy in the United Kingdom

SECRET WASHINGTON, December 11, 1947—8 p. m.

5213. For Ambassador from Lovett. Discuss with Bevin (Martel 50 Dec 9 [1]) collaboration between US and Brit military missions Greece along lines suggested in Athens 2086, Dec 3 (sent London as Athens 130 and also Dept as Amag 581).

I regard work of the Brit mil missions Greece as of greatest importance, and believe their retention there imperative. Bevin should understand U.S. desire for closest possible collaboration between US and Brit mil missions, and US interest in their achieving unity of viewpoint on all important matters of common interest. US mission would not arbitrarily ignore views Brit mission. However, I consider any arrangement for such collaboration must formally preserve (1) US dominant role and (2) US ultimate freedom to determine advice to Grk Govt independently of Brit in event US and Brit mil heads in Greece fail to agree on individual questions arising from time to time. Relinquishment of either of these points would complicate our Congressional and public relations, might offer legal difficulties under Act of May 22 and might possibly be difficult for other reasons.

Army Dept has requested Livesay's recommendations as to workable plan for US-Brit missions collaboration. As soon as we know Brit attitude as result your discussions with Bevin we will be in better posi-

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[1] Not printed; in it the Secretary of State, at London, informed Mr. Lovett that "If you concur I suggest that you instruct Douglas to discuss with Bevin collaboration between military missions along the line suggested in this telegram from Griswold and Embassy." (868.00/12–947) The reference telegram was No. 2086, December 3, from Athens, p. 433.

tion to advise Livesay as to basis on which his recommendations should be prepared. This prior to final consideration of draft joint directive by US Joint Chiefs and Combined Chiefs of Staff.

Sent London, repeated Athens for Embassy and AMAG.

LOVETT

Editorial Note

For the text of an address by George C. McGhee, dealing with the Greek situation, made before the Tacoma World Affairs Council on December 12, see Department of State *Bulletin*, December 21, 1947, page 1206.

868.20 Missions/12–1347 : Telegram

The Ambassador in the United Kingdom (Douglas) to the Secretary of State

SECRET LONDON, December 13, 1947—7 p. m.

US URGENT

6464. For Lovett from the Ambassador. A day or so ago I casually mentioned to Bevin I would probably want to talk with him about our respective military missions in Greece. Today I discussed the matter with him (Deptel 5213, December 11).

He had in front of him a memorandum from Alexander, but frankly confessed that he knew little about the subject. He was tentatively not disposed to agree to complete integration of the two missions, as suggested in Athens 2086, December 3, thought there was possibility of integration of planning staff with operational advice and supply matters to be handled by American personnel and training by the British.

It was his opinion that the best way to resolve the matter was to leave it to the devices of the head of the British Military Mission in Washington and Eisenhower. He suggested, however, that I discuss the matter further with Alexander, whom he will ask to get in touch with me Monday or Tuesday.[1]

DOUGLAS

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[1] Ambassador Douglas reviewed the substance of telegram 6464 for the Secretary of State in a memorandum of December 16 and then suggested: "It is not necessary for you, when you meet Bevin, to discuss the details. It would, however, have an important influence on him were you to express your deep interest in Greece, and your conviction, so many times stated by cable, that Greece is a joint US-UK responsibility." (841.2368/12–1647) In a marginal notation of January 10, 1948, on telegram 6464, Clifford C. Matlock of Mr. McGhee's staff wrote: "No reply. This matter discussed w. Gen Livesay & others interested on Dec 29 in Washington. Initiative now rests with Gen Livesay (US) and Gen Rawlins (UK) in Athens."

868.51/12–1547 : Telegram

Mr. John B. Howard to the Secretary of State

SECRET ATHENS, December 15, 1947—4 p. m.

URGENT

Amag 666. 1. On December 15 the Bank of Greece dispatched the following cable to FRBNY:

"Anticipate having several million free dollars available prior to December 23 when our gold security loan with you matures. If part payment of loan made from these funds, are you prepared to release corresponding amount of gold security? If so, will it be possible to extend for additional three months balance of loan? We fear disastrous effects local situation if you insist upon calling the loan in its entirety on forthcoming maturity date."

2. For reasons set forth Amag 643 [1] Mission recommends first, Department support of Greek request to extent of two million dollars at present and second, simultaneous Department approval principle of gradual repayment of entire loan and release of gold security.

3. Any major military offensive probably be postponed until spring. Consequently any substantial bolstering of public confidence through military successes cannot be expected during winter months.

4. For reasons set forth subsequent telegram, severe intensification inflationary pressures virtually certain during early winter with renewed threat of panic.

5. If economic situation seriously worsens deterioration or break in coalition government is likely consequence.

6. If Mission is to have capability to maintain control economic and political situation during winter additional control envisaged recommendation paragraph 2 regarded as indispensable.

7. Cables follow giving data on gold rate and sales by Bank of Greece and further analysis of economic and political situation.

HOWARD

[1] Dated December 10, p. 449.

868.51/12–1047 : Telegram

The Acting Secretary of State to the American Mission for Aid to Greece

SECRET WASHINGTON, December 16, 1947—7 p. m.

Gama No. 637. Dept fully cognizant difficult task facing Mission in preventing runaway inflation in light of extreme pressures in

Greece, and has carefully considered all aspects of problem. (Further reference Amag 643 [1]).

It is hoped conversion of napoleons already authorized will provide sufficient sovereigns for stop-gap sales program pending arrival in substantial quantities of program goods already in pipeline. Dept is convinced that solution to inflationary pressures lies in implementation of effective economic reforms accompanied by adequate supply of goods on market. In order facilitate anti-inflation program, you are therefore authorized until further notice to accelerate expenditure AMAG funds which are now being held for necessary civilian expenses after March 1, 1948. Dept will endeavor meet Greek requirements after that date from other sources including European Recovery Program and will do everything possible assist obtaining essential supplies to be purchased under accelerated program. However, this course involves risks which AMAG must weigh; first that no further funds may be available, second that provision further funds might be delayed, and third that further funds appropriated may prove inadequate.

Obviously Aid program cannot succeed unless Greek Government faces economic reality and is willing to adopt controls and measures deemed essential to recovery program. It is recognized that implementation of these measures will often bring about extreme pressures which must be realistically faced. Among these are attempts of small business groups to dominate markets at expense of equitable distribution and fair prices, attempts to maintain for political reasons unnecessary government subsidies such as wheat and milk subsidies; and pressure from some Greek quarters for continuation government gold sales as outlet for their profits. In your efforts to assure implementation of realistic program you may be assured of Dept's full support irrespective of possible political repercussions or cabinet crises in Greece.

Re para 8 Amag 643, Dept view on gold sales still as in Gama 540,[2] however, it is of course possible that exceptional circumstances may force Dept for reasons of expediency to concur in extension of gold sales. Difficulties inherent in extension of this policy, however, must be recognized. Over and above economic considerations, use of foreign exchange to purchase gold instead of urgently needed supplies, would be practically impossible explain Congress and the public and would make it extremely difficult obtain additional aid for Greece. Moreover, it is felt knowledge that American funds, either directly or indirectly, were being used for this purpose would have extremely adverse effect upon enactment entire ERP.

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[1] Dated December 10, p. 449.
[2] Dated December 1, p. 427.

333-774—72——30

Clay fully informed of situation here. Dept would appreciate if after his return you would review entire program of Mission in light of what is considered essential to insure successful accomplishment of U.S. objectives in Greece and submit your recommendations as to policies and requirements for additional aid, in the light of both needs and availabilities, with justification. It would be extremely helpful if after your recommendations have been completed you and Clay could return to Washington for a few days at an appropriate time to be determined here to fit legislative schedule.

LOVETT

868.20 Missions/12–1747 : Telegram

The Ambassador in the United Kingdom (Douglas) to the Secretary of State

SECRET LONDON, December 17, 1947—6 p. m.

US URGENT

6525. For Lovett from the Ambassador. Discussed this morning with Alexander collaboration between US-UK military missions in Greece. Later joined by Lt. General Hellis, Chief Staff officer. (Athens 130, December 3, repeated Department as 2086; Deptel 5213, December 11; Embtel 6464, December 13).

1. Explained to Alexander that we view the work of the British military missions to be of great importance and their retention of utmost significance, and emphasized that we view the closest collaboration between US and British military missions as necessary to the successful outcome of our joint responsibility in Greece.

Also explained to him, along lines of telegrams referred to, our alternative view of effecting this collaboration.

2. Alexander said positively there was no question of withdrawal of British military missions from Greece. They will be retained.

3. As to other points, Alexander's position, subject to discussion with Bevin and confirmation British Chiefs of Staff, was as follows:

(*a*) The British naval mission in Greece has a long history extending over some forty years. He therefore doubts the wisdom of any formal coordination of the British naval mission with US, and I should add, parenthetically, that he has the same view about air force. Conolly [1] here, however, and the First Sea Lord will, in the future as they have in the past, work in closest consultation and cooperation including servicing and fueling of US vessels in Greek waters. Tedder for Air the same.

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[1] Adm. Richard L. Conolly, Commander, United States Naval Forces, Eastern Atlantic and Mediterranean; at this time Naval Adviser to the United States Delegation at the Fifth Session of the Council of Foreign Ministers.

(*b*) As to the army military missions, Alexander reluctant to agree to complete integration. In view of possible difficulties in House of Commons should Bevin, in response to a question, be compelled truthfully to reply that British Army mission was giving operational advice, he sees objections to instructing British Army mission to do so.

(*c*) He views favorably the proposition of an integrated planning staff with the US Army mission undertaking to give operational advice and to direct supply matters, while the British would be responsible for training.

He also believes there should be a complete consultation on all other matters and a full exchange of views and information, recognizing, of course, that the US military mission must be free, independently to give such advice as it considers necessary to the Greek Government.

(*d*) Subject to further discussion with British Joint Chiefs of Staff (Tedder is now ill) and clearance with Bevin, Alexander is of the view that the details, along the lines outlined above, should be worked out by the Combined Chiefs in Washington and a directive issued to the two missions in Greece.

4. Since I am leaving for Washington tomorrow afternoon before discussions and clearance referred to in (*d*) above can have been had, Bevin will communicate through Inverchapel.

DOUGLAS

868.51/12–1847 : Telegram

The Acting Secretary of State to the American Mission for Aid to Greece

SECRET WASHINGTON, December 18, 1947—7 p. m.

US URGENT

Gama 650. 1. Re Bank of Greece request New York Federal advises it proposes to indicate in reply, subject to action Directors Dec 24, acceptance partial repayment with release equivalent collateral and extension of balance of loan. (Re Amag 666 [1]).

2. Dept is prepared to support renewal $10 million loan with proviso that it can be repaid in part or whole at any time. We shall endeavor to have Federal modify its proposed reply to Bank of Greece accordingly.[2]

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[1] Dated December 15, p. 454.

[2] In telegram Amag 734, December 27, Governor Griswold informed the Department that AMAG "approved repayment of two million dollars of loan . . . . Paragraph 2 [of Gama 650] interpreted to mean Department approved repayment of part of loan . . . . Economic Policy Committee informed on December 23 that gold released by repayment of part of loan could not be exchanged for sovereigns without the permission of Washington, that use of any foreign exchange to purchase sovereigns would unquestionably have extremely adverse effect on support of Greek aid program." (868.51/12–2747)

3. Dept regards issue of using any gold which might be released from Federal for conversion into sovereigns for sale on Greek market as separate problem. Dept considers use of Greek current earnings in dollars for purpose acquiring gold for public sale same as use of AMAG funds.

LOVETT

867.00/12–1947 : Telegram

The Ambassador in Turkey (Wilson) to the Secretary of State.

TOP SECRET ANKARA, December 19, 1947—3 p. m.

962. Foreign Minister tells me in entire confidence Greek Government recently been proposing to Turkish Government latter should suggest to US deliveries military equipment under aid programs be expedited. Sadak said he appreciated concern of Greeks in view serious problems they are facing, but Turkish Government has every confidence US Government handling aid programs in most appropriate effective manner. He said he was simply passing this on as of possible interest.

Sadak also said Greek Government has made suggestions to Turks looking to combined military planning and eventual combined operations if future developments warrant. Sadak said Turkey, of course, deeply interested in Greek security situation since if Greece should come under Soviet control "half of battle" for maintenance Turkish independence would be lost. However, in view present instability Greek situation and desire avoid anything which might seem provocative to others, Turkish Government replied to Greeks in vague and guarded manner.

WILSON

501.BB Balkan/12–1747

Draft Memorandum by the Director of the Office of Near Eastern and African Affairs (Henderson)[1]

[Extract]

TOP SECRET [WASHINGTON,] December 22, 1947.

Subject: Willingness of United States Government in Certain Circumstances to Despatch United States Forces to Greece

. . . . . .

The argument has been made that it would be better to lose Greece than to send armed forces there since Greece would be strategically

[1] Addressed to the Secretary of State and to Messrs. Lovett and Armour. The draft memorandum bears the notation: "not sent."

difficult to defend and since, if serious fighting should develop, American forces might be defeated. Our answer is that the despatch of American forces to Greece would not be for the purpose of turning Greece into the chief battlefield between the forces of the West and those of international communism. The despatch of these forces would be a political gesture made for the purpose of showing that we are so determined that we will, if necessary, resort to force to meet aggression. In case international communism responds by sending even stronger forces to combat us in Greece, then we shall know that the Soviet Union prefers war to the abandonment of its aggressive policies, and we can take the appropriate measures on a world-wide scale.

It has also been argued that it is impossible for the United States, with the small number of combat divisions in our Army, to send forces to Greece unless we resort to partial mobilization, and that Congress and the American public would oppose such action. We, of course, are not able to judge whether or not it would be necessary to call for partial mobilization in order to be able to send to Greece and maintain there two or three American combat divisions. We are convinced, however, that if it should become clear that Greece will be lost unless troops are sent, we should, in accordance with procedures outlined in the Charter of the United Nations, send troops even though their despatch might necessitate drastic changes in the size and organization of our whole military establishment.*

Recommendations:

In view of the above, it is our earnest recommendation:

1. That the decision be taken now that if it becomes clear that Greece will succumb to direct or indirect aggression unless American forces are despatched to Greece, the United States will be prepared, preferably with other like-minded nations, to send such forces in accordance with the procedures indicated in the Charter of the United Nations.

2. In the event of recognition by Albania, Bulgaria, or Yugoslavia of any government of Greece other than the government represented in the United Nations, the United States would take the position that such recognition is contrary to the resolution of the General Assembly in the Greek case and makes it clear beyond any doubt that the country extending such recognition has committed itself to aggression. In such an event, the United States would support the immediate convening of a special session of the General Assembly to consider the measures to be taken. The United States would likewise regard as aggression

*This memorandum does not attempt to deal with contingencies involving the despatch by the Soviet Union or its satellites into Greece of military forces of such magnitude that they could be halted only by the use of large armies. Such contingencies would probably mean a new world war and would have to be dealt with accordingly. [Footnote in the source text.]

an act of recognition by any power other than the three mentioned in the General Assembly resolution if such recognition were followed by the provision of material aid to the Greek guerrillas.

The United States should immediately inform all members of the United Nations that it would take the position stated above in the event of recognition of a rebel government in Greece. This communication, which should be made public, might contain a statement that we would regard the matter as so serious as to warrant the use of every resource available to the United Nations for the defense of Greece and that the United States would be prepared, in accordance with its responsibilities as a member of the United Nations, together with other like-minded nations, to take interim steps which might be necessary to protect Greece pending action by the United Nations.

3. If recognition of a rebel government should not be accompanied by the introduction of foreign armed forces in support of the rebels, the United States should call upon the General Assembly to recommend:

(*a*) That the governments extending recognition withdraw such recognition within a designated period, perhaps ten days.

(*b*) That failing such withdrawal of recognition, the member states of the United Nations, if requested by the Government of Greece, should be prepared to render to Greece all requisite assistance, including, in case of need, the despatch of troops to assist in defending the integrity of that country.

Consideration might also be given, if developments at the time would make it appear that such a procedure might be advantageous, to calling a meeting of representatives of the five Great Powers under Article 106 of the Charter to consider steps either to implement the resolution of the General Assembly or to be taken independently in the event that Assembly action is delayed or cannot be obtained.

4. If recognition of the rebel Greek government is accompanied by the introduction of foreign armed forces, or if such armed forces are introduced without recognition of the "government", the United States should call upon all members of the United Nations to respond to a Greek appeal under Article 51 by sending troops to Greece in order to restore international peace and security. As required by the Charter, the nations concerned should notify the Security Council of their action and should request the Council to take appropriate measures for the protection of Greece under Chapter 7 of the Charter.

5. The United States, in any case, should be prepared, in accordance with the procedures indicated in the Charter of the United Nations, to send troops under the conditions set forth in paragraphs numbered 3 or 4 above even though other powers should not consider themselves to be in a position also to send troops.

6. Whenever, in the opinion of the Secretary of State, events occur which warrant the taking of action under the Charter outlined in paragraphs 3 and 4 above, he should consult with the National Security Council before setting in motion the governmental machinery for the taking of such action.

868.51/12–1047 : Telegram

The Acting Secretary of State to the American Mission for Aid to Greece

SECRET WASHINGTON, December 23, 1947—7 p. m.

Gama 691. Bank Greece cabled FRBNY $2,000,000 available in Guaranty Trust to order of FRBNY to repay part loan falling due December 24th, thus freeing like amount gold. Please advise whether AMAG approved this action. If not Dept urges AMAG take all steps to block this action pending AMAG's full consideration Gama 637 [1] and reply to Dept.

It will of course be possible to repay loan in whole or part at any time by surrender gold. Have no reason doubt FRBNY will renew entire loan if requested by Bank Greece.

LOVETT

[1] Dated December 16, p. 454.

868.00B/12–2447 : Telegram

The Chargé in Greece (Rankin) to the Secretary of State

SECRET ATHENS, December 24, 1947—1 a. m.
URGENT

2219. Mavrogordatos [1] in conversation yesterday confirmed information given me earlier in day by Tsaldaris (mytel 2218 [2]) regarding Communist plot assassinate Gonatos and Zervas, which was to include assassination two unspecified members Government and several Greek political leaders. He believes action intend coincide proclamation "free Greek" government and with other disorders planned for same day which Greeks believe to be January 2.

Mavrogordatos, presumably speaking with full authority Prime Minister, asked Embassy's opinion re precautionary arrest 30 to 40 known Greek Communists who could be counted upon to take part in above plan.

[1] Michael Mavrogordatos, Under Secretary to the Greek Prime Minister.
[2] Dated December 23, not printed.

As indicated in top secret letter October 11 to Henderson,[3] Embassy believes Greeks justified and even under obligation arrest Communists who are conspiring against Greece and whose activities may become especially dangerous in impending events. I intend take earliest opportunity so inform Mavrogordatos, but will stress that in our opinion arrests should be limited to real Communist leaders and not include, as in mass arrests by Zervas, large number innocent or merely suspect persons.[4]

Sent Department as 2219 repeated Salonika 156.

RANKIN

[3] Not printed.

[4] In telegram 2063, December 26, the Department advised the Embassy in Athens of its entire agreement with the view expressed in the final paragraph of No. 2219 (868.00B/12–2447).

868.01/12–2447 : Telegram

The Chargé in Greece (Rankin) to the Secretary of State

URGENT ATHENS, December 24, 1947.

2224. Speaking over DABS this afternoon Miltiades Porphyrogennis read proclamation by Markos dated December 23 announcing formation "first provisional democratic government of free Greece."

Cabinet announced as follows: President and Minister War Markos, Vice President and Interior John Ioannides, Foreign Affairs Petros Roussos, Justice Miltiades Porphyrogennis, Hygiene, Social Welfare and Education Petros Kokkalis, Economics Vassilios Bartziotas, Agriculture Dimitrios Vlandas, National Economy and Supplies Leonidas Stringos.

Porphyrogennis said proclamation was datelined "somewhere in free Greece" and gave following as immediate objectives new government:

(1) Mobilize all popular forces to liberate Greece from imperialists and restore her national independence and liberties.
(2) Establish popular justice.
(3) National[ize] all foreign assets, banks, heavy industry, etc.
(4) Carry out agrarian reform.
(5) Promote reconciliation among Greek people.
(6) Reorganize state along democratic lines.
(7) Send representatives of democratic Greece abroad to all democratic peoples and their governments. Develop "specially friendly relations with Soviet Union, Balkan democracies and other democratic states." These foreign policy objectives to be carried out within framework and spirit of United Nations.
(8) Recognize full equality of minorities.
(9) Organize democratic army, fleet and air force to face any foreign aggression.

(10) Hold free elections as soon as conditions permit for Peoples National Assembly.

Proclamation and British [1] establishment "free government" necessitated by American and British imperialism and policies of Sophoulis-Tsaldaris government which have betrayed nation. Continued that "democratic leaders" are optimistic although they do not underrate difficulties to be confronted, for they rely on friendship that democratic army and government has engendered in hearts of democratic peoples alone.

Proclamation concluded: "Long live free Greece, democratic army and Greek people."

RANKIN

[1] Words "and British" were garbled; "stated" was probably intended.

868.01/12–2447 : Telegram

The Chargé in Greece (Rankin) to the Secretary of State

SECRET ATHENS, December 24, 1947—10 p. m.

2225. Significant features announcement of new Markos Government (mytel 2224, December 24) are:

1. Failure include any non-Communists in Cabinet roster.
2. Failure identify seat of government.
3. Emphasis on special friendship with Soviets and Balkan neighbors.
4. Reference to full equality of minorities.
5. Ominous reference to organization of "democratic air force".

Altogether "government" is rather sorry show from Communist viewpoint after six-month build-up and its establishment may have immediate effect of serving western interests by further clarifying Greek issue and revealing exclusively Communist character of rebel government. Since Soviets themselves must realize this, it may perhaps be assumed that they were obliged by faltering guerrilla morale to authorize move. They may also have considered that move despite any immediate unfavorable repercussions would be useful to them as further test of western reactions.

Long-term significance obviously depends on whether establishment of government is followed by recognition by one or more satellites and/or USSR and by substantially increased aid to guerrillas. In view presumed Soviet reluctance risk war and previous cat and mouse tactic of inching forward in Greece, it seems likely that developments along these lines will occur gradually, their precise nature and rhythm depending on Soviet estimate of probable United States and world reaction. If Soviets can be convinced by statements or other action

that US, with or without UN cooperation, will not tolerate open support of Markos Government by Russian satellites, which recognition would clearly formalize, precarious nature of project might well persuade them to drop appropriate hint to those satellites.

Controlled American source requests that this message and previous telegram under reference be transmitted his office.

RANKIN

868.00/12–2647

Memorandum of Conversation, by the Director of the Office of Near Eastern and African Affairs (Henderson)

TOP SECRET [WASHINGTON,] December 26, 1947.

Sir John Balfour of the British Embassy came in this afternoon to see me. He handed to me the attached copy of Lord Inverchapel's letter of December 26 to the Secretary [1] and said that he would appreciate it if I could give him some idea, pending the reply of the Secretary, as to what our current thinking was with regard to the new developments in Greece. Sir John said that he was sure that the United States Government agreed with His Majesty's Government that the establishment of a so-called free government in Greece was fraught with dangerous potentialities. The British Government was anxious to cooperate with us in this extremely important crisis.

Sir John also left with me a copy of the attached *aide-mémoire* [2] setting forth the suggestion made by Mr. Tsaldaris that the United States might at this stage consider the sending of 5,000 or 10,000 troops to Greece coupled with a strong warning to the Slav bloc.

I told Sir John that the United States Government did recognize the serious potentialities of the situation resulting from the setting up of the so-called provisional government by Marcos and that the matter was receiving careful consideration by the highest officials of this Government. We were not at this stage, therefore, prepared to say what the attitude of the United States Government would be in this respect. It was our hope that within the next week decisions would be made which would enable us to take a clear-cut position. The British Government could be assured that the United States Government would consult with it before taking any public steps.

Sir John asked me if there was any possibility that the United States was prepared in certain eventualities to send troops to Greece. I said that I could not as yet reply to that question. It was obvious that

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[1] Not printed.
[2] *Post*, p. 469.

a decision to despatch American troops to Greece could not be made without taking other decisions of a basic character.

L[OY] W. H[ENDERSON]

868.002/12–2647

Memorandum of Conversation, by the Director of the Office of Near Eastern and African Affairs (Henderson)

SECRET [WASHINGTON,] December 26, 1947.

I received the Greek Ambassador, Mr. Dendramis, this afternoon at his request.

The Ambassador stated that he had been instructed by his Government to present to the Secretary of State the attached note dated December 26 [1] in which the Greek Government has conveyed its point of view with regard to the setting up of a provisional Greek Government by the Greek guerrillas and asked to be informed as soon as possible of the views of the Government of the United States in the matter.

The Ambassador said that he had received information to the effect that during the last twenty-four hours Greek guerrillas to the number of more than 1500, well-armed and accompanied with artillery, had attacked and taken the Greek town of Konitsa near the Albanian frontier. The Ambassador said that his Government hoped that the United States Government could take some concrete measures in the immediate future which would give the Greek people confidence in the determination of the United States to assist the Greek people in resisting the guerrillas and would discourage the satellites from recognizing and giving additional assistance to the guerrilla "government". He asked in particular whether it would not be possible for the American Government to assist the Greek Government at once by the dispatch of an aircraft carrier to Salonika.

I replied that the Government of the United States realized the seriousness of recent developments in Greece; that we were giving careful consideration in the highest quarters to what our position in the matter should be; and that until the necessary decisions had been made it was not possible for us to indicate what the American position

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[1] No. 136, not printed; the Ambassador's note conveyed the Greek Government's views that the United States and the United Kingdom should denounce the "fake" cabinet; that recognition of this cabinet by the Soviet Union or its satellites be considered a breach of the peace and make effective the obligation of the United Nations to offer assistance to Greece; that the Greek Government be furnished with assistance in the form of aviation, particularly an aircraft carrier; and that it be made known that recognition of the cabinet would be followed by recognition of the governments in exile of the Poles, Yugoslavs, etc. (868.002/12–2647).

would be. I told the Ambassador that we hoped that we could outline our position to the Greek Government during the course of the week.

L[OY] W. H[ENDERSON]

868.00/12–2647

Memorandum of Conversation, by the Acting Chief of the Division of Greek, Turkish and Iranian Affairs (Jernegan)

TOP SECRET [WASHINGTON,] December 26, 1947.

Participants: Mr. Lovett, Mr. Armour, General Livesay, General Arnold, Mr. Kennan (S/P), Mr. Henderson (NEA), Mr. McGhee (U/GT), Colonel R. S. Seedlock, Colonel T. W. Parker, Mr. Jernegan (GTI).

The meeting was called to afford an opportunity for consultation between Department officers and General Livesay, who is temporarily in Washington. General Livesay reviewed some of the difficulties confronting the Greek Army. He stressed especially that while the morale of the soldiers was good, the morale of the senior officers was poor at the present time, largely because the intense political activity directed at the Army made them feel insecure in their positions. He said the political parties were anxious to gain control of the Army to strengthen their position. The Prime Minister had not supported the former Chief of Staff and present Army Commander, General Ventiris, despite a public promise to stand behind him. As an example of the political pressures at work, General Livesay said that the Minister of War, Mr. Stratos, was secretly maneuvering to have six officers hitherto classified as unemployable because of their inefficiency and political attitudes, reinstated on the active list with the grade of Lieutenant General. This move would, if it succeeded, make them senior to all the presently active officers in the Army.

General Livesay also spoke of certain attitudes prevalent in the Army which operated against effective conduct of the war against the guerrillas. He said there is much inertia and a habit of fighting at long range instead of coming to grips with the guerrillas. This might be due in part to doubts held by some of the soldiers as to whether they were fighting on the right side. If the neighboring countries should recognize the "Government of Free Greece" and foreign troops were sent to join the rebels, this might have a good effect in resolving the doubts of the Greek troops and intensify their determination to resist. General Livesay further remarked that the Greeks are very insistent on getting exactly what they think they need, regardless of whether it is really the most useful item for the purpose. In this connection, he spoke of their desire to obtain a certain type of moun-

tain artillery. Although he had never received an official written request for such artillery, practically every Greek officer and civilian official that he knew had at one time or other urged upon him the absolute necessity for it. As a matter of fact, General Livesay considered that the present type of mountain artillery in use in the Greek Army was quite satisfactory. Nevertheless, he thought it might ultimately be necessary to provide the other type in order to satisfy the Greeks that they were properly equipped for the kind of campaign in which they were involved.

Reference was made to AMAG Telegram No. 722 of December 24,[1] regarding the request of the Greek Minister of War for approval of the formation of 12 new battalions of the National Defense Corps. It was noted that Governor Griswold had indicated his willingness to approve an increase but said he planned to await General Livesay's return before making a formal decision. General Livesay said he believed the decision should be made promptly and that in his opinion it would be better to authorize not merely 12 but 58 additional battalions to bring the National Defense Corps to a total strength of 100 battalions. He believed we should stop doing things on a piecemeal basis in matters of this kind and that with this NDC force, plus an increase of 10 or 12 thousand men in the regular Army, the Greek Government would be able to clean up the guerrillas provided there were no great increase in the assistance being furnished them by the northern countries. He estimated the additional cost of these increases for the period ending June 30, 1948 at from 8 to 10 million dollars. Mr. McGhee observed that this cost could be covered out of existing Greek Aid Funds by making corresponding reduction in some phase of the Reconstruction program.

Mr. Lovett said that the American Government would have to make an extremely important decision during the next week with respect to the situation arising out of the announced formation of a "Government of Free Greece" under General Markos. Before making such a decision we would want to determine for ourselves whether the Greeks were a people on whom we could rely. Specifically, we could not take action which might result in the loss of American lives if the Greeks were not also ready and willing to sacrifice Greek lives. General Livesay said that in his opinion the Greeks would fight well enough and that with the addition of American observers they would conduct a more active campaign against the guerrillas. In this connec-

[1] Not printed; Governor Griswold stated that "Although I have reached conclusion that there should be an increase in number of NDC battalions, I believe that it would be a serious psychological error to authorize piecemeal aid. I propose to await Livesay's return and completion of study by planning staff before formally requesting further increases military aid." (868.20/12–2447)

tion he mentioned that for some reason Greek troops always seem to fight with more determination when foreign officers are present.

During the course of the conversation, General Arnold [2] stressed his belief that we must take a definite, long-range decision now and establish a firm policy for future action in Greece. Even though our immediate decision might be merely to furnish more supplies to Greece in the hope that the Greek Army would be able by itself to clear up the guerrilla situation, we should also decide now to send American troops to Greece if such a move proved necessary. Mr. Henderson agreed with this position, and Mr. Lovett also agreed that a decision must be taken. He said, however, that as yet we do not have authority to dispatch American troops to Greece. General Arnold remarked that we should attempt now some decisive action on substantial scale to prevent continuation of the present piecemeal deterioration of conditions in Greece; as fast as we made some small move, the northern neighbors of Greece would counter that by increasing activity on behalf of the guerrillas. Mr. Lovett concurred, saying that the next move is up to us. He saw little point in continuing our operations in Greece unless we were prepared to match anything that the opposition forces might bring up.

Mr. Kennan asked General Livesay whether the introduction of a United Nations force to occupy strategic points in Greece would be effective in enabling the Greek forces to clean up the guerrillas. General Livesay said that a foreign force would have a good morale effect under present conditions but might be ineffective if the pressure on Greece were increased. Mr. Kennan asked if it would not be feasible to throw a cordon of foreign troops right across Northern Greece. General Livesay said that this would be feasible and effective provided the troops were allowed to fight, to protect the areas assigned to them. He and General Arnold both said that they thought it would be unwise for American troops to go into Greece with the instructions in force for the British troops now there, that is, that they were to fight only in case they themselves should be directly attacked. Mr. Lovett indicated his agreement with this view.

General Arnold suggested that an American Corps of two Divisions in Greek Thrace would have an excellent effect on the general situation. He and Mr. Lovett agreed that Thrace would be the best location because of its strategic importance in relation to Bulgaria, the difficulty which the Greek Army is having in defending it, and the fact that a force there could easily be supplied and supported from the sea. Mr. Kennan suggested that we should give very careful consideration to the idea of sending American combat troops to Greece, especially if they were to go as part of a mixed United Nations force; we might

[2] Maj. Gen. A. V. Arnold, Assistant Chief of Staff (Plans).

find ourselves in a difficult position from which it would be hard to withdraw and equally hard to keep other nations from withdrawing the contingents they contributed. He also thought an area in southern Greece, such as the Peloponnesus, might be easier to defend and therefore a better place for our troops from a strategic point of view.

At one stage in the discussion Mr. McGhee suggested that we should prepare promptly to present to Congress a new request for funds for Greece, including in it not only supplementary funds for the current fiscal year, but also money needed for military purposes in the 1949 fiscal year. General Arnold concurred emphatically in this and added that he thought we should tell Congress frankly the full seriousness of the present picture and the dangers we have to meet.

The meeting broke up without attempting to reach final decisions on any of the points covered.

868.00/12–2647

The British Embassy to the Department of State

TOP SECRET
Ref: G58/—/47

AIDE-MÉMOIRE

Just before the proclamation of General Marcos's Government, His Majesty's Ambassador in Athens asked Monsieur Tsaldaris for his views on reports which were circulating on this subject.

2. Monsieur Tsaldaris said that, as he saw it, there were two stages. First, the announcement of such a government and second, its recognition by a foreign power, or powers, which might be Albania and Bulgaria to start with. While the first stage was a threat of aggression, the second was an act of aggression and Greece would have the right to bring it before the United Nations under Article 51. If the United States and Great Britain, without whose support Greece would not take any action, did not wish to see the second stage reached, he wondered if the United States could not take the opportunity afforded by the first stage of sending 5000 or 10,000 troops to befriend Greece, coupled with a strong warning to the Slav bloc. Such a step would greatly assist Greece in dealing with the bandits and indeed if American troops were on the frontier he thought the Greek problem would be solved and that he would be saved the painful necessity of making continued requests to the United States for more money and more material.

3. Monsieur Tsaldaris added that the Greek Ambassadors in Washington and London had been instructed to place these views before the State Department and the Foreign Office.

4. The Greek Ambassador in London duly called on the Permanent Under-Secretary of State and spoke on the lines indicated above. He did not, however, mention the possibility of a request to the United States Government for the dispatch of American troops to Greece.

5. Mr. Bevin considers the formation of General Marcos's Government to be a serious development, the implications of which are being studied with all urgency. Lord Inverchapel expects to receive further instructions on the subject very shortly. He has meanwhile been asked to ascertain the reactions of the United States Government to this development.

6. An interim reply to the Greek Ambassador in London has been handed to him in the terms shown in the enclosure to this *Aide-Mémoire*.[1] As will be seen, this stresses the importance of absolute solidarity being shown by all anti-Communist parties and personalities in Greece. His Majesty's Ambassador in Athens has been instructed to take a similar line at every opportunity keeping his United States colleague informed.

WASHINGTON, December 26, 1947.

[1] Not printed.

868.01/12–2747 : Telegram

The Ambassador in the Soviet Union (Smith) to the Secretary of State

SECRET Moscow, December 27, 1947—11 a. m.

3439. Soviet press December 24–25th–26th has featured Belgrade Tass despatches regarding establishment "Provisional Peoples Democratic Government Free Greece" and quoting Porphyrogennis reference to "great ally of Greek people, Soviet Union". There has been neither editorial comment nor preliminary build-up beyond routine Tass reporting radio broadcasts Greek Democratic army and continued denigration Athens Government on lines reported Embtel 2968 October 3.[1]

Presumably Markos' move could have been made only with Kremlin approval. While existence definite plans is thus implied, there is no evidence available here as to Soviet intentions. While recognizing establishment rebel government will immediately facilitate Cominform propaganda appeal for increased international aid, local observers for reason summarized Belgrade's 2360, December 24[1] do not regard recognition by USSR and satellites as inevitable. They inclined to believe Bulgaria and Albania may proceed recognize, with USSR and others holding off pending developments.

[1] Not printed.

Sent Department 3439, repeated Belgrade 23, London 390, Paris 409. Department pass Athens as 53 and Salonika for BalCom unnumbered.

SMITH

868.01/12–2647 : Telegram

The Acting Secretary of State to the Embassy in Greece

SECRET WASHINGTON, December 27, 1947—2 p. m.

2064. Urtels 2241 and 2242 Dec 26.[1] Dept fully aware serious consequences announcement "Free Greek Government." In view far-reaching results of basic decisions involved urgent consideration on highest level now being given U.S. position and future action. In conversations with press Dept officials not minimizing gravity of situation but explaining that importance of decisions make impossible an immediate statement of U.S. position. It is anticipated that U.S. views can be made public in near future.

Greek Ambassador has been in close touch with Dept during past few days and has been told that Greek views on U.S. position and Greek requests for increased military assistance being given most urgent consideration. General Livesay's presence makes possible consultations with Army Dept on current military requirements.

Sent Athens 2064; Repeated Salonika 164 for BalCom 47, London 5369, Paris 4605, Moscow 2067.

LOVETT

[1] Neither printed; the former advised that Mr. Sophoulis, during the evening of December 26, had emphasized to Chargé Rankin the Greek plea for an increased supply of automatic weapons and artillery which he said must be in Greek hands before April to avert catastrophe. The Prime Minister had also informed the Chargé that precautionary arrests totaled 350 in Athens and 50 outside the capital. The latter telegram advised that the use of artillery by the guerrillas in their recent attack on Konitza was calculated to undermine the already shaky confidence in the United States of the Greek people who were aware of the negative response to the Greek Government's requests for such weapons. (868.01/12–2647)

501.BB Balkan/12–2547 : Telegram

The Acting Secretary of State to the Embassy in Yugoslavia

SECRET WASHINGTON, December 27, 1947—2 p. m.

797. Urtel 2367 Dec 25.[1] As follow-up your conversation with Bebler[2] concerning Markos' announcement formation "Free Greek Government" you should find occasion at earliest opportunity in infor-

[1] Not printed.
[2] Aleš Bebler, Yugoslav Deputy Foreign Minister.

mal talks with Bebler and/or other appropriate Yugo officials to express view of US Govt that recognition or assistance extended to such self-styled "govt" would be considered flagrant violation principles UN Charter and, in case of Yugo, flouting of GA resolution Oct 21. You may also emphasize special responsibilities which Yugo, as member UN, would bear in eyes of world if it should encourage Balkan countries' recognition of Markos. You may also point out our realization that Communist guerrilla cabinet could not have been announced without tacit approval or active instigation of Cominform as well as Balkan countries which have publicly and consistently expressed hostility to Greece, a UN member in good standing.

Sent Belgrade; rpt Ankara 725, Athens 2065, Moscow 2068, London 5370, Paris 4606, Rome 2714, Sofia 597, Salonika 165, for Balcom 48, Praha 1413, Warsaw 1109.

LOVETT

868.00/12–2947

Memorandum by the Director of the Office of Near Eastern and African Affairs (Henderson) to the Acting Secretary of State

TOP SECRET
URGENT

[WASHINGTON,] December 29, 1947.

There is attached a memorandum listing the steps NEA believes should be taken promptly to cope with the difficult situation we are facing in Greece, particularly in the light of the recent announcement of a guerrilla government under General Markos. Mr. McGhee has seen the memorandum and concurs in the proposed steps.

If you approve, this office and U/GT will proceed with implementation of the various measures, in conjunction with SPA and other interested offices.

L[OY] W. H[ENDERSON]

[Annex]

STEPS TO BE TAKEN BY UNITED STATES GOVERNMENT TO MEET SITUATION

1. Instructions should be sent Governor Griswold to authorize the immediate formation of a total of one hundred battalions of the National Defense Corps and a permanent increase of at least twelve thousand men in the Greek Army.

a. This question was discussed at length with General Livesay at a meeting on December 29, and a telegram to Governor Griswold has been drafted by U/GT. General Livesay will send a separate telegram

setting forth in detail such conditions and restrictions as he feels should accompany the authorization of the increase.

b. Issue public statement here as to action taken, explaining it was requested by Greek Government.

2. Furnish to the Greek Army whatever additional arms and equipment, especially machine guns, General Livesay may determine to be necessary for a fully successful campaign against the guerrillas.

a. This question was also discussed with General Livesay on December 29. He expressed the opinion that the Greek Army needs more machine guns and may need a different type of mountain artillery. However, he has a special group of his staff at work on a survey on the organization and equipment of the Greek Army and has expressed a desire to await a report of this group (due around January 1 or 15) before making definite recommendations.

3. Expedite decision of National Security Council on paper proposing steps to be taken in case "Free Greek Government" is recognized by Soviet satellites, these steps to include eventual despatch of United States troops to Greece, under UN General Assembly recommendation or under Article 51.

a. The full National Security Council should meet just as soon as its working staff has completed its urgent studies on this paper. A definite decision must be made without delay. No instructions can be sent Ambassador Kirk [1] at Salonika and no replies can be made to urgent requests and inquiries of the Greek, British and Turkish Governments until this decision is made.

4. At earliest possible moment issue public statement condemning formation of Markos Cabinet as neither spontaneous nor representative of wishes of Greek people and warning of United States attitude toward its recognition by any nation.

5. Begin immediately preparation of new request to Congress for additional aid to Greece, to include all supplementary funds needed during current fiscal year, plus funds for all anticipated expenditures in 1949 which will not be covered by ERP.

a. Inform Congressional leaders immediately of our plans in this respect and of the seriousness of the Greek situation. We should be completely frank in this preliminary presentation.

b. Ask Griswold and Livesay for their fullest estimates as to what is needed in this respect, keeping in mind very much more dangerous situation created by formation of Markos Cabinet and probability that Soviet assault on Greece will be stepped up. In making estimates Griswold and Livesay should not concentrate upon keeping figures small

[1] Adm. Alan G. Kirk, United States Representative on the Special Balkan Committee established by the General Assembly.

but rather upon providing for all foreseeable contingencies and laying basis for an all-out, definitive blow at the guerrillas.

c. In consultation with Congressional leaders, the Department should make an early official announcement of its intention to seek more funds for Greece as soon as decision called for in paragraph 3 is taken.

6. Prepare and despatch to Ambassador Kirk full instructions as to course of action he should urge on UNSCOB in event of recognition of the Markos Cabinet by any foreign government or major increase in foreign-supported attacks on Greece.

7. Work out provisionally all details of United States action to be taken in UN if Markos Cabinet is recognized or UNSCOB recommends new action by UN because of stepped-up armed intervention in Greece.

8. Draw up comprehensive, positive outline of information work to be carried on in Greece by AMAG and USIS and outside of Greece by USIS and make immediate arrangements to secure whatever funds and facilities are necessary to make this effective.

a. Consult with OIE to determine whether gravity of Greek situation does not warrant diversion of funds from other programs.

b. Include special funds for information work on Greece in any request made to Congress for supplementary OIE appropriation.

c. Expedite arrangements for establishment of broadcasting station in Salonika or Athens.

d. Explore possibility of appointing top-notch man as head of USIS in Greece and supplying him with expanded staff and physical facilities.

9. With respect to appropriate phases of this program, especially those suggested in paragraphs 3, 4, 6, and 7 above, maintain close contact with the British Government and ensure coordinated action.

a. Consult Ambassador Douglas, who is reported to have discussed Greek situation with Minister of Defense before leaving London.

b. Reply to British note of December 26.

868.00/12–2947 : Telegram

The Acting Secretary of State to the Embassy in Greece

SECRET WASHINGTON, December 29, 1947—6 p. m.

2070. Note [1] presented Dept Dec 26 by Grk Amb outlining steps which Grk Govt considers necessitated by announcement "Free Grk Govt" and requesting US views contains statement that Grk Govt has

[1] No. 136, not printed, but see footnote 1, p. 465.

already filed (1) protest with Yugo Govt concerning use of Yugo radio facilities for guerrilla announcements and (2) protests to UN along with "request that attention UNSCOB, UN Secretariat General and standing committee UNGA be called to these developments". Text these two protests not yet available to Dept although text of letter Dec 24 from Grk Liaison Representative to UNSCOB received (Combal 47, Dec 28 [2]).

In view extreme importance that strategy for future UN action be carefully thought out and coordinated between US and Grk Govts and in view newspaper reports that Grk Govt intends initiate SC consideration you should urgently request MinFonAff or PriMin to take no further action vis-à-vis UN without previous consultation with Dept. Extremely important that all such action be fully correlated and utilize most effective approach under Charter.[3]

Sent Athens 2070; rptd USUN 618, Salonika 166 (Balcom 51).

LOVETT

[2] This telegram, from Salonika, not printed.

[3] In telegram 2274, December 31, the Embassy in Athens reported information from Panayotis Pipinelis, the Greek Permanent Under Secretary for Foreign Affairs, of the firm intention of the Greek Government to continue to coordinate fully with the United States concerning any U.N. action (868.00/12–3147).

868.01/12–2947 : Telegram

The Chargé in the United Kingdom (Gallman) to the Secretary of State

SECRET
US URGENT

LONDON, December 29, 1947—8 p. m.

6646. Wallinger, head Southern Department Foreign Office, informed us late this afternoon, after interested Foreign Office officials had been giving further consideration to Greek situation (Embtel 6638 December 29 [1]), that Foreign Office will take following steps which British Embassy Washington will be instructed at once to discuss fully with Department:

1. Instruct British Ambassador Belgrade to support Ambassador Cannon's *démarche* to Yugoslav Government (Deptel 5370 December 27 [2]) emphasizing what to British is basic point that by no stretch of international law can Markos group be considered to have the rights of even a belligerent and therefore has not status of government.

2. Instruct Britain Sofia [*sic*] to make similar *démarche* to Bulgarian Government subject to Department's concurrence.

3. Instruct British Ambassador Athens to urge Greek Government not to suppress indiscriminately other parties than Communist but

[1] Not printed.

[2] This was a repeat of telegram 797 to Belgrade, p. 471.

to endeavor to drive wedge between leftist splinter groups and Communists and if possible get leaders of splinter groups to make statements condemning Markos group; and to urge Greek Government not to use terms "free", "Greek" or "Government" in connection with Markos group, but to refer to latter as Markos junta or headquarters describing it as "Communist" or "rebel".

Wallinger, referring to possible developments if endeavor to keep satellite governments from recognizing Markos group fails, described application of relevant provisions of UN charter to possible resultant situation as "tricky" but expressed view that he thought Greek Government could ask US or UK to send troops to Greece to assist it in resisting aggression, which troops could be posted in Greece against eventuality of outside aggression.

Wallinger said he had thought that recognition of Markos group might take place in stages with Albania and Bulgaria according recognition first. He indicated, however, that he now thought Yugoslavia intended to recognize Markos group although Albania, which is still technically at war with Greece, might be the first to accord recognition as a test.

Sent Department 6646; Athens 155; Belgrade 39; Sofia 58; Moscow 369.

GALLMAN

867.00/12–3047

The Coordinator for Aid to Greece and Turkey (McGhee) to Senator William F. Knowland [1]

WASHINGTON, December 30, 1947.

MY DEAR SENATOR KNOWLAND: In compliance with the telephone request received from your office on December 29, 1947, the following information has been assembled.

As of December 11 three vessels carrying aid material had arrived in Turkey. They carried 6 cranes, 1 tractor, 6 graders, 252 cases spare parts, 10 road scrapers, 2 crushing plants, 15 tractors, 2 trailers 20 ton, 20 trailers 1 ton, with tools and accessories for both, 102 boxes signal equipment containing telephones, switchboard, etc., 84 machine guns, 15 machine gun mounts, 4 road graders and 68 boxes spare parts, 180 boxes radio operating equipment, 6 automobiles for Mission and 1,333 cartons ammunition. No other goods have been exported as of the present time.

Of the $100,000,000 program for Turkish aid, $87,187,500 has been allocated as of December 15, $13,609,185 encumbered or allotted, and

[1] Member of the Appropriations Committee of the Senate.

$910,180 obligated. With military programs the figure for encumbrances, including allotments, most closely approximates the value of goods in the pipe line and en route. The precise value of goods shipped is never known until shipping documents have been processed which involves too great a time lag for the figures to be useful for program control purposes. The figure for "obligations" lags behind the movement of goods to such an extent that it cannot be used as an approximation of shipments but is used for "accountability" purposes.

We would like to point out that expenditure in the case of the Turkish program is not prorated over a twelve-month period. The first six months of the program were given to careful planning of the goods to be procured so as to maximize the Turkish defense potential. These plans are now firm and goods will go forward at a fairly uniform rate during the balance of this fiscal year.

Sincerely yours, GEORGE C. MCGHEE

868.01/12–3047 : Telegram

The Acting Secretary of State to the Embassy in Greece

SECRET WASHINGTON, December 30, 1947—3 p. m.
US URGENT

2074. Dept does not wish to hinder Greek Govt in taking necessary steps to check Communist supporters among non-Communist Left groups. (London tel 155 to Athens [1] para 3). However, you may suggest advantages to be derived from separating non-Communist Left from KKE now that latter has taken open stand in rebellion and may point out desirability of securing public condemnation of Markos group by as many Greek political elements as possible.

Sent Athens 2074, repeated London 5388, Belgrade 799, Sofia 599 and Moscow 2076.

LOVETT

[1] This was a repeat of telegram 6646, December 29, p. 475.

868.01/12–3047 : Telegram

The Acting Secretary of State to the Embassy in Greece

WASHINGTON, December 30, 1947.

2076. At press conference today Dec 30 in reply to questions Acting Secy Lovett made following statement:

"The claim of certain Communist guerrilla leaders that they have established at some unknown point a "First Provisional Democratic Government of Free Greece" is a transparent device, the true purpose of which will be clear to everyone. It is only a phase in the familiar

effort of certain elements to overthrow the legitimate and recognized Greek Government and to threaten the territorial integrity and political independence of Greece. It came as no surprise. In itself, it would not materially change the existing situation.

But if other countries were to recognize the group, this step would have serious implications. It would be clearly contrary to the principles of the UN Charter. And if the country concerned were one of Greece's neighbors to the north, the act would constitute an open disregard of the recent recommendations of the UN Assembly, as set forth in the Resolution of last October."

Sent Athens 2076; rptd London 5396, Moscow 2080, Paris 4628, Sofia 602, Belgrade 801, Salonika for BalCom 54, Ankara 732.

LOVETT

868.20/12–2447 : Telegram

The Acting Secretary of State to the American Mission for Aid to Greece

SECRET
US URGENT

WASHINGTON, December 30, 1947—7 p. m.

Gama 718. Discussion with Livesay and Army yields following proposals which are believed to be in accordance with your views as expressed Amag 722 [1] and in which Dept concurs provided you so recommend.

(1) Greek Govt should be authorized (Amag 562 [2] and 722) to form National Defense Corps of 100 battalions, provided (*a*) specific battalions are formed only with AMAG approval of time and location and after food and equipment are ready on ground for immediate issuance to them and (*b*) the Greek National Army must as NDC battalions are formed be freed completely from static defense tasks for mobile operations.

(2) Greek Govt should be authorized to increase permanent size of Greek National Army by 12,000 men. Total authorized permanent size becomes 132,000 after completion training present 20,000 recruits.

(3) Additional amount, estimated by Livesay at $15 millions, should be earmarked (Amag 661 [3]) for military program to cover increases under (1) and (2) by diversion that amount from civilian program funds. Dept considers it unwise to risk acceleration of expenditures of funds presently allocated to military. Total amount earmarked for Ground and Air programs will thereby be increased from $144 millions to $159 millions. This increase includes USAGG administrative expenses (Amag 705 and Gama 665 [4]). Livesay wishes delay final

[1] Dated December 24, not printed, but see footnote 1, p. 467.
[2] Dated December 2, p. 428.
[3] Dated December 15, not printed.
[4] Dated December 22 and December 19, respectively, neither printed.

confirmation adequacy $15 millions additional this fiscal year until receipt in few days USAGG report on review of needs Greek forces point of view operational requirements. Diversion $15 millions from civilian funds will of course hasten exhaustion such funds and increase Greek need from ERP appropriations, in event ERP is authorized by Congress, but urgency of military need is believed to govern in circumstances. Dept requests your recommendations as to cut backs in other programs required to furnish $15 millions which can, of course, take into consideration accelerated expenditures authorized Gama 637.[5] View inflationary effect steps authorized in (1) and (2) above, it may be best to take bulk of funds from reconstruction and agricultural rehabilitation projects, particularly those not yet started which may be delayed pending availability new funds. Livesay and Army Dept will review carefully entire military requirements to determine whether any items for delivery after June 30, 1948 can without imperiling continuity military aid be eliminated present procurement program and deferred until new military aid funds appropriated to continue aid after June 30. Any such elimination found possible will accordingly reduce required diversion below authorized $15 millions.

(4) Livesay prefers not make recommendation question of special equipment such as mountain artillery and machine guns, and question of any further increase in size of GNA necessary to permit effective use such equipment, until he receives USAGG report which he expects by Jan 15 latest.

You may in advice to Greek Govt wish attach conditions additional those stated above to US approval expansion size and cost GNA and NDC, including action urged in Gama 707[6] and anti-inflation measures.

Livesay sending parallel Army telegram with more detailed information foregoing military subjects.

Livesay planning return Athens departing Washington Jan first. If you approve foregoing proposals you should advise Greek Govt at once and announce to press US decision approve NDC of 100 battalions and increase 12,000 in size GNA, state that US is reviewing question equipment needs GNA and possible further increase in size GNA, and express US confidence in Greek forces. You should also state categorically that this decision will not reduce supplies of consumer goods to Greece during next few months and that recently announced accelerated imports program still stands. Advise Dept urgently of decision in time for Dept confirm news reports your statement and for Livesay to comment similarly here on US confidence

[5] Dated December 16, p. 454. Governor Griswold, in telegram Amag 54, January 10, 1948, recommended cutbacks of $11,200,000 for reconstruction, $2,300,000 for agricultural rehabilitation, $500,000 for the medical program, and $1,000,000 for the naval program (868.00/1–1048).

[6] Dated December 29, not printed.

ability of Greek forces to overcome guerrilla opposition in reasonable course.[7]

LOVETT

[7] In telegram 2083, December 31, the Department advised Governor Griswold that he might "prefer let Greek Government make first announcement decision to increase NDC and GNA (Gama 718 Dec 30 last para) and confine AMAG statement to confirmation US approval, further study equipment needs and possible further increase size GNA and expression US confidence Grk forces." (868.20/12–3147)

Editorial Note

In a letter of January 5, 1948, Secretary of Defense Forrestal informed Secretary of State Marshall that on December 31, 1947, the Secretaries of the Army, the Navy, and the Air Force established the Joint United States Military Advisory and Planning Group (Greece) in accordance with recommendations by the Joint Chiefs of Staff. He noted that on the same day the Joint Chiefs of Staff designated Major General William G. Livesay as Director of JUSMAPG. (868.20 Mission/1–548) Secretary Forrestal was replying to Secretary Marshall's letter of November 7, 1947, not printed, but see footnote 4, page 393.

711.68/12–3147

The Director of the Office of Near Eastern and African Affairs (Henderson) to the Chargé in Greece (Rankin)

SECRET

OFFICIAL—INFORMAL

WASHINGTON, December 31, 1947.

DEAR KARL: We were very pleased to get the Embassy's despatch No. 5735 of December 8 enclosing the memorandum of "Suggestions for United States Policy in Greece". I know you will agree that Mr. Keeley and the other officers of the Embassy demonstrated initiative and interest in preparing this document. I find it most helpful to have this sort of comprehensive analysis from the point of view of the officers working on the spot. I believe you will soon receive a formal expression of the Department's appreciation.[1]

In most instances we in NEA find ourselves in agreement with the line taken by the memorandum. There are, however, a few points with regard to which it might be well for me to explain our thinking and the general situation within which we have to operate here.

1. In the memorandum, as in a number of telegrams, the need for quick decisions on important questions is emphasized. I want to assure

[1] In instruction 2, January 7, 1948, not printed.

you that we fully realize the importance of this and do our level best to get action quickly. Unfortunately, as the memorandum itself recognizes, the problems presented are frequently extremely complex, both in regard to their technical aspects (as in the case of gold sales), and in their possible political repercussions. Because of their importance and complexity, it is almost invariably necessary for us to consult not only other offices in the Department, notably the Coordinator of Aid to Greece and Turkey (George McGhee), and get the approval of the Under Secretary or Secretary, but also the Department of National Defense. In some instances, the approval of the White House is also required. All of this takes time, even when there are no substantial differences of opinion between the various individuals and agencies concerned. When you are dealing with matters of such extreme gravity, affecting our whole foreign policy and usually involving present or future relations with Congress, it is simply impossible to avoid this.

2. The Embassy has suggested that Governor Griswold should have greater authority to make decisions on the spot in order to reduce delays and reassure the Greek Government. We think that he does have in fact extremely wide authority, just about as sweeping as could possibly be given to any representative of this Government abroad. In a number of cases he himself has referred matters to the Department which he could have decided in Athens if he had wished. In other instances, delays which the Embassy feels were unfortunate have occurred through failure of AMAG itself to act. For example, it has been AMAG which has consistently objected to any substantial increase in the size of the Greek armed forces and which has withheld any recommendation on the supply of a special type of mountain artillery to the Greek Army. In every case in which Governor Griswold has recommended additions to the strength of the Greek forces, the Department has promptly concurred. The only big decision over which there has been serious dispute, so far as I can recall, has been the question of providing gold sovereigns to continue sale of gold to the public in Greece. On this point, all of the Department's and the Treasury's financial experts seem to have been unanimous in opposition, and even Eugene Clay, while he was here, expressed his agreement with their view.

3. I notice in the memorandum a statement that "We must cease unrealistically asking Greece to make unilateral sacrifices, for example, in regard to reparations and territorial claims, which embarrass and weaken the Greek Government and undermine the confidence of the Greeks in our support of them . . ." .[2] In the light of this statement, I should explain the reasoning back of our suggestions that Greece

[2] Omission indicated in the original.

attempt to reestablish relations with Bulgaria, terminate the state of war with Albania and resume relations with that government, refrain from pressing at this time her claim to Northern Epirus, and attempt to satisfy her reparations claims against Italy without insisting upon the delivery of the *Saturnia* and *Vulcania*. With respect to Bulgaria, we anticipated the now more immediate danger that the Bulgarians might recognize the guerrilla government in Greece and endeavor to pay their reparations bill to that government rather than to the Athens Government. We also had prominently in mind the resolution of the General Assembly calling upon Greece as well as her northern neighbors to reestablish normal friendly relations with each other. Inasmuch as the Greek representative in New York has unqualifiedly stated that Greece was prepared to abide by any recommendations of the Assembly, we felt it would be a good move from the point of view of world public opinion and possible future UN action for Greece to take the initiative in demonstrating its willingness to comply with this particular recommendation of the Assembly. Leaving aside the point about reparations, which does not arise with Albania, we thought the same reasoning would apply to action by Greece with respect to the latter country. In this instance, it seemed that Greece was weakening her case before the world and giving an opening to hostile propaganda by unilaterally insisting on a state of war with a neighboring country which did not consider itself at war with Greece and which was not regarded as an enemy by any other member of the UN. It further seemed possible that Albania could claim a right to recognize a rebel Greek government because of the fact that the Government at Athens refused to have relations with Albania and, even more serious, insisted upon the existence of a state of war. On the other hand, we did realize that it would be very difficult for Greece to give up her claim to Northern Epirus, and that it might be impracticable to establish relations with Albania without to some extent weakening the strength of that claim. Consequently, our suggestions in this regard were deliberately made very tentative. In talking with Tsaldaris here, I was careful merely to suggest that he consider the possibility of reopening relations with Albania and indicated that we appreciate the difficulties this might present to the Greek Government. There is, however, one point on which we do not wish to leave any misunderstanding in the minds of the Greek authorities: despite our sympathy for Greece's troubles and our very positive and costly support for Greek independence, we do not feel that we can support Greek claims in Northern Epirus. According to the best of our information, the claims are not justified on ethnic grounds, and under present circumstances there is clearly absolutely no possibility of realizing the claim, with or without Ameri-

can support. It seems to us that it is highly unrealistic for a country which is fighting for its very existence and cannot be sure when some piece of its present territory may be forcibly detached, to create confusion and arouse animosities by pursuing unrealizable ambitions for the territory of a neighbor.

With respect to the Italian reparation and the case of the *Saturnia* and *Vulcania* we have, of course, a somewhat different situation. This is a case of two nations which, despite their quarrels of the past, are now in the same leaky boat. Both are our friends, and we are supporting both in their common struggle against grave external and internal pressures. It is illogical for one to seek to benefit itself at the expense of the other, and this is especially true in the case of Greece since a collapse in Italy would be an overwhelming blow to Greece. In the judgment of our shipping experts, a judgment which I believe is concurred in by Governor Griswold, the acquisition of the *Saturnia* and *Vulcania* would be of little or no benefit to Greece from an economic point of view, and any psychological or prestige benefits would necessarily be fleeting. On the other hand, the loss of the ships would be a severe blow to the Italian economy, and an even more severe blow to Italian pride, possibly eliminating all opportunity for a real Greek-Italian understanding. The slight benefit which might accrue to Greece from ownership of these two ships would not compensate for the ill effects their loss would have on Italy. I realize how difficult it is to convince Greek politicians of the soundness of this reasoning, but we have felt that the attempt must be made, and repeated if necessary. It is possible, of course, that the recent Yugoslav claim for the vessels will make a difference in our approach, and that transfer of them to Greece may prove to be the lesser of two evils. I have not had an opportunity as yet to go into this aspect and determine what the alternatives are. What I have written in this paragraph is primarily intended to explain the reasons for our past actions and not to forecast our future attitude.

I should like to close by expressing my emphatic agreement with the recommendation that our economic policy in Greece should be long-range, and that we should not limit our thinking to the scope of the present Greek-Turkish Aid Bill. Both NEA and George McGhee's office have definitely discarded that limitation. We are working hard to get general acceptance within the Government of the principle that the United States must carry through in Greece no matter how long it takes nor how much money it costs. I need hardly tell you that this is no easy task and is complicated enormously by the conflicting and unpredictable attitudes of the Congress. We hope to have at least some news in this regard fairly soon. I want also to endorse particularly the

recommendation for a concerted propaganda campaign to arouse the Greek people, break guerrilla morale, and counteract Soviet propaganda. I have just sent a memorandum [3] to Mr. Lovett in which that is included as one of the major steps to be taken to carry our Greek policy to a successful conclusion. We must have more funds from Congress for that purpose, and I am moderately optimistic in the light of the views expressed by members of the Mundt Committee following their visit to Europe last Fall.

Please let us hear from you frequently, both formally and informally, about your problems and your ideas as to what should be done to work things out in Greece.

Sincerely, LOY W. HENDERSON

[3] Presumably, the memorandum of December 29, p. 472.

868.51/12–2747 : Telegram

The Acting Secretary of State to the American Mission for Aid to Greece

SECRET WASHINGTON, December 31, 1947—6 p. m.

Gama 725. With reference to Amag 734,[1] Dept pleased to note progress towards economic reform proposed and in progress.

Grk Emb presented note to Dept Dec. 23 [2] requesting Dept assistance with negotiations FRBNY looking toward renewal of loan balance after repayment $2,000,000 and exchange of gold bars received for $2,000,000 for sovereigns to be used in Grk open market.

Dept reply [3] follows:

"Dept informed repayment $2,000,000 made and that FRBNY extended balance loan. Dept also advised by AMAG that AMAG informed Grk authorities to effect use gold to secure sovereigns for open market operations would not be recommended by AMAG at least until new economic controls and measures vigorously instituted. Determinations this nature by AMAG fully supported by Dept.

Under circumstances Dept regrets unable lend good offices arrange exchange gold for sovereigns. It believed preferable course permit gold remain at present location so it may be available at any time in event required for purchase essential supplies."

Dept would appreciate advice as to source $2,000,000 used by Grks to repay Fed Bank.

LOVETT

[1] Dated December 27, not printed.
[2] No. 9741/2, not printed.
[3] Dated December 31.

"THE PENTAGON TALKS OF 1947" BETWEEN THE UNITED STATES AND THE UNITED KINGDOM CONCERNING THE MIDDLE EAST AND THE EASTERN MEDITERRANEAN [1]

NOTE: The following is a table of reference by document to the various subjects and countries discussed below:

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[1] Previous general conversations with the British on the Middle East had taken place in April 1944, when Wallace Murray, the then Director of the Office of Near Eastern and African Affairs, held discussions with officials of the British Foreign Office. For documentation on these conversations, see *Foreign Relations*, 1944, vol. III, p. 2 and pp. 28 ff.; and *ibid.*, vol. V, pp. 6, 7.

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Memorandum Prepared in the Department of State

TOP SECRET [WASHINGTON, undated.]

CHRONOLOGICAL SUMMARY OF CORRESPONDENCE AND EXCHANGES OF VIEWS LEADING UP TO THE DISCUSSIONS WITH THE BRITISH ON THE MIDDLE EAST, WITH TEXTS OF MORE IMPORTANT DOCUMENTS ATTACHED AS ANNEXES

In a note dated July 30 [1] (Annex 1) the British Chargé d'Affaires in Washington informed the Department that his Government had decided that they must, on financial and manpower grounds, withdraw British troops from Greece and reduce those in Italy to 5,000. After consultation with the War and Navy Departments, this Department instructed Ambassador Douglas [2] (Annexes 2 and 3 [3]) to make strong representations to Mr. Bevin that British troops be retained (*a*) in Greece until after final consideration of the Greek case by the Security Council and the General Assembly, and following that, after realistic appraisal and full and frank exchange of views by the US and UK Governments, and (*b*) in Italy until a study had been made of the status of our respective forces by the military authorities of both countries. For Ambassador Douglas' guidance in discussing this matter with Mr. Bevin, we pointed out that while we were aware of the critical nature of the British financial position, we did not feel that the full story had been conveyed to us, and we feared that we were being faced with the first of a series of actions stemming from new policies unknown to us. The British, we felt, must be made to understand that if these actions presaged a basic revision of British foreign policy involving a progressive withdrawal from previous commitments and previously held positions as a result of internal political pressures and not economic necessity alone, the United States must be told now of such probable course.

In a telegram dated August 3 [4] (Annex 4), Ambassador Douglas reported that Mr. Bevin, in reply to our representations, had said that the reduction in British overseas forces had not yet been definitely fixed, that such reduction did not imply any change whatsoever in British foreign policy, and that if a change were at any time contemplated we would be given ample notice and full opportunity for consultation. Ambassador Douglas added that on the basis of conversa-

[1] *Ante*, p. 268.
[2] Lewis W. Douglas, Ambassador in the United Kingdom.
[3] See Secretary of State Marshall's telegram to Ernest Bevin, British Secretary of State for Foreign Affairs, and telegram 3304 to London, both dated August 1, pp. 273, 274.
[4] No. 4214, p. 277.

tions with members of the Labor, Liberal and Conservative Parties, he (Ambassador Douglas) felt that the proposed reduction in a British overseas force was "in response to a widely held view in Britain, quite irrespective of party affiliations". The reductions which Mr. Bevin has in mind, however, are substantially less than those advocated by the left wing back benchers.

In a Parliamentary Debate on August 6, Prime Minister Attlee stated "I must emphasize that despite this acceleration in the rate of withdrawal from overseas stations, and although certain calculated risks are being taken, there is no change in our foreign policy or in the defense policy which underlies our foreign policy".

On August 7 [5] (Annex 5), Ambassador Douglas was requested to inform Mr. Bevin of the grave apprehension of American officials in Greece and Italy over the proposed withdrawal of British troops. With respect to Greece, we reiterated our view that British troops should not be withdrawn until after final consideration of the Greek case by the Security Council and the General Assembly, and pointed out that at that time the matter could be reexamined in the light of circumstances then existing and a decision taken in full awareness of the future course of US and UK action regarding the Greek situation. Mr. Bevin replied that he understood our position as well as the serious consequences which might follow, and gave assurances that no action was contemplated in the near future with respect to either Greece or Italy.

On August 22 [*20*], the British Embassy transmitted to the Department a personal message [6] (Annex 6) for the Secretary from Mr. Bevin stating that while he was suggesting to the British Chiefs of Staff that they discuss the matter with the US Chiefs of Staff, he and his colleagues, after most careful and anxious thought, had decided that on every ground it was essential that the withdrawal of British troops from Greece be completed during the Autumn and from Italy by December 31. He added that what was most necessary was to stabilize the situation in Greece through prompt increases in the effective strength of the Greek army as desired by the Greek Government and considered by the British military as "justified and desirable to enable the Greek armed forces to continue to conduct effective operations against the bandits".

The Secretary, commenting to the Department from Petropolis [7] (Annex 7) on Mr. Bevin's message, stated that he did not accept either

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[5] In telegram 3396, p. 287.

[6] See p. 301.

[7] In telegram 74, August 25, p. 313. The Secretary of State was then attending the Inter-American Conference for the Maintenance of Continental Peace and Security, which met near Petropolis, Brazil, from August 15 to September 2, 1947.

the premises or the categorical position taken by Mr. Bevin; that he could not reconcile Mr. Bevin's stated essentiality of British withdrawals by Autumn with the drastically changed conditions that have occurred since March, and that he felt Mr. Bevin must realize that the problem is much larger than the mere offset of British withdrawals by an increase in the Greek army as Mr. Bevin suggested. With respect to Italy, the Secretary stated his concern rested with the maintenance of at least a *status quo* in that area. The Secretary concluded with "they are far too casual or free-handed in passing the buck of the international dilemma to the United States with little or no consideration for the harmful results".

On August 27, the Department transmitted to the Secretaries of War and Navy [8] the text of Mr. Bevin's message and the gist of the Secretary's comments with the request that the matter be referred to the US Joint Chiefs of Staff for study of the military implications of a British withdrawal from Greece and for consultation with the British Chiefs of Staff with a view to formulating positive military recommendations to both governments. It was further suggested that the possibility be explored of removing British forces of an even larger number than contemplated from areas where the withdrawal would have less significant consequences.

On August 29, the representatives of the British Chiefs of Staff submitted for discussion in the Combined Chiefs of Staff a paper [9] which indicated that they were not in a position to recommend postponement on the decision of the British Government to withdraw troops from Greece by October 31. As a means of offsetting the political effect of such withdrawal, they suggested augmentation of the Greek Army and Air Force.

On August 30 [10] (Annex 8), we informed Ambassador Douglas that the British Embassy had inquired whether it would be agreeable to our military authorities for the British members of the Combined Chiefs of Staff to discuss with them the contents of Mr. Bevin's note. We had replied that we had asked our Joint Chiefs to study the matter and possibly discuss it with the British military authorities, but that we did not accept either the premises or the categorical position on deadlines taken by Mr. Bevin. On September 1, Ambassador Douglas telegraphed [11] (Annex 9) that he had informed Mr. Bevin of our views and that Mr. Bevin had enumerated three considerations which made his government most anxious to proceed with the removal of British

[8] For the letter to the Secretary of War, see p. 317; regarding the letter to the Secretary of the Navy, see footnote 1, p. 318.

[9] For further discussion of this paper, CCS 972, see the joint letter of September 5 from the Secretaries of War and the Navy to the Secretary of State, p. 327.

[10] In telegram 3799 to London, p. 319.

[11] No. 4743, p. 321.

troops: (*a*) he (Mr. Bevin) had told Mr. Byrnes over a year ago, and Mr. Marshall at Moscow, that he could not keep troops in Greece interminably; (*b*) he was under great political pressure at home to withdraw the troops; and (*c*) his government did not know our policy toward the Middle East, for example, the disposition of Cyrenaica. Ambassador Douglas' telegram concludes the following with "He (Mr. Bevin) put forward as a purely personal suggestion the following: That we jointly review the whole position in the Middle East, including Cyrenaica, Egypt, Palestine, Iraq and Persia for the purpose of arriving at a gentlemen's understanding in regard to a common policy and joint responsibility throughout the area, with Britain acting as the front and ourselves supplying the moral support. He said he may put this to his Cabinet, but inferred that he would like to have our views to the above personal suggestion before doing so . . . ." [12]

In a letter dated September 5 [13] (Annex 10), signed jointly by the Secretaries of War and Navy, the Department was informed that while the Joint Chiefs appreciated that the British troops in Greece were not able nor intended to withstand armed attack, their presence was symbolical of the determination of Great Britain and the western democracies to insure the continued independence of the Greek State. They therefore had a marked influence on the Greek internal situation, and their withdrawal would constitute grave danger, through augmented guerrilla attacks, of Greece coming under Communist control, thus placing the USSR in a position to interdict shipping through the Mediterranean and to outflank Turkey to the west, north and east. The relationship to western democracies of Italy and Iran would be lessened and access by the US and UK to the petroleum products of the Middle East, which are essential to their economic welfare and military potential, would be jeopardized. The letter continues by stating that the US Joint Chiefs of Staff have not concurred in the proposals of the British Chiefs of Staff with respect to the timing of the withdrawal of British forces, and points out that the US Joint Chiefs feel that such a withdrawal would surely result in a marked deterioration of our overall strategic position in the Mediterranean and might well provoke a critical situation in Greece itself.

At this point in our negotiations with the British, the question of the withdrawal of British troops from Italy ceased to have importance in view of the decision of the USSR to deposit ratification of the Italian Peace Treaty, thus, in effect, providing for the withdrawal of both British and US troops before the end of the year.

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[12] Omission appears in the original.
[13] *Ante*, p. 327.

On September 8, the Department telegraphed Ambassador Douglas [14] (Annex 11) the substance of the joint letter from the Secretaries of War and Navy as a basis of further discussion with Mr. Bevin. The Ambassador was asked to inform Mr. Bevin, in reply to the latter's inquiry of September 1 concerning our policy with respect to the British position in the Middle East, that the ". . .[15] fundamental cornerstone of our thinking is the maintenance of Britain's position to the greatest possible extent. The US counts heavily upon continued close British-American cooperation in the Middle East. How this can best be maintained requires extremely careful consideration in the light of developments in the Middle East as a whole, taking into account the popular sentiment in the countries of the area and the external pressures and influences which may be brought to bear upon them". The Ambassador was also asked to inform Mr. Bevin that the Secretary fully agreed with Mr. Bevin's suggestion for a joint review by the US and UK of the whole position in the Middle East, with "a view to arriving at an understanding in regard to a common policy", and that we were prepared to begin as soon as possible conversations which we felt should be divided into two steps: "First, on a military planning level to be arranged through the Chiefs of Staff and to take place in Washington, and, second, on a top political level at a place to be mutually agreed upon". Pending these talks, we would of course hope that the British Government would postpone any steps looking toward the withdrawal of troops from Greece.

On September 9, Mr. Bevin outlined to Ambassador Douglas and Mr. Henderson his views on a number of Near Eastern problems. Mr. Henderson's memorandum [16] (Annex 12) written after the conversation, but in the first person, as if Mr. Bevin were speaking, contains the following pertinent statements:

[Here follow the second paragraph under "Greece"; the last two sentences under "American-British Discussion with Regard to the Problems of the Near East"; paragraphs two (except for the first three sentences) and three under "Egypt"; the last sentence under "Cyrenaica"; the first two sentences under "Transjordan"; and the last paragraph under "Iraq", all included in Annex 1 to this document.]

On September 12 the Department telegraphed Ambassador Douglas [17] (Annex 13) the information contained in a letter dated September 11 from the Secretary of War for use in further conversations with Mr. Bevin. The principle points brought out were (1) that it would present for us a serious question, vis-à-vis Congress, if we

[14] No. 3883, p. 330.
[15] Omission appears in the source text.
[16] Printed as Annex 1, *infra*.
[17] No. 3970, not printed, but see footnote 1, p. 336.

were forced to replace British troops with our own, and (2) the breaking of a common front in Greece through the withdrawal of British forces would undoubtedly cause a wave of resentment in this country against the British, which could have most serious effect in other areas where we have joint interests and could prejudice US support for continued aid under the Marshall Plan.

On September 12 the British Ambassador called on the Secretary and said that Mr. Bevin was anxious to have the talks take place in London. The Secretary replied that for a variety of reasons this was not desirable, one of which being that there would be little likelihood of publicity if the talks took place in Washington by members of the British Military Staff Mission and their opposite numbers in the US Joint Chiefs of Staff. The Ambassador concurred in the idea.[18]

In a telegram dated September 12[19] (Annex 14), Ambassador Douglas reported Mr. Bevin as saying that he would like to withdraw one battalion of not over 800 men from Greece, leaving the remainder there until at least December 15. He felt that such a withdrawal would satisfy his own political situation and serve as a precedent for the withdrawal of Soviet troops from Bulgaria. He added entirely personally that events between now and December 15 would in his opinion justify keeping troops in Greece longer. In a telegram dated September 13 to Ambassador Douglas[20] (Annex 15), we agreed reluctantly to the withdrawal of one battalion provided (*a*) we were given definite assurances there would be no further reductions at least until December 15, and (*b*) the withdrawal was accomplished quietly without publicity in Greece and in a manner which would not create the impression that this was a start of a larger withdrawal movement.

In a note dated September 16 (Annex 16), Lord Inverchapel informed Mr. Lovett that "Mr. Bevin asks me to explain to you that he is doubtful of the desirability of starting these discussions on a purely military footing since our object is to coordinate policy over the whole area, taking into consideration political and economic implications as well as military. He thinks, therefore, that valuable time

[18] The memorandum of this conversation by the Director of the Office of European Affairs (Hickerson) set forth also Secretary Marshall's view that the talks should be separated into two phases, the first to "be an exchange of views at the military planning level on the strategic situation in the area." The second phase should "be on a high political level," to "be arranged after the military talks have taken place since they will have to be based on [*in*] considerable part on the military talks. The time and place of the high level political talks should be agreed upon later." The Secretary of State suggested the possibility of starting the political talks in New York should Mr. Bevin attend the forthcoming meeting of the General Assembly. Should Mr. Bevin not attend the meeting, then the political talks might be started after the military talks had made some progress (890.20/9–1247).

[19] No. 4952, p. 337.

[20] No. 3988, not printed, but see footnote 1, p. 337.

would be lost and nothing much gained by purely military preliminary talks. He suggests that the first stage should be discussions between our political and military experts, who would prepare recommendations for submission to Mr. Marshall and himself. Mr. Bevin will not be going to New York for the General Assembly of the United Nations and his first opportunity of seeing Mr. Marshall will therefore be at the Meeting of the Council of Foreign Ministers in London. As you know, it is now tentatively proposed that this meeting should begin on the 25th November. Mr. Bevin proposes that I should lead the British side in the initial informal talks and that I should be assisted by a senior officer of the Foreign Office and representatives of the British Chiefs of Staff. His Majesty's Government in the United Kingdom expect to be ready to begin the conversations early in October." [21]

On the economic side of the problem, Ambassador Douglas telegraphed [22] the Department (see Part A–3 [23]) the Foreign Office's intention to include "the improvement of standards of living in the Middle East as a preventive measure against Communism", among the subjects to be discussed. It thus became clear that the Foreign Office contemplated including in the scope of the discussions a broad consideration of economic development matters in the Middle East, and Anglo-American collaboration on them, this was the subject of a memorandum given to the Secretary of State by Mr. Bevin in Moscow last March,[24] and of several informal conversations between British Foreign Office and other interested British officials and our London Embassy. The Department replied to Ambassador Douglas on September 26 [25] that it was our intention to take the occasion of the discussions to indicate a favorable general response to Mr. Bevin's memorandum and to sug-

[21] The initial part of Lord Inverchapel's note G.214/ /47 to Mr. Lovett read as follows: "Mr. Bevin asks me to thank you for the reply, which has now been delivered to him by the United States Ambassador in London, to his proposal for an informal review by our two Governments of our policy in the Near and Middle East. Mr. Bevin welcomes your general agreement with his proposal.

"I understand, however, that the State Department suggested that these conversations should begin as soon as possible and should be in two stages: first, military discussions to take place in Washington, and second, high-level political discussions at a place to be commonly agreed."

The concluding two paragraphs stated: "I should be grateful if you could let me know whether Mr. Bevin's proposals are acceptable to the United States Government.

"Mr. Bevin wishes me to say that he is sure that the State Department will agree that the utmost secrecy should be observed regarding these proposed discussions." (711.90/9–1647)

[22] No. 5006, September 16; printed as Annex 2, p. 502.

[23] The reference is to the "Chronology of Developments Stemming from Mr. Bevin's Memorandum Regarding Raising the Standards of Living in the Middle East", p. 505.

[24] Undated memorandum transmitted to the Secretary of State by Mr. Bevin on March 20; printed as Annex 3, p. 503.

[25] In telegram 4169, not printed.

gest that the matter be made the subject of further exploratory discussion in order that the British ideas might be more definitely determined and the possibilities of useful action ascertained.

On September 17 [*16*] [26] Ambassador Douglas reported that the Acting Head of the Eastern Department of the Foreign Office had recommended early preparations and exchange of agenda for the talks. Among items on the British list were Palestine, a British base in Cyrenaica, Anglo-Egyptian disputes, and improvement of Middle East living standards as preventive measures against Communism. The British felt that the US would probably wish to talk about Greater Syria among other matters.

In a letter dated September 22,[27] Lord Inverchapel informed Mr. Lovett that his Government hoped to be able to commence the conversations about October 11. The Department replied orally to the Embassy that this date was satisfactory.

On September 24 (Annex 17 [27]), Mr. Lovett replied to Lord Inverchapel's letter of September 16 stating: "In general we are prepared to accept Mr. Bevin's suggestion of having the initial talks cover both the political and military fields. We feel sure that these talks can be arranged in such a manner that tentative exchanges of political views could take place almost simultaneously with discussions among the military in order that there may evolve a synchronization of ideas. Following these exchanges it would be extremely helpful if the recommendations resulting from these discussions could later be reviewed by Mr. Marshall and Mr. Bevin."

On September 29 the British Embassy left with the Department informally a paraphrase of a telegram [27] (Annex 18) from the Foreign Office covering the following points:

(1) "They (the Foreign Office) do not envisage the military talks as detailed staff conversations leading to a plan for the defence of the Middle East, and would like to make this quite clear. Their idea is to work out a common line of action in the political and economic field, based on an agreed appreciation of the strategical position. For this reason they consider that the military experts' assessment of the strategic factors should be brought to bear on each political problem, but they are quite prepared to leave the details of the manner in which this should be achieved to be settled when the talks begin", and (2): "Their idea is that in the West the talks should include the former Italian colonies in North Africa, but not Italy and not Greece and Turkey, on the last two of which separate discussions have been undertaken. In the East they consider that the discussions should cover countries up to and including Afghanistan, but not India or Pakistan."

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[26] In telegram 5006, p. 502.
[27] Not printed.

The British Embassy was told informally on October 2 that the Department's initial reaction to the Foreign Office's latest message was (1) that we were not prepared to agree to the latest British proposal which subjugated the military talks to the political-economic talks, as we felt that the two aspects of the problem should at least be on a par, and (2) that we could not agree to the omission of Greece and Turkey which necessarily played such a vital part in Mediterranean and Near Eastern planning.

On October 6 the British Embassy informally notified the Department [28] (Annex 19), that the Foreign Office now concurred in our views that the military talks should be considered as of equal importance with the political and economic. The Foreign Office had also stated that it had not intended that Greece and Turkey should be rigidly excluded from the conversations since it agreed that any strategic review would naturally include those countries.

In a telegram dated October 8,[29] the Embassy in London stated that Michael Wright, Superintending Under-Secretary of the Foreign Office, and Mr. Greenhill of the Middle East Secretariat, were leaving for Washington on October 11, and were being proceeded by General Hollis, Brigadier Mallaby, and Air Vice Marshal Foster.

On October 9, the Department tentatively agreed with the British Embassy, subject to Mr. Lovett's concurrence, that the talks should commence on October 14.

[Annex 1]

741.90/9–947

Memorandum of Conversation, by the Director of the Office of Near Eastern and African Affairs (Henderson)

TOP SECRET LONDON, September 9, 1947.

Participants: Mr. Bevin, Prime [*Foreign*] Minister.
Mr. Lewis Douglas, American Ambassador to Great Britain.
Mr. Loy W. Henderson, Director, NEA, Department of State.

On the afternoon of September 9, Ambassador Douglas and I had a somewhat extended conversation with Mr. Bevin primarily on the subject of the proposed withdrawal of British troops from Greece. During our talk, Mr. Bevin referred to the proposed discussions be-

[28] Memorandum of conversation by the Chief of the Division of South Asian Affairs (Hare), not printed.
[29] No. 5426, not printed.

tween the American and British Governments on the strategic situation of the whole Near East and set forth what appeared to be a number of somewhat tentative ideas with regard to the future British policies and principles in the Near East.

I shall endeavor to outline some of the ideas advanced by Mr. Bevin. Although I am unable to record Mr. Bevin's exact words, I believe that the following represents with fair accuracy his ideas and his manner of expressing them. The first person is used as though Mr. Bevin were speaking:

Greece

I want to make it absolutely clear that it is impossible for me to reverse the decision of the British Government to withdraw all British troops from Greece in the near future. If the impression should be created that I have reversed such a decision, I could not continue as Foreign Minister for twenty-four hours. I am under pressure from all sides to get our troops outside of Greece. It would be just as difficult for the British Government to continue to maintain troops in Greece as it would be for the American Government to send troops to Greece. I informed Mr. Byrnes in the latter part of 1946 of our decision to withdraw British troops from Greece, and I made it clear again last spring that withdrawal would be effected in the near future. In fact, we had expected to have all British troops out of Greece two months ago.

I can, however, understand the desire of the United States Government that these troops remain for a limited time, and I shall do my best to persuade the Defense Committee to agree to leave our troops in Greece until the conclusion of the General Assembly and to agree that no definite announcement would be made in the near future regarding the withdrawal of our troops.

I am quite agreeable to discussing this matter personally with Mr. Marshall in case I should find it possible to come to Washington in the autumn, but it should be understood that I am not promising to reconsider the matter in case I do discuss it with him.

We have no intention at least at present to withdraw the British military mission from Greece.

American-British Discussion with Regard to the Problems of the Near East

I agree with the suggestion of the American Government that it might be advisable for our discussions with regard to the problems of the Near East to begin in Washington at the military level and for these discussions to be reviewed later at a high political level. It might

be possible in case I should come to Washington in the autumn for me to participate in some of the discussions at a high political level. It is not my intention to attend the General Assembly, although I have been named as head of the British Delegation. I am faced with so many problems at the present time that I do not wish to become bogged down in the debates at the General Assembly. I might be able, however, to come to Washington for a short time in order to discuss the proposals emanating from the Paris Conference, and my presence in Washington would give me an opportunity to go into matters relating to the Near East as well as other problems of mutual concern. Our future policies with regard to the Near East are at present being reviewed by the Defense Committee, and I am planning to lay certain concrete suggestions before that Committee within the next three days. I personally am convinced that it is in our mutual interests and in the interest of world security that the Governments of Great Britain and the United States should clearly understand each other's views with regard to the future of the Near East and that they should, if possible, find grounds for a mutual understanding. I shall tell you frankly that although I am often told that the American Government desires to cooperate with us in the Near East, I find, unfortunately, that sometimes your Government adds to our difficulties.

Palestine

In this regard, I wish particularly to refer to Palestine. During the past year there has been considerable bloodshed and loss of property as well as British prestige in Palestine. I consider that the United States has a share of responsibility for our troubles. Again and again when I have been endeavoring to make progress in the solution of the delicate Palestine problem, your Government has thrown us off balance by making public statements regarding the necessity of the admission of 100,000 Jews or regarding other aspects of the problem which have had a destructive effect on our negotiations. Furthermore, it is no secret that the terrorists in Palestine have received the bulk of their financial and moral support from the United States; most of the ships which have endeavored to smuggle illegal immigrants into Palestine have been purchased, outfitted and financed in the United States; organizations based in the United States have carried on extensive publicity campaigns with the purpose of encouraging the Palestinian terrorists and the smugglers of illegal immigrants and of discrediting the attempts of the British Government to maintain law and order. The American Government has to an extent subsidized these activities by exempting from income tax donations to organizations so engaged. For a period of nearly two years, the British Gov-

ernment, without success, has been trying in a friendly way to prevail upon the American Government to take steps to prevent American encouragement of terrorists and illegal activities in Palestine.

The Special Committee of the General Assembly has now made its report to the General Assembly, and I note that the majority report recommends that the British Government undertake the implementation of its suggestions under the auspices of the United Nations. Can you imagine what chance I have of prevailing upon the British Government at a time when Great Britain is already facing so many grave internal and international problems to undertake a task of this kind? It is not our intention just now to make any statement regarding our attitude towards either the majority or the minority report of this Special Committee. We plan to wait until we see what the attitude of the General Assembly is. In case the General Assembly should adopt the majority report and ask us to implement it, we shall then answer to that request.

EGYPT

I am very much disturbed at the attitude shown in the Security Council by countries friendly to us during the discussion of the Egyptian complaint. The issue seems to me to be clear. Will the Security Council respect the sanctity of treaties or will it not? We have made concession after concession to the Egyptians and instead of appreciating our conciliatory attitude, they have used every generous gesture on our part in order to extract more. It seems to me that the members of the Security Council, in their anxiety to save Egypt's face and spare Egyptian feelings, are encouraging not only the Egyptians but other nations to attempt to use the Security Council for the purpose of evading treaty obligations. I am particularly stubborn about one thing: that is, I do not wish in any circumstances the Egyptian case to be left on the agenda of the Security Council. If it does remain on that agenda, there will be an inescapable inference that Great Britain has acted, so far as the Egyptians are concerned, in a manner which justifies some kind of Security Council intervention. Furthermore, I wish to make it clear that we shall not move our troops out of the Suez in order to persuade the Egyptians to resume negotiations with us. We doubt that further negotiations with the present Egyptian Government would serve any useful purpose. The Egyptian Government is a minority Government and would not dare, in the face of the majority opposition, to enter into an agreement with us of a character which would be acceptable.

I made certain extremely generous offers to the Egyptians with respect to the Sudan. Those offers have been withdrawn, and we shall not make them again. The Egyptians have therefore by their own

actions lost what they might have had in the Sudan. We consider the Sudan as potentially one of the most important British bases in the whole Middle East and Africa. If we are to remain in the Near East, we must have free use of the Sudan. It is not only vital from the point of view of communications, but also from that of supplies. If we have the Sudan, we shall have means of preventing Egypt, in case a world conflict should arise, from giving assistance to the enemy. The Egyptians are now aware of this fact and, therefore, their interest in the Sudan has been stimulated.

We are again laying plans to revive the Lake Tana project, which would increase greatly the agricultural resources of the Sudan. We have already taken the matter up informally with the Ethiopian Government, which appears to be willing to cooperate with us. We hope also to have the cooperation of various American engineering firms. In case this project is carried out successfully, the Sudan might eventually become a prosperous, self-supporting country.

We feel it is necessary, if we leave Suez, that there should be a mutual defense treaty between Egypt and Great Britain. In spite of the explanations which we have received from your Government with respect to Mr. Johnson's recent statement before the Security Council,[30] we are convinced that the Egyptians will endeavor to interpret that speech as an indication that the United States does not believe that the conclusion of such a treaty would be advisable. We hope, therefore, that the United States Government will find a suitable occasion in the not distant future to make a public statement showing that in its opinion the conclusion of a British-Egyptian mutual defense treaty would be in the interests of world security.

Cyrenaica

In case we withdraw from Suez, we must have some base to fall back upon. We consider Cyrenaica as that base. If we decide to remain in the Near East, we hope that we can be assured of American support in retaining Cyrenaica as a base. It is likely that the Council of Foreign Ministers will be unable to reach an agreement with regard to the future of Cyrenaica. The question of Cyrenaica will therefore probably come before the General Assembly in the latter part of 1948. It is possible that the General Assembly will not be able to make a decision with regard to its disposal. In such an event, we would, therefore, be left in occupation. Since we bore the brunt of the fighting to obtain control of Cyrenaica, we believe that we should be permitted to

[30] For the text of the pertinent part of Ambassador Johnson's statement before the Security Council on August 28 and the "Explanations" furnished to the British, see telegram 3800, August 30, to London, p. 803.

stay there. If we should decide to remain as a force in the Near East, we must have Cyrenaica.

Transjordan

In addition to Cyrenaica, we feel that it is important for us to strengthen our bases in Transjordan. We hope that the United States will support us in this respect. Our treaty with the Government of Transjordan gave us the right to maintain forces in that country. Some time ago we abandoned any idea of bases in Palestine. Nevertheless, if we are to use Transjordan effectively, we must have means of obtaining access to that country across Palestine.

Iraq

As you are aware, we have a mutual defense treaty with Iraq which gives us the right to use certain Iraqi airfields and to maintain certain troops at those fields. For some time we have been engaged in negotiations with the Government of Iraq with the purpose of amending that treaty in a manner which would be more acceptable to Iraq, as well as to the other Arab countries. We have made excellent progress in these negotiations in view of the friendly attitude of the Government of Iraq, and we hope to conclude them in the near future. The little sheikhdom of Kuweit is closely connected with these negotiations. As you know, Kuweit is at present something of a British protectorate. We are hoping that our arrangements with the Iraqis will provide that we can continue to make use of Iraqi air bases, particularly those at Habaniha and Basra. In return, we may permit the Iraqis to share with us the use of a great base in Kuweit. Kuweit is within a reasonable flying distance of our oil fields in Kirkuk and is less than a flying hour from Abadan, Basra and Bahrein. We would like to create in Kuweit one of our strongest military bases of the Near East.

It is possible that because of the feud between the Royal House of Saudi Arabia and that of Iraq, Ibn Saud will not relish the presence of Iraqis in Kuweit. Nevertheless, with American support, we might be able to smooth his feelings on the subject, particularly since it would be to his advantage to have a formidable military barrier between Saudi Arabia and Russia.

We are hoping, once our treaty relations with Iraq are adjusted to the mutual satisfaction of both of us, to proceed with the development of the Tigris and Euphrates River Basins on a scale that will open great quantities of fertile land, now desert, to farming. The development of these two great rivers would permit Iraq to support two or three times its present population and should make Iraq one of the richest countries of the Near and Middle East. Various British engi-

neering firms have been studying ways and means of developing these rivers, and we hope the United States will cooperate with us in carrying out a scheme which, if successfully completed, would strengthen the prestige of both our countries in the Middle East.

IRAN

I know that we do not see completely eye-to-eye with regard to the Soviet oil concessions in Iran. Personally, I would be relieved if the Iranians would grant some kind of an oil concession to the Russians. If they refuse categorically to do so, not even leaving the door open for further negotiations, the Russians will be furious. They will, of course, charge that the British and Americans are responsible for Iranian stubbornness, and charges of this kind will increase our tension with the Soviet Union and render my internal position here more difficult. I do not intend, however, to push the Iranians on this subject.

L[OY] W. H[ENDERSON]

[Annex 2]

741.90/9–1647 : Telegram

The Chargé in the United Kingdom (Hawkins) to the Secretary of State

TOP SECRET LONDON, September 16, 1947—6 p. m.

5006. 1. It is apparent from recent talks with top officials in Eastern and Egyptian Departments Foreign Office (Embassy's 4965, September 15 [31]) that these officials attach utmost importance to high level US-British discussions regarding political and strategic aspects of Middle East. Garran, acting head Eastern Department, who is coordinating preparations for these talks, advised Embassy September 15 that Foreign Office suggestions regarding these discussions were approved by Bevin September 13 and were sent to British Embassy, Washington, for communication to Department by British Ambassador.

2. Garran summarized these suggestions by saying that if US and British military should undertake talks without high level political advisers on hand, military would very soon be stymied by problems unsolvable without political advice. If step one were solely military it would probably result in series of questions for high level political discussion rather than in practical strategic answers. Consequently, British Government is suggesting via British Embassy, Washington,

[31] Not printed.

that an important British general and possibly Michael Wright, Assistant Under Secretary of State, Foreign Office, should arrive Washington about October 10 with a view to participating in talks between US military representative or representatives and a counterpart of Michael Wright. It is Foreign Office thought that political advisers would meet with military and that from their discussions would come series of recommendations agreed at official level which would be reviewed by Secretary and Bevin separately and which would be basis for agreement between Secretary and Bevin when these two meet.

3. Garran said that Foreign Office has recommended early preparation and exchange of agenda for talks so that both sides will have time to prepare necessary data. He thought that among items which British would put on their list were Palestine, British base in Cyrenaica, Anglo-Egyptian dispute and improvement of Middle East living standards as preventive measure against Communism. Garran said that US would probably wish to talk about Greater Syria [32] among other matters.

4. Garran expressed belief that exchange of views on these problems is long overdue and hope that if US Government agrees British suggestions regarding form of talks policies formulated ad referendum at official level would be endorsed by US Government and British Cabinet.

HAWKINS

[Annex 3]

890.50/4–2347

The British Secretary of State for Foreign Affairs (Bevin) to the Secretary of State [33]

CONFIDENTIAL [Moscow, undated.]

MEMORANDUM

The United States Government are aware of the great importance which His Majesty's Government attach to the social and economic

[32] For documentation on this subject, see pp. 738 ff.

[33] Transmitted with a memorandum of March 20, 1947, which stated: "When we met on the 18th March I promised to let you have a memorandum on Social and Economic Development in the Middle East.

"I now enclose this memorandum with a special annex describing the work of the Haigh Irrigation Commission in Iraq. I hope you will be able to find time to give it your attention."

The original copy of Mr. Bevin's memorandum to the Secretary of State has not been found in Department of State files. The copy used here was sent by the Department to the Ambassador in Egypt in instruction 1877, April 23, 1947.

Messrs. Marshall and Bevin were at Moscow participating in the Fourth Session of the Council of Foreign Ministers which met there from March 10 to April 24, 1947.

development of the Middle East, the raising of the general standard of living, and the improvement of methods and conditions of agricultural and industrial production. It is understood that the United States Government share these views.

The present economic situation in many of the Middle Eastern countries is certainly not healthy. Countries like Egypt, Iraq, and the Levant States are at present living to a large extent on the profits which they made during the war from the presence of Allied forces. Huge fortunes have been made and the gap between rich and poor has been increased while inflation has made the lot of the poorer people more difficult. In Egypt the situation has been aggravated by the pressure of increasing population. The result is a state of growing hardship and discontent. If, however, the various governments can be induced to carry out an honest policy of social and economic development resulting in a general increase in the economic prosperity of the peoples of the Middle East, this should contribute considerably to the internal stability and security of the area and reduce the danger of revolutionary developments and of Communist penetration.

One way in which His Majesty's Government have attempted to assist the governments of Middle Eastern countries, and stimulate them to work out schemes of economic development, has been through the establishment of the British Middle East Office in Cairo with its Staff of agricultural, labour, health and statistical advisers whose services are at the disposal of any of the Middle Eastern countries who wish to consult them.

Many other opportunities are arising, and will continue to arise for assisting and advising the Middle Eastern countries in the execution of their economic development plans. The United States Government may be interested to know of the plans now being made for the development of irrigation in Iraq. The Iraqi Government recently asked Mr. Haigh, a British irrigation expert, to form an Irrigation Development Commission to report on the whole question of the proper use of the waters of the Tigris and Euphrates and their tributaries in Iraq. The Commission has much work to do before it can produce its final recommendations, but its preliminary investigation shows the far-reaching possibilities for Iraq of a comprehensive scheme of irrigation and flood control. These possibilities are dealt with in greater detail in the attached note.[34]

There is of course much more to be done in Iraq, apart from the work of Mr. Haigh's Commission. In other Middle Eastern countries, too, United States and British enterprises are assisting their development programmes. In Syria a British firm of consulting engineers

[34] Undated paper entitled "Development of Irrigation in Iraq", not printed.

(Alexander Gibb and Partners) have, at the Syrian Government's request, recently undertaken a survey of the country and presented an interim report, containing recommendations for the economic development of that country. The same firm have been invited to undertake a similar survey in Lebanon. His Majesty's Government have been interested to see that in Persia and Afghanistan the United States firm of Morrison–Knudsen are similarly engaged on a technical survey on behalf of the Persian and Afghan Governments while American interests are financing important development undertakings in Saudi Arabia as well.

All the development programmes of the various countries will call for extensive outside assistance, and His Majesty's Government hope that they will be able, with the goodwill of the Middle Eastern countries, to make an important contribution to this end. Doubtless also United States activities in the area will be maintained and developed, in which case there will be considerable scope for Anglo-American coordination and cooperation in this important area. The plans of the Middle East Governments will of course require to be financed, and Middle Eastern countries are likely to be hampered by shortage of foreign exchange (although in some cases their increasing oil royalties should ease the position). It is hoped that it may be possible for substantial assistance to be afforded in suitable cases by the International Bank.[35]

ERNEST BEVIN

[35] The editor is unable to find in Department of State files a copy of Secretary Marshall's reply to Mr. Bevin's memorandum. Airgram A–901, September 25, 1947, to London, contains information that the Secretary's acknowledgment, sent on March 27, stated that the memorandum was being forwarded to the Department of State for study (890.50/9–1647). In a note of July 3, the Secretary of State informed the British Ambassador that the memorandum was "receiving the careful attention of officials of the Department of State and that a further communication will be addressed to the Ambassador at such time as it is possible to complete the Department's study thereof." (890.50/3–2047).

NEA Files: Lot 55–D36

Memorandum Prepared in the Department of State

TOP SECRET [WASHINGTON, undated.]

CHRONOLOGY OF DEVELOPMENTS STEMMING FROM MR. BEVIN'S MEMORANDUM REGARDING RAISING THE STANDARDS OF LIVING IN THE MIDDLE EAST

By Top Secret telegram No. 5006 [1] (Annex 20) the Embassy, London reported the Foreign Office's intention to include "the improve-

[1] Annex 2, p. 502.

ment of standards of living in the Middle East[2] as a preventive measure against Communism", among the subjects to be discussed. This clearly had reference to a broad review of economic questions, including projects for economic development in the Middle East, and procedures for Anglo-American collaboration. A memorandum given to the Secretary of State by Mr. Bevin in Moscow last March,[3] and several informal conversations between British Foreign Office and other interested British officials and our London Embassy during subsequent months, serve to indicate the scope and character of British views on the subject.

Mr. Bevin's memorandum (Annex 21) refers to the British Government's interest in improvement of economic conditions, agricultural methods, industrial production, and the general standard of living in the Middle East. Such improvement is favored as a contribution to internal stability and security of the area, and to reduce the danger of revolutionary development and of Communist penetration. The British Government therefore wishes to assist the Governments of Middle Eastern countries and stimulate them to work out schemes of economic development. The British Middle East Office in Cairo provides a staff of agricultural, labor, health and statistical advisers who are at the disposal of any of the Middle Eastern countries who wish to consult them. Several development proposals in the Middle East are mentioned, including particularly a comprehensive scheme of irrigation and flood control for Iraq. The far-reaching possibilities of this scheme are outlined in a note attached to Mr. Bevin's memorandum. The British Government hopes to be able, with the good will of the Middle Eastern countries, to make an important contribution toward the extensive outside assistance which these development programs of the various countries will require. Mr. Bevin assumes that the United States shares the British views as to the importance of social and economic development in the Middle East and the raising of the general standard of living. He expects that United States activities in the area will also be maintained and developed, and believes this will provide considerable scope for Anglo-American coordination and co-

[2] Loy W. Henderson, Director of the Office of Near Eastern and African Affairs, had discussed the subject with John Balfour, the British Minister, on August 6, 1946, and several weeks before. Mr. Henderson's memorandum of the August 6 conversation notes that the British Foreign Office had proposed to induce creation by the Arab League of an organization for developing economic, social, and cultural activities and to encourage establishment of specialized regional agencies, with the British Middle East Office to offer them advice and personnel. Mr. Henderson's immediate reaction had been "that conferences held under the auspices of the Arab League, the British Middle East Office, or similar organizations, would not be of much assistance in solving the difficult problem of Near East social and economic reform . . . a more dynamic approach was necessary." (890.50/8–646)

[3] See p. 503.

operation in this important area. He expresses the hope that substantial assistance may be afforded in meeting financing requirements in suitable cases through the International Bank.

Substantially the same views have been developed in greater detail by officials of the Foreign Office and Middle East Secretariat in informal discussions with United States Embassy officers. The necessity for broad and balanced approach has been emphasized, including the necessity of dealing with problems of public health, surface drainage, agricultural methods and communications. Attention to these problems is necessary to assure that the beneficial effects of large and expensive irrigation projects do achieve their potential beneficial effects for the local population.

Methods of Anglo-American cooperation in the matter have also been discussed. Thus, according to airgram A–1458 (Annex 22) of June 27, 1947 [4] from the Embassy, London, Mr. D. A. Greenhill of the Middle East Secretariat informed an Embassy officer that his office had been hard at work for some weeks drawing up an over-all British economic policy statement for the Middle East. He said this included a section recommending that there should be increased Anglo-American cooperation in connection with economic and cultural developments in the area. This section had been endorsed by the Interdepartmental Middle East Committee, for which the entire policy statement was being prepared, and the Middle East Committee had directed that a Working Party be set up under Mr. Greenhill's chairmanship to study the possibilities of improved Anglo-American cooperation in this field.

By airgram A–1704 (Annex 23) of August 5, 1947,[4] the Embassy, London reported a further conversation on the subject with Mr. Greenhill on July 29. Two schools of thought have been expressed in the meetings of Mr. Greenhill's Working Party. "One felt that it was essential that there be a formal American-British organization which would divide responsibility for the problems of the area between the two countries, thus avoiding conflicts and preventing duplication. The proponents of this view were largely British officials who had served in the Near East." The other, "which is in the ascendant", was in line with a previous expression of Mr. Greenhill's personal views (reported in London, Embassy airgram A–1458 of June 27 above-mentioned) to the effect that "in his opinion the fullest exchange of data in Washington and London on an informal basis might be of far more value than the establishment of a formal Anglo-American Committee, either in the Middle East or elsewhere to deal with economic and cultural problems". In the July 29 conversation (reported in London Embassy

[4] Not printed.

airgram A–1704 of August 5 above-mentioned) Mr. Greenhill said "that he himself was coming around more and more to think that American-British cooperation in the area depends 'more on a state of mind than anything else'. He thought that if both Governments were able to inculcate the proper state of mind, most problems could be worked out on the spot."

On August 29, as reported in London Embassy telegram 4757 of September 2 [5] (Annex 24), Mr. Greenhill advised that the report of his Working Party had now been approved by the Middle East Informal Committee. This report, he said, recommended informal rather than formal organized cooperation. Mr. Greenhill mentioned a circular instruction [5] (Annex 25) despatched by the Foreign Office to all of its Middle East Missions in or around May 1944, instructing them to cooperate fully with United States Missions. He said that the Foreign Office was now considering the despatch of a further circular instruction to all its Middle East Missions reminding them of this earlier instruction. Asked whether there were any specific instances making such reminder necessary, he said there had been one or two instances in which the Foreign Office felt their people had been "unnecessarily secretive" with our people. He said the Foreign Office intended to send its circular reminder anyhow, but that it had occurred to them that the United States Government might wish to do the same thing.

The circular instructions referred to were sent by the Foreign Office at the same time that the Department of State sent circular instructions to the United States Missions in the Middle East, in May 1944,[6] calling for close cooperation with British Missions in the area. These parallel instructions were the result of conversations held with British Foreign Office and other British officials by Mr. Wallace Murray, then Director of the Office of Near Eastern Affairs, who accompanied the Under Secretary of State on the occasion of Mr. Stettinius' visit to London in the spring of 1944. In the course of these conversations questions of mutual interest to the United States and Great Britain through the Near and Middle East from Egypt to Afghanistan were informally reviewed. Cordial agreement was reached to the effect that there was no conflict between British and American interests in the area, and that a spirit of cooperation based on mutual frankness and good will should govern the conduct of Anglo-American relations throughout the area. It was further agreed that instructions should be sent to the United States and British Missions in the area with a view to the establishment of "machinery" in the Near and Middle East for the joint examination and immediate disposal of rumors, com-

[5] Not printed.
[6] See telegram 1167, May 17, 1944, to Cairo, *Foreign Relations*, 1944, vol. v, p. 6.

plaints and grievances, which if left unsettled might subsequently be ventilated publicly, with effects harmful to both sides. The telegrams by which the Department's circular instructions were conveyed and correspondence with the British Embassy in Washington outlining the instructions despatched by the Foreign Office, are reproduced in Annex 26.[7]

On August 29, 1947, in the course of his conversations with an officer of the United States Embassy (as reported in Embassy telegram 4757 of September 2 above-mentioned), Mr. Greenhill intimated a desire for an early reply to the memorandum from Mr. Bevin to the Secretary of State, of March 1947. He said that until such reply was received by the Foreign Office, little action could be taken on his Working Party Report, approved by the Middle East Interdepartmental Committee, recommending that informal cooperation between United States and British Missions in the area should be stimulated. By telegram No. 5014 of September 16 [7] (Annex 27), the United States Embassy, London reported further inquiries from Officers of the Eastern and Egyptian Departments of the Foreign Office as to when this reply might be expected. The British officials reiterated the view that the general economic problem in the Middle East is of growing importance.

Some explanation of this urgency of mind is indicated in airgram A–1990 [7] (Annex 28) of September 26, 1947 from the Embassy London, which reports Mr. Greenhill as indicating that economic betterment in the Middle East is visualized "as a two-fold race against time": the first "to immunize the Middle East from Communist doctrine by alleviating the economic and social disabilities which offer such a fertile ground for the spread of Communism", and the second, a race against population increase, particularly in Egypt. Progress on the Lake Tana Dam project is termed urgent, as a means to provide enough additional irrigated land to cope with an Egyptian population expected to reach 26 millions in 1980.

Mr. Greenhill is further reported to have referred to the difficulty of obtaining firm commitments from the British Treasury and Board of Trade "as to what the British Government is prepared to spend on the well-being of the Middle East". Owing to the economic crisis in Britain, it appears doubtful whether the British Government could do much more than give advice to Arab states when they asked for it, and some assistance in the recruitment of British experts and teachers to be hired by the individual Arab states, through the British Middle East Office in Cairo and the British Middle East Secretariat in Lon-

[7] Not printed.

don. "It is beginning to look", the United States Embassy representative was informed "as though only the United States Government can give practical help to the Middle East. We certainly hope that you will".

Meanwhile a preliminary reply to Mr. Bevin's memorandum (which had been previously acknowledged by a note to the British Embassy dated July 3, 1947 [8]) had been prepared in the Department. This proposed reply indicated concurrence in the views expressed by Mr. Bevin as to the importance of improving economic conditions in the Middle East and expressed concurrence in the desirability of taking the fullest advantage of all appropriate opportunities for useful Anglo-American cooperation. It indicated a desire for free and fully cooperative relationships between British and American Missions in the Middle East, and expressed the intention to consider what further steps might be taken by the Department for that purpose. It suggested as the best immediate approach to the subject that the Embassy convey this favorable general reaction to the interested British officials and propose further informal discussions to develop more specifically just what they have in mind.

The proposed reply further referred to the importance of avoiding not only in fact, but also in appearance, the creation of any impression that the British and United States Governments had private arrangements for the division of countries or areas of the Middle East into spheres of economic influence, or for Anglo-American cooperation which in effect would establish a practical monopoly for dealing with the peoples of the Middle East, thus depriving them of their freedom of choice. Reference was also made to the importance of encouraging local and regional initiative.

In view however of the reference in the Foreign Office's Top Secret telegram No. 5006 of September 16 to the improvement of Middle East living standards as a subject for discussion in the proposed conversations, action on this proposed reply was suspended. Instead, the Embassy, London was advised [9] of our intention to take the occasion of the discussions to indicate a favorable general response to Mr. Bevin's memorandum and to suggest that the matter be made the subject of further exploratory discussion in order that the British ideas might be more definitely determined and the possibilities of useful action ascertained.

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[8] See footnote 35, p. 505.

[9] In telegram 4169, September 26, 5 p. m., to London, not printed.

NEA Files: Lot 55–D36

Memorandum Prepared in the Department of State

TOP SECRET [WASHINGTON, undated.]

THE BRITISH AND AMERICAN POSITIONS

[Here follow a table of contents and a summary.]

1. BRITISH POSITION

a. Background:

Traditional British policy in the Middle East, regardless of the party in power in the United Kingdom, has centered around the hard core of Empire defense, with emphasis on communications. Subsequently, oil became an additional and related vital interest. Commercial advantage was not overlooked, but defense was the prime factor in basic policy decisions. Following the dismemberment of the Turkish Empire as the result of its participation in World War I on the side of the Central Powers, the policy which the British pursued in maintaining these vital interests was to deal individually with the countries of the area by asserting special political relationships (mandates, protectorates, treaties of mutual assistance, etc.) backed by the threat of the use of military force by small but effective garrisons maintained at bases selected for their strategic importance.

During the period between the two World Wars, it was possible to implement this policy with a fair degree of success owing to the lack of any strong external pressures and to the relative quiescence of nationalism in the area. It was also used with a considerable degree of effectiveness during World War II, but severe external pressures exerted on the area during that period, coupled with a recrudescence of Arab nationalism and the emergence of a strong Russia on Britain's communications flank, convinced a number of British officials that this policy, always highly unpopular with the Middle Eastern peoples, had outlived its usefulness and they began casting about for a new policy designed to meet these new developments, while at the same time assuring Britain's strategic position.

The formula found to meet these requirements was inspired by the war-time experience of the Middle East Supply Center and the office of the British Minister of State in Cairo and took the form of dealing with the states of the area regionally rather than individually and of substituting cooperation, particularly of an economic nature, for the assertion of special rights under threat of the use of force. In short, the idea was to present Britain in the role of a benevolent and welcome senior partner in developing the Middle East in order to prevent further degeneration into acute nationalism hostile to British influence.

Originally formulated in a memorandum by Minister of State Casey, dated August 1943, this plan was discussed in the conversations on the Middle East held by Mr. Wallace Murray, then Director of the Office of Near Eastern and African Affairs, with British officials in London in April 1944. At that time, agreement was reached on the desirability of an autonomous economic institution designed to serve the peoples of the Middle East and operated and supported by them, but it was decided that the nature of British and American participation was difficult to visualize and should be left for future consideration. There is no doubt, however, that British thinking on this subject always contemplated British participation regardless of such attitude as we might take.

Upon Mr. Bevin's becoming Foreign Secretary in 1945, the idea of a regional approach on an economic level to the Middle Eastern problem was one which seemed to have an immediate appeal and in a series of speeches in Parliament and elsewhere he extolled the merits of a new relationship between Britain and the Middle East in which "partnership" would be substituted for domination, the mutual defense needs of the Middle East countries and Britain assured, economic disparity between the extremely rich and extremely poor adjusted by raising the standard of living, British technical abilities placed at the service of Middle East development, extreme nationalism curbed, etc. In pursuance of this policy he had set up a Middle East Office in Cairo and a Middle East Secretariat in London as successors to the Middle East Supply Center in order to serve in an advisory capacity on economic, cultural, and social affairs.

b. Present Situation

The sanguine hopes which Mr. Bevin entertained for this new approach to the Middle Eastern problem have not been fulfilled. Severe economic dislocation and manpower shortages in the United Kingdom have made it difficult to provide the resources or technical assistance required to meet the development needs of the area. Furthermore, the Governments of the Near East have been suspicious of the Middle East Office and have in general boycotted it. The Palestine situation has envenomed political relations with the Arab states. The strategic aspect of the problem has been rendered difficult by the failure of the Arab states to recognize the mutual aspect of the defense problem. Soviet pressures have been intensified. Furthermore, the situation has been further and seriously complicated by the attitude of the left-wing group in the British Labour Party whose insistence on the withdrawal of British troops from Greece has been interpreted by some as possibly going so far as to look to a general abandoning of British responsibilities in the Middle East and leaving the United States holding the bag.

In any event, there is no doubt that for the first time in Britain's long association with the Middle East, political decisions affecting that area are now being taken with an eye to the internal political situation in the United Kingdom rather than solely in the national interest.

Given this background, it is not difficult to see the motive behind Mr. Bevin's approach to the Secretary at Moscow in March or the reason for his emphasis on the political and economic aspects of the forthcoming conversations. The fact would seem to be that the British realize their inability to implement their political and economic policy in the Middle East without American help but they hope that such cooperation on our part will not preclude their retention of a certain special position in the area. The question is whether the British would be prepared, in consideration for such assistance, to maintain primary military responsibility for the area and whether the type of political and economic cooperation which they desire would fall within our current capabilities and policies.

2. AMERICAN POSITION

a. Background:

Contrasted with traditional British policy in the Middle East, American policy was concerned in the past with little more than extending protection to American philanthropic and missionary activities and the assurance of the equality of opportunity for a nominal exchange of goods. World War II brought us into the area militarily, although almost exclusively in the role of supplier of the needs of the British and Russian forces, and also as participants in the Middle East Supply Center.

Our present thinking regarding the Middle East, however, goes far beyond such limited objectives. We now take full cognizance of the tremendous value of this area as a highway by sea, land and air between the East and the West; of its possession of great mineral wealth; of its potentially rich agricultural resources. We also realize the serious consequences which would result if the rising nationalism of the peoples of the Middle East should harden in a mould of hostility to the West. Our main objective is therefore to prevent great power ambitions and rivalries and local discontents and jealousies from developing into open conflict which might eventually lead to a third World War. It is our policy to take whatever measures may be proper to promote directly and indirectly the political and economic development of the peoples of the Middle East and to support in that area the principles of the United Nations. In the implementation of such a policy the implications of recently and clearly demonstrated Soviet expansionist aspirations in the Middle East obviously need no elaboration.

b. Present Situation

The essential fact is that because of clear Soviet aspirations in the Middle East which, if fulfilled, would have a disastrous effect not only on American interests in the area but on our general position vis-à-vis the Soviet Union, it is essential that Soviet expansion in that area be contained. Given our heavy commitments elsewhere and Britain's already established position in the area, it is our strong feeling that the British should continue to maintain primary responsibility for military security in that area. In taking that position, we recognize the legitimate right of the British to inquire regarding our general intentions in the Middle East and we have already given them assurance that the cornerstone of our thinking is to maintain the British position in the Middle East area to the greatest possible extent. In giving this assurance, however, we pointed out that the means by which such a British position might be maintained would require very careful consideration in the light of developments in the Middle East as a whole, taking into account popular sentiment in the countries of the area and external pressures and influences which might be brought to bear upon them. It is to these considerations that the forthcoming conversations will be directed.

c. Suggested General Lines of American Approach

1) *Military*

The general line of our policy in this respect has been postulated in the preceding section. Specific questions which will presumably arise in this connection will be the retention of British troops in Greece and the retention of present, or obtaining of alternate, bases, particularly as regards Suez. On the first of these subjects, we have already acquainted the British fully with our views and we shall doubtless wish to maintain that position very strongly in our conversations. Regarding the subject of bases, this subject is treated specifically in a following section, but, generally speaking, it is believed our present thinking regarding the subject as a whole should be satisfactory to the British. Details of military cooperation in their more technical and specific phases will, of course, be discussed by our respective military experts and do not fall within the scope of this paper.

2) *Political*

Considered separate from military and economic matters, collaboration between the British and ourselves on the political level in respect of the Middle East is by way of being an accomplished fact and presents no serious complications in its general aspects. Certain forms of special British political privilege in the area, which formerly caused minor friction in our relations, have been adjusted and the war-time custom of free and frank exchange of views at both high

and technical levels has been maintained. There is indication that the British may suggest formalizing this cooperation in much the same way that they did during the Murray conversations in 1944, which resulted in the sending by them and by us of circulars to the field and in that event we would presumably lend a sympathetic ear. From our point of view, however, no particular need for such action is perceived.

Regarding specific cases, there are certain problems which will require serious discussion. Palestine will doubtless be the most difficult and the political aspects of our respective policies toward Iran and Greece may need clearing up. On the other hand, our differences in views regarding the question of British relations with Egypt and the disposition of the Italian colonies would appear to be narrowing. These points and other specific political questions are taken up separately in Section C.[1]

Generally speaking, it is expected that political questions per se will not loom as large in the forthcoming discussions as will, on the one hand, the political implications of our efforts to assure continued British military responsibility in the Middle East and, on the other hand, such arguments as the British may advance in order to obtain our economic support in the area, not only in substance but in a form designed to assure a special British position.

In any event, care should be taken to avoid becoming involved in any agreements with the British of the "sphere of influence" or "regional approach" variety. The first would not only be unacceptable in substance but would necessitate a degree of secrecy which could never be maintained. The second, as conceived by the British in the Middle East, becomes not so much a regional scheme in the sense that it implies joint effort in seeking a common objective, but rather a form of intermediate control which would have the effect of limiting direct action by the countries of the area in a manner hitherto unacceptable to them.

3) *Politico-Economic*

Economic considerations have been introduced by British initiative. The Foreign Office has suggested that the raising of living standards of the peoples of the Middle East be discussed. In the circumstances the subject is for us primarily politico-economic in character.

Without doubt our economic interests stand to gain from appropriate and satisfactory measures of Anglo-American collaboration in the area. There are also individual economic matters of specific character with respect to which British cooperation would be helpful to us. There is however no major question affecting our economic interests

[1] The reference is to the section on "Specific Current Questions", *infra*.

in the area, of such critical urgency that we must seek its inclusion in these discussions.

The politico-economic question raised is the following: What action lies open to us in the economic field by which we can meet the British position, in order to induce or enable the British to meet our position in the political and strategic field?

Until the British position and desires with regard to economic questions are more specifically elaborated by them, we can only infer their nature. The analysis of the British position in preceding paragraphs supplies this inference. The British, it would appear, realize their inability to implement their economic policy in the Middle East without American help. They hope however that our cooperation will not preclude their retention of a certain special position in the area. Their desire to include discussion of Middle Eastern living standards, taken in the light of the views expressed on this subject by Mr. Bevin and by Foreign Office representatives, appears fully to support this inference.

It would be possible to describe the situation in terms of a simple bargain. If for political and strategic reasons we want them to hold a position of strength in the Middle East, then they must have from us economic concessions with respect to the area which will make it worth their while to stay there. This however would be over-simplification. British economic interests in the area are so important as to make it inconceivable that they would voluntarily pull out completely. It is sufficient simply to mention the importance of their interests in petroleum development in Iran and the Arab States. These and other economic interests serve as anchors to hold them in the Middle East.

Nevertheless there is the essence of truth in the over-simplified statement. In view of their seriously weakened economic position, it will be necessary for us to make some sort of economic concession, and to meet their desires in some degree with respect to Anglo-American economic collaboration. This will be necessary in order to enable them to meet our desires in the political and strategic field. It will also possibly be necessary in order to dissuade them from considering alternative lines of policy such as collaboration with another major power which might be very disagreeable to us.

We have already given assurance that the cornerstone of our thinking is to maintain the British position in the Middle East to the greatest possible extent. Presumably this covers economic as well as political and strategic elements. In giving this assurance we have pointed out that very careful consideration would have to be given to the means by which the British position might be maintained. It therefore follows that the specific economic proposals they may be expected to bring forward will be subject to very careful study.

Until such proposals are made, and their specific character known, it is not possible to formulate a detailed position with respect to them. Sufficient is known and can be inferred as to their probable character, however, to permit a general line of approach to be formulated.

The general nature of the British views is indicated in Mr. Bevin's memorandum of March 1947. He expresses British interest in raising living standards in the Middle East as a contribution to political stability and security. He assumes we concur in its importance. He says that his Government hopes with the goodwill of the Middle Eastern peoples to assist them in achieving economic improvement, and he assumes that our activities in the area will likewise expand. He suggests that this will offer considerable opportunity for useful Anglo-American cooperation, and he points to the International Bank as a source for capital requirements.

Subsequent informal conversations between British and United States Embassy officials in London have elaborated the subject somewhat. In particular, they have raised the question of procedure for Anglo-American official cooperation. Two alternative procedures have been indicated, the one contemplating organized machinery for cooperation, the other full and frank but informal collaboration in Washington, London and elsewhere. The latter has apparently, for the time being at least, become the more approved choice. Finally, the rapidly increased pressure of Britain's economic difficulties over recent months has been reflected in the indication that Britain will be able to give very little financial help. "It is beginning to look", a British official stated, "as though only the United States Government can give practical help to the Middle East. We certainly hope that you will."

In short, it appears that the British Government wishes to see economic conditions improved in the Middle East and standards of living raised; it wishes to contribute thereto with the goodwill of the peoples of the area; it hopes we will also contribute and believes the major substantive contributions must come from us; it further hopes that our contribution will be rendered in a manner compatible with their own and in support of British policy and objectives in the area; it hopes for Anglo-American collaboration which will enable the British Government, in Mr. Bevin's words, to take a bold lead, and receive our moral and presumably more tangible support.

Certainly Mr. Bevin is correct in assuming our great interest in economic improvement and raising of living standards in the Middle East as a contribution to political stability and security. Presumably likewise we wish to contribute what we properly can for such purposes. A favorable attitude toward appropriate Anglo-American cooperation with respect to that area was agreed upon in principle in 1944; and our

general policy of support for the British position in the Middle East has already been expressed.

The question is therefore, along what lines can we render support to the British position? In what manner can we respond positively and favorably to such specific requests and proposals as the British may make? What action can we take in the economic field to support the British lead in the Middle East and thereby support our own political and strategic requirements? While we await the specific expression of the British ideas on the subject it is possible to clarify our position somewhat along two general lines.

The first is to consider the application of our general international economic policy to the situation. The second is to consider the specific means and procedures by which positive aid could be rendered to the Middle East in collaboration with the British Government.

The general principles of our economic policy need not be considered as limiting factors. The purpose of considering their application is rather to define the general manner and lines along which action might be taken. It is therefore necessary only to consider the basic principle which is that we favor the pursuit of economic objectives through policies of equality of opportunity and maximum freedom of competition, avoiding preferential, discriminatory, and monopolistic arrangements; and that we recognize the right of other peoples to their own freedom of choice and initiative in determining the manner in which they shall handle their internal problems in seeking to promote their own welfare.

It follows from the foregoing that:

1. Recognition and emphasis should be given to the importance of stimulating and promoting the initiative of the Middle Eastern Governments and peoples themselves in determining and carrying through the projects necessary to their welfare. The projects should be considered as theirs: Theirs being the choice as to what should be undertaken; and our part being to provide, if they desire, technical and other advice and counsel to promote the effective fulfillment of their desires, if we think them wise, and to provide such material assistance as we may be able and prepared to offer.

2. We could not enter into agreement with the British to divide the area into "spheres of influence". We could not agree that they should concentrate their efforts upon assisting this country and we that country. Even if we were willing to contemplate such a policy it would not be practicable under our economic setup. We could not effectively and specifically direct private American enterprise exclusively in this or that country nor undertake to police that enterprise along such lines. On the other hand, we could direct our own official activities and seek to stimulate or restrain private American enterprise within the degree to which that enterprise is subject to our influence and control, along lines which avoid unnecessary conflict with British policies or interests. For that purpose of course such policies and interests must be clearly

and continuously known to us and be essentially agreeable to our views.

3. We could not agree to monopolistic or cartel arrangements under which, through some procedure of organized collaboration, British and American advice and assistance would be available to Middle Eastern countries only through a single organized channel. Our economic setup would make monopolistic procedure of this nature difficult to enforce, if at all practicable. A more serious objection lies in the fact that such action would deprive Middle Eastern countries of their freedom of choice between competing sources or markets. It would likely appear to them as an attempt to substitute collusive foreign domination for their own initiative and independence which it is our general purpose to support and stimulate. Consequently it is important that in pursuing possibilities of Anglo-American cooperation we avoid even the appearance of such action, such as would result from any organized form of official Anglo-American collaboration.

It is not believed that the foregoing will seriously circumscribe the extent to which we can take a positive and favorable position toward the proposals to be expected from the British. For the moment at least the school of thought in the British Foreign Office favoring informal procedures of frank interchange of views is reported to have won ascendancy over those who favor the principle of spheres of interest and of organized Anglo-American cooperation. Also, Mr. Bevin's memorandum lays stress on the consent of the Middle Eastern peoples themselves. He refers to the endeavors of the British Government "to assist Governments of Middle Eastern countries and stimulate them to work out schemes of economic development"; he speaks of opportunities "for assisting and advising the Middle Eastern countries in the execution of their economic development plans"; referring to extensive outside assistance required for their development programs; he says "His Majesty's Government hope that they will be able with the goodwill of the Middle Eastern countries to make an important contribution to this end".

It should therefore be possible to find ways and means of meeting anticipated British requests for collaboration and support along the following lines:

1. The British might be assured of our support and interest in furthering the essential objectives by rendering assistance in improving standards of living in the Middle East.

2. They might be assured of our willingness to maintain, on a continuing basis, informal exchange of views and information with them, to the end of promoting the maximum degree of consistency between British and American official action in the pursuit of mutually agreed purposes in the area.

3. They might be assured of our intent to reexamine the desirability of further circular instructions and other appropriate action designed

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to promote and encourage close and frank collaboration between our Missions in the area.

4. They might be led to expect that insofar as we are informed of and agree with their purposes and policies and the motives underlying their actions in the area, we would seek to avoid on our part actions calculated or serving to undermine the British purposes and position, and we would seek to guide and restrain our private commercial interests to the same end.

5. If they indicate fear that our present economic strength relative to their own will enable our private interests to "capture the markets" to British disadvantage, and establish a preferred position through preclusive or monopolistic arrangements, we might point out: that adherence to the general principles of equality of access and maximum freedom of competition will serve as a protection to British as well as American and other commercial interests; and that as a matter of fact the extent to which American business can "invade the markets" of the Middle East is limited by the shortage of dollars and the causes of that shortage.

6. We might offer to undertake a joint review of the various institutions which may be useful in furthering our mutual economic purposes in the area; we might agree that when useful recourse may be available to international institutions with British and American membership, we should seek to use our joint influence toward the mutually agreed purposes.

7. We might accordingly agree to joint exploration of the usefulness and means of promoting successful recourse to the International Bank for development financing in the Middle East, and to the International Monetary Fund so far as this institution may be able to help alleviate present Middle Eastern exchange difficulties.

8. We might undertake to examine the possibility of recourse in appropriate specific instances to the United States Export-Import Bank for the purpose of financing Middle Eastern requirements for United States export products, and to support such recourse to the Bank in appropriate instances.

9. We might further suggest that joint exploration be made of the possibility of devising special arrangements to encourage the participation of private capital in Middle Eastern development. It may be that arrangements could be devised under which private capital could participate, together with private technical skill and management, in promoting economic development in Middle Eastern countries, the British and the United States contributing in accordance with their abilities.

It is not to be expected that in preliminary discussions definite conclusions can be reached or definite undertakings made with respect to specific projects. It should however be possible to develop a closer general acquaintance with each other's point of view, to remove unnecessary grounds for misunderstanding or distrust, and to agree upon scope and methods of further exploration of such specific projects as may be of interest. Some of these are indicated in Part III [*C ?*]. The immediate general purpose can perhaps best be summed by the remark

made to a representative of the United States Embassy in London by an official of the Middle East Secretariat to the effect that American British cooperation in the area depends "more on a state of mind than anything else".

NEA Files: Lot 55–D36

Memorandum Prepared in the Department of State

TOP SECRET [WASHINGTON, undated.]

SPECIFIC CURRENT QUESTIONS

[Here follow a table of contents and a note which states: "The material included in this section was prepared by officers dealing with these matters in the interested geographical divisions of the Department and is intended primarily to furnish factual background regarding specific current questions which might come up for discussion with the British. Unless otherwise indicated, the views expressed represent present thinking at the the operational level rather than agreed Departmental policy."]

1. MILITARY (NON-TECHNICAL) [QUESTIONS]

a. Bases:

1) *Egypt:*

For reasons of regional security and stability we desire British troops to remain in the general area. Since under conditions of modern warfare troops in the Suez Canal area can no longer be considered to constitute an adequate defense of the Canal, since their evacuation is ardently desired by the Egyptians and since their continued presence might prove to be a liability rather than an asset from the point of view of possible Russian aggression, we hope they can be removed elsewhere in the area at an early date. We could not consistently, however, press for an evacuation until another major base, such as Cyrenaica, is made available. The Egyptian base is now used as the chief supply center for British troops in Greece and Palestine. It would be wise, however, to have the troops in Egypt reduced to the numbers provided for in the 1936 Treaty.[1] It is understood that this reduction has already begun.

Letters on the subject of British troop evacuation from Egypt and the possible use of Cyrenaica as a substitute base, were addressed by the Department of State to the Departments of the Army and Navy

[1] For documentation on the interest of the United States in the negotiations between the United Kingdom and Egypt for revision of this treaty, see pp. 761 ff.

on September 18 [2] (Enclosure # A 1 [3]). On September 26 the Secretary of the Navy expressed agreement that this subject should be discussed in the proposed talks with the British on over-all policy in the Middle East. In so doing, the Secretary pointed out that the Navy Department considered it of the utmost importance that the United States and other nations of the Western world should continue to have access to the resources of the Middle East and to have the use of sea communications through the Mediterranean. This made it essential that neither the Straits of Gibraltar or Suez should pass under the control of any power unfriendly to the United States and that forces friendly to the United States should be able effectively to control those two positions, which would be of vital importance even if sea communications through the Mediterranean were restricted. On September 29, the Secretary of the Army, with the concurrence of the Secretary of the Air Force, observed that Cyrenaica would probably be the best base to which British troops might be withdrawn in the event of their evacuation of Suez, but expressed the opinion that a final conclusion on this subject could not be reached without consideration of the over-all Mediterranean situation.[4]

2) *Cyrenaica:*

See foregoing.

3) *Transjordan:*

There would appear to be no objection to the establishment of a British base in this area since Transjordan is in treaty relationship with Great Britain permitting the stationing of British troops in that country.

4) *Kuwait:*

The British have indicated to us tentative plans for the establishment of an important base in Kuwait, possibly in conjunction with Iraq, and seem to feel that such a project could be carried into effect without serious opposition on the part of Saudi Arabia, despite the strong feeling between the ruling house of that country and that of Iraq. On the assumption that a satisfactory arrangement of this potential difficulty can be made, there would seem to be no reason to object to establishment of a British base in Kuwait, particularly since that state is under British protection.

5) *Iraq:*

The British evidently hope that current Iraqi agitation for treaty revision which would carry with it the loss of British base rights in Iraq may be met by the proposed sharing of the proposed Kuwait base.

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[2] Not printed; but see footnote 2, p. 802.

[3] This is a reference to the first of 20 annexes attached to this paper. References to the annexes 2 to 12 are in the margin of the record copy. The editor indicates their presence by bracketed notations in appropriate portions of the text.

[4] Letters from the Secretary of the Navy and the Secretary of the Army, not printed.

Assuming that such an agreement could be amicably reached and appropriately covered by treaty arrangement, there would seem to be no reason for objection by the United States Government.

6) *Palestine:*

It is our understanding that the British do not contemplate retaining a military base in Palestine beyond the termination of their political responsibility.

7) *Cyprus:*

The value of Cyprus as a military, naval, and air base is a matter for military determination. From the political point of view the fact that the great majority of Cypriots are of the Greek race and apparently desire Cyprus to be united with Greece, is worthy of notice. It may be observed, however, that in areas such as this where the number of people affected is small and the strategic importance great, the latter consideration is often prevailing.

b. Military Missions and Military Assistance:

1) *Egypt:*

In August the Prime Minister of Egypt, without any reference to the 1936 Treaty, requested the Acting Secretary and the Secretary of the Army to send Military experts to Egypt to assist in strengthening the military establishment.[5] He was informed that no commitments could be made at present owing to the lack of enabling legislation. The Acting Secretary advised against the employment by Egypt of reserve officers but suggested that the Prime Minister might consider the advisability of inviting civilian engineers to advise the Government of Egypt regarding the setting up of appropriate war industries in support of a military establishment.

2) *Syria:*

Some time ago the Department discussed with British Embassy officials a request of the Syrian Government for an American military mission to train the Syrian Army. The Syrian request was not complied with, in view of the opposition of the French Government and our desire not to offend it, also because of the absence of legislation which would permit the delegation of U.S. military personnel beyond the formal termination of the war.[6]

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[5] See footnote 2, p. 806.

[6] For documentation on the refusal by the United States in 1946 to comply with a Syrian request for a military mission, see *Foreign Relations*, 1946, vol. VII, pp. 782 ff. Telegram 161, May 8, 1947, from Damascus, suggested the Department give further consideration to Syrian requests for a military mission. In reply, in telegram 111, May 16, the Department stated that while it "would be willing reconsider question military mission to Syria in light of factors outlined Legtel 161, existing legislation affecting despatch such missions could not appropriately be used. Permanent enabling legislation has been recommended to Congress but early passage not assured. Pending Congressional action Dept not in position to give further consideration to matter [and] consequently Syrian Govt should not be encouraged to renew request." (890D.20 Mission/5–847)

3) *Saudi Arabia:*

There are approximately 75 United States Army officers and men at Dhahran today maintaining and operating the airport and carrying on a program to teach the Saudi Arabians to take over this field. King Ibn Saud is anxious that his people learn how to operate airports and, because of the backwardness of the Saudi Arabians in such matters, it is likely that this mission will have to stay in Saudia Arabia for a good many years to come.

BOAC is now flying into Dhahran and has requested servicing in the form of lodging, meals, and maintenance and service of planes. The British have been told that the United States Army is not in position to provide these services, but that the British can continue to use the airport if they provide the services themselves. Air France and KLM have similarly been advised. It is clear that the Saudi Arabian Government must take steps to organize these services, in order that the Dhahran Airport may be used to the fullest.

A small British military mission is stationed at Taif, Saudi Arabia, and is giving infantry training.

4) *Iran:*

The only military missions in Iran are the two from the United States—one to the Iranian Army and one to the Iranian *Gendarmerie*, both of which, if present negotiations are satisfactorily concluded, might be effective until 1949. The U.S. has approved an FLC credit of twenty million dollars [*25,000,000*] to Iran for the purpose of buying surplus combat and other supplies for the Iranian Army and *Gendarmerie*.[8] Implementation of that credit is subject to the approval of the Iranian Parliament in the near future. Continuance of the U.S. military missions is contingent upon (1) passage of the Military Missions Bill by the U.S. Congress, and (2) willingness of the Iranian Government to recognize the usefulness of those missions by accepting their recommendations. Extension of the contemplated military material assistance to Iran now depends upon action by the Iranian Parliament. A favorable vote would be expected under normal circumstances, but there is a possibility of rejection in present circumstances as a gesture of propitiation to the Russians in the event that the Soviet oil agreement is not approved.

While the British have no special military missions in Iran, certain British air officers do train the Iranian Air Force in the use of British planes which at present constitute the entire complement of Iranian Army aircraft. A problem has arisen concerning the relative functions of the British aviation instructors and the U.S. aviation advisers attached to the mission to the Iranian Army. It is suggested that, in

[8] For information on the granting of this credit, see bracketed note, p. 916.

view of the over-all responsibilities of the U.S. Military Mission concerning organization and administration of the Iranian Army, the British Government direct their aviation instructors to coordinate their training with American direction of Iranian Army administration. The question of the training of Iranian pilots in the use of such American planes as may be acquired has also arisen, and consideration is now being given the relative merits of training in the United States and providing facilities for training in Iran on a continuing basis.

5) *Turkey:*

Under authority of the Greek-Turkish Aid Bill of May 22, 1947,[9] the United States is furnishing Turkey military and naval equipment to the value of approximately $100,000,000. Virtually all of this will be provided as a gift. The Turkish Government has just made an informal request for an additional $100,000,000, primarily to cover anticipated military expenditures in the year 1948. We have little information as to the basis of this request and are doubtful of its justification. However, there is no doubt that the proper equipment and organization of the Turkish armed forces on a modern basis would require at least another $400,000,000, as reported by the American Survey Mission which visited Turkey in the first part of the past summer.

A U.S. Army–Navy–Air group will shortly go to Turkey to instruct the Turks in the use of the new equipment being furnished.

There is a small number of British Army, Navy and Air personnel in Turkey to give instruction in certain specialized fields.

(See * page 7a). [Here follows page 7a: "*The Turkish Government has requested our estimate of the international situation, with special reference to the Soviet Union and Turkey, to assist it in deciding whether or not to release one of the three classes now mobilized in the Turkish Army. Release of a class without replacement would reduce the size of the Army from about 485,000 men to about 330,000 men. It would effect a substantial saving in the national budget and would also release much needed manpower for productive work, but the Turks are hesitant because they fear it would encourage the Russians to put pressure on them and might discourage the Greeks and other peoples now being subjected to Soviet pressure.

We propose to inform the Turks that we do not consider war imminent and do not believe that the reduction in Turkish forces would materially affect the Soviet course of action towards Turkey. We intend to suggest, however, that the reduction be handled in such a way as to give the impression that it is merely a reorganization of the Turkish

[9] For documentation on the Greek-Turkish aid program, see pp. 1 ff.

armed forces and to demonstrate that there is no change in Turkish foreign policy or Turkish determination to resist any attack.

The Turks have made the same request of the British Government which has, independently, arrived at substantially the same views as our own. The British, however, intend to present their views to the Turks in the form of direct advice whereas we plan merely to give our estimate as a matter of information with the specific reservation that the Turks must make their own decision. The Department of the Army is in accord with our position."]

6) *Greece:*

Of the total $300,000,000 allotted to Greece under the Greek-Turkish Aid program, $158,000,000 has been earmarked for military expenditures. Some 25,000 tons of all types of military goods have arrived in Greece and an additional 30,000 tons are either en route or being loaded in U.S. ports. As some Greek Army equipment, particularly ordnance, is largely British, U.K. material continues to be sent to Greece. Since May 22, 1947 this material from the U.K. has been paid for by the U.S.

U.S. Army and Navy officers are furnishing advice to the Greek Army on logistical questions. Consideration is being given to the possibility of Americans furnishing operational advice to the Greek Army. A decision in this matter awaits General Chamberlin's [10] recommendations.

The British Military Mission has been operating since November 1944 for the purpose of training and organizing the Greek Army. The expenses of the Mission are borne entirely by the British and Mr. Bevin has given his assurance that the Mission will remain until its task is finished. The Chief of the Military Mission, General Rawlins, is a member in an advisory capacity of the Greek Supreme Military Council. We feel that this Mission is performing a very useful work in spite of the fact that, according to an unofficial advice, we believe its strength has diminished considerably from the original figure of approximately a thousand men and officers, and in spite of the fact that British prestige and authority have been considerably eclipsed by the inauguration of the U.S. Aid Program. We think it important that the Greek Army not be subjected to further changes in organization and system and that therefore the British be encouraged to continue.

An agreement regularizing these relationships is currently under consideration in Athens and the British have requested our views on a proposed joint directive to serve as guidance in the drafting of this agreement. The American Embassy in Athens and AMAG consider

[10] Maj. Gen. Stephen J. Chamberlin, Director of Intelligence, General Staff, United States Army; for his report of October 20 on the Greek situation, see p. 375.

present informal arrangements adequate and believe that the proposed agreement and directive imply wider U.S. responsibilities than we are now prepared to accept. No final decision will be taken by the United States on this matter or other Greek matters of a military nature until General Chamberlin's recommendations have been received.

7) *Ethiopia:*

The only formal military mission functioning in Ethiopia at the present time is the British military mission, which is training the Imperial Army. At the beginning of August, there were indications that the mission might be materially reduced in size, in connection with overall British plans to reduce British forces in the Middle East. However, the decision to reduce the size of the mission has now been indefinitely postponed, probably because of the uneasy situation among the tribesmen in the South of Ethiopia, against whom the Imperial Army is now engaged in operations.

Although they are not members of military missions in the proper sense of the term, a number of Swedes have been employed by the Ethiopian Government to train the Imperial Guard and the Imperial Air Force. In addition, British officers have been retained to train the Ethiopian police.

The United States Government has not furnished any arms or munitions to Ethiopia since the cessation of lend-lease. However, several indications have been received from the Ethiopian Government of a desire to obtain such equipment in the United States, including an inquiry regarding full equipment for a motorized division, which was summarily dropped when an estimate of cost was furnished. Recently, a list of equipment which the Ethiopian Government desired to secure for the purpose of maintaining internal law and order was submitted to the Department, and the purchase was approved by the Arms Policy Committee on a non-priority basis.

Following this Government's approval of the sale of these arms and munitions to Ethiopia, it was reported by Ethiopian sources that the Soviet Government had offered to make a gift of certain quantities of arms, munitions and other material of war, including heavy equipment, to the Ethiopian Government. The Department is now studying the possibility of indicating to the Ethiopian Government that any sale of U.S. arms to it would be conditional on the refusal of the Soviet offer.

c. Arms Policy:

Because of the special circumstances arising out of the British position in the Middle East and unsettled political conditions, with particular reference to Palestine and the Saudi-Hashemite feud, it has been the general policy of the United States to refrain from authorizing

the export of arms to countries in the Middle East beyond such material as might properly be required for the preservation of internal security.[11] The only exceptions to this have been countries under threat of Soviet or Soviet-inspired aggression. It is suggested that this policy should be reviewed in the light of such recommendations as may be made regarding the over-all strategic requirements of the area.

d. Central African Road:

The uncertainties of the British position in the Eastern Mediterranean have led the British to cast about for alternate sites for military bases in the Middle East. Some twelve months ago, reports were received in the Department that Kenya Colony was among possible locations which were being considered. While it is believed that from a strategic point of view Kenya is too far from the Mediterranean and the Suez Canal Zone to be a satisfactory operational base, it has many advantages as a supporting base. Kenya is a Crown Colony and is, therefore, reasonably secure from political complications such as nationalist disturbances. For this reason, it would be fairly safe for the British Government to base future long-range plans on the use of Kenya Colony. Kenya has areas of undeveloped land, with a variety of terrain types, which would be ideal for training and maneuvers. Also, the climate is very satisfactory. Mombasa, which was used to a limited extent as a naval base during the last war, has a good harbor which could be expanded. Its greatest drawback is, perhaps, communications. If the Mediterranean route could not be kept open, in the event of another war, it would be necessary to supply a base in Kenya largely by sea around the Cape of Good Hope. The British Government, however, is giving consideration to plans for creating road, rail, air, and communication links across Central Africa from Nigeria, on the West Coast to Kenya on the East Coast. The present status of these plans is not known. British troops and material, however, have recently been moved to Kenya from India. Conversations are reported to have been held between British and French representatives to discuss proposals for connecting Kenya Colony by air lines, railroads, and highways with the British and French territories on the West Coast of Africa. One possible route would be from Lagos, in Nigeria, across the French Cameroons, French Equatorial Africa, the Anglo-Egyptian Sudan, and Uganda, to Mombasa, in Kenya Colony. If French cooperation is obtained, the route might be extended to Dakar, in French

[11] In telegram 230, October 17, the Department instructed Damascus to inform the Syrian Government that the United States was not in a position to supply Syria with military equipment for an army of 25,000 men because of current requirements by the Department of the Army. The Department added: "For your confidential info in addition foregoing limitations there are obvious reasons arising from Palestine situation which preclude our lending assistance this character Syria at this time." (890D.24/9–1847)

West Africa, where it is believed that France is planning to enlarge its air and naval facilities.

2. POLITICAL QUESTIONS

[Here follows a table of contents.]

a. Problems Involving a Threat to the Peace

1) *Greece:*

The threat to the peace arising out of the assistance being given Greek rebels by Albania, Bulgaria, and Yugoslavia is obvious. The gravest danger here is that a so-called "Free Greek Government" may be established [12] on a sufficient scale to permit the three northern countries, and possibly the Soviet Union and its other satellites, to recognize it and support it in a full-scale civil war. If the United Nations is unable to prevent this, the result could easily be something much more serious even than the Spanish Civil War of 1936–1939. The attached letters, dated July 11, 1947 [13] [Annex A2] and July 12, 1947,[13a] [Annex A3] addressed to the Chief of the American Mission for Aid to Greece, indicate the nature and scope of the assistance which we are currently rendering in order to maintain the independence and integrity of Greece.

2) *Turkey:*

In Turkey there is a real, but temporarily quiescent, threat to the peace arising out of the efforts of the Soviet Union to obtain a dominant position in the Straits and to annex portions of eastern Turkey. The last Soviet move in this direction was made in the late Summer of 1946, but it may be expected that further efforts will be made whenever the USSR considers the moment propitious.

3) *Iran:*

Iran is under recurrent Soviet pressure [14] which may at any moment develop into a threat to the peace of utmost gravity. At the moment, this pressure is directed toward obtaining ratification of an agreement whereby the USSR would in effect obtain an oil concession covering the greater part of the Iranian provinces adjacent to the Soviet Union. The Russian Ambassador in Tehran has threatened that if this agreement is rejected by the Iranian Parliament, the USSR will consider Iran as a "blood enemy". Soviet action to implement this threat may include the fomentation of guerrilla activities directed against the Iranian Government along the lines of the Greek rebel operations.

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[12] For the formation of the "First Provisional Democratic Government of Free Greece," see telegram 2224, December 24, 1947, from Athens, p. 462.

[13] *Ante*, p. 219.

[13a] *Ante*, p. 226.

[14] For documentation on this subject, see pp. 890 ff.

Dissatisfied tribes and other minorities would probably be utilized. A *coup d'état* against the ruling dynasty is not altogether improbable.

The Joint Chiefs of Staff consider that Iran is an area of major strategic interest to the United States and that this interest would be adversely affected by Soviet domination of any part or all of Iran. [Annex A4] (Questions Projected by the Department, Sep. 26, 1946 [15] and Joint Chiefs of Staff Answers dated Oct. 12, 1946 [16]). The Department feels that the granting of any kind of oil concession to the Soviet Union would seriously endanger the future independence and integrity of Iran. [Annex A5] (Deptel 487 to Tehran, August 18, 1947 [17]). Should Soviet interference in the internal affairs of Iran lead the Iranian Government to reactivate its case before the Council, the Department is prepared to continue its future support of Iranian independence. [Annex A6] (Deptel 434 to Tehran July 29, 1947 [18]).

4) *Afghanistan:*

A lesser development which might prove to be a threat to the peace is the current dispute between Iran and Afghanistan over the waters of the Helmand River.[18a] The Iranians claim that the Afghans are diverting water from the River, thus leaving the farms of one section of eastern Iran without the necessary water for irrigation. Although this dispute should be susceptible of adjustment, the excitable attitude adopted by the Iranian Government might make it more serious than the facts and issues would warrant.

We were recently informed that the Iranian Government had instructed its Delegation to bring this matter before the United Nations. Our influence has been used with apparent success to dissuade the Iranians from this action and we recently instructed our missions at Tehran and Kabul to suggest that this matter be referred to their representatives in Washington for informal discussion with a view to evolving constructive recommendations for a reasonable settlement. We offered to be of any possible assistance in furthering such a solution.

Afghanistan has also become involved in certain difficulty with Pakistan over the future status of the Pathan population in the Northwest Frontier area. The Afghans have maintained that they have no aspirations for hegemony over these people but maintain that they should be given a free choice regarding their future status. We have indicated to both sides our hope that this matter can be settled in a spirit of good neighborliness.

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[15] See Major General Hilldring's memorandum to the State–War–Navy Coordinating Committee, *Foreign Relations*, 1946, vol. VII, p. 515.

[16] Incorporated in the State–War–Navy Coordinating Committee's memorandum to Major General Hilldring, *ibid.*, p. 529.

[17] *Post*, p. 934.

[18] *Post*, p. 924.

[18a] For information on this subject, see bracketed note, p. 760.

5) *Palestine:*

Palestine also presents a grave security problem as the trend develops toward extremism on both the Arab and Jewish sides.[19] This matter is discussed further under a following heading.

6) *French North Africa:*

French North Africa is important to the security of the US primarily because of its strategic geographical position, flanking US routes to Eastern Mediterranean oil as well as Great Britain's Mediterranean lifeline. A North Africa friendly to the United States and the Western Powers would, in the event of military action in the Middle East, contribute greatly to the security of the militarily important eastern Mediterranean area.

The security of the area is at the present time maintained by France. France's position there, however, is not firm. The aspirations of the Nationalists for independence and the machinations of the Communists, combined with the inability of France to conceive and implement a policy designed to solve the major political problems there, cast considerable doubt on the security of French North Africa in the future. If France herself comes under Communist control, it is highly probable that French North Africa will also. If the countries of French North Africa gain independence abruptly, there is grave danger that they would soon come under at least indirect Communist control, unless the US intervened directly and drastically to prevent it.

The only apparent solution to the problem is for the Government of a non-Communist France to come to an agreement on a *modus vivendi* between the peoples of France and North Africa. Without doubt this agreement will have to be based on a realistic appreciation of the fact that, in the not too distant future, the countries of North Africa will be largely independent.

Comment:

A review of all of these matters with the British would be advisable in order to make certain that our efforts are properly concerted in preventing these difficulties from becoming more serious. Thought should also be given to action which would be taken in the event that any of these problems should get out of hand.

b. The Communist Problem:

[Here follows a discussion of the Communist problem in Greece, Turkey, Iran, Syria and Lebanon, Iraq, Egypt, Saudi Arabia, Palestine, Ethiopia, and French North Africa, concluding with the comment that "This general subject should be discussed with the British with a view to exchanging factual information both now and in the

[19] For documentation on the participation by the United States in the Arab-Zionist controversy concerning the future status of Palestine, see pp. 999 ff.

future and also to recommending appropriate action. In such discussion, particular emphasis should be laid on the possibility of establishing closer and more effective contact with organized labor in the countries of the Middle East through the appointment of experienced labor attachés, having especial regard for the selection of the right kind of American and British representatives to undertake this important work."]

c. Internal Political Situations:

While it is our normal inclination to avoid becoming involved in the internal affairs of other countries, experience has shown that in certain situations such circumspection may be to the detriment of ourselves and our friends. The following developments are reviewed in this light and some at least will presumably come up for discussion with the British.

Greece:

The inability of Greek political leaders to establish a stable and efficient government in Greece has greatly retarded the economic, social and political rehabilitation of the country. In consequence, it has opened the way to the Communists and their affiliated organizations in their determined attempt to destroy internal order and take control. Fortunately, the latest change in Cabinet has brought into office a moderate Prime Minister who shows evidence of intending to combine justice and moderation with firmness. If the present coalition can endure, there is good reason to hope for a substantial improvement, but it rests on shaky foundations and will require the most careful watching.

Our policy has been to work steadily for a broad cabinet including as many as possible of the parties represented in the Parliament, but excluding both the Communists and their sympathizers on the one hand and the small group of violently reactionary rightists on the other. We have, however, generally avoided making specific suggestions to the Greeks regarding personalities or groups to be included or excluded. We propose to continue on this line, emphasizing the need for national unity and the submergence of individual political ambitions and party rivalries. (Deptel 69 to Athens, January 21, 1947. [Annex A7]) [20]

Turkey:

Political conditions in Turkey are stable and marked by a definite trend toward more complete democracy. It appears unlikely that any special action by the U.S. or Britain will be called for in this sphere.

[20] *Ante*, p. 9.

Iran:

Iranian politics operate on the principle of leadership as opposed to party programs. The present Prime Minister, Qavam es-Sultaneh, is the dominant political leader of Iran, controlling approximately three-fourths of the Parliamentary representation. That control is based upon Qavam's power during the recent elections, at which time he headed the only organized political party in Iran and supervised the election of his hand-picked candidates, plus the fact that his program of economic and social reform has certain appeal to the independent political elements within Iran.

The Shah, by virtue of the prestige of his position and his leadership of the Iranian Army, controls the political disposition of a sizeable segment of the population as represented by approximately one-fourth of the Majlis members. Out of concern for his personal position as well as the uncertainties in Qavam's attitude toward the Soviet Union in the past, the Shah has a personal animosity toward any strong civilian authority, particularly when such authority elicits the support of powerful, dissident tribal leaders.

While all political elements are generally opposed to Soviet influence within Iran, particularly since the passing of the Tudeh Party from power, Iranian politicos tend to retain their traditional policy of playing a balance of power game between the two foreign powers currently most interested in Iran. In the view of this Government, the U.S. does not propose to succeed to the British role of dominance in the South, in balance to Soviet influence in Northern Iran, and takes every opportunity to encourage independent Iranian action in the interest of the country. We have recently made known our attitude toward the desirability of re-styling internal political defenses within Iran [Annex A8] (Deptel 584 to Tehran, September 26, 1947.[21])

Arabian Peninsula:

The United States has not in the past, is not now, and is not likely in the foreseeable future to take part in internal politics in the countries of the Arabian Peninsula. It is expected that Prince Saud will succeed his father peacefully in Saudi Arabia, and that Prince Ahmed will succeed the Imam in Yemen. Even if these transitions should not take place peacefully, the United States would be reluctant to interfere except in extreme circumstances.

Ethiopia:

In view of the geographical location of Ethiopia vis-à-vis Aden, the strategically important Red Sea area and contiguous British territories, it is in the interest of both the British and American Governments that the Government of Ethiopia should be sufficiently strong to

[21] *Post*, p. 960.

enable it to maintain internal law and order. At the present time, the authority of the government diminishes the further the distance from the capital. Some of the more remote districts are semiautonomous feudal units, with local chieftains either in open or tacit defiance of the authority of the central government. It is obvious that such a situation makes the task of the central government difficult and creates a potentially dangerous situation in a vital area. [Annex A9 [22]] Although the present Government has made important strides in unifying the country, there is still much room for improvement. The U.S. and U.K. should be prepared to render all appropriate assistance to the Emperor in his efforts to centralize the administration of the country and to institute programs of reform and development which would have the effect of increasing the prestige and authority of the Crown.

Afghanistan:

The situation in Afghanistan is somewhat analogous to that of Ethiopia in that it has a narrowly based central government under constant pressure from tribal elements. The internal situation there at present however does not appear to be a cause of especial concern.

Other Middle Eastern Countries:

The internal situations in Egypt, Iraq, Syria, and Lebanon do not call for comment at present.

French North Africa:

The political situation in French North Africa,[23] although not yet desperate, is serious; and if it continues to deteriorate at the same pace as during the last twelve to fifteen months, there is a definite possibility that what is now a political problem will turn into a danger to peace.

The Nationalist movement in North Africa is gaining in strength and determination. In general, the North African Nationalists are demanding independence from France. Their aspirations are receiving encouragement from the Arab League, which has, however, restricted its activities so far to moral support. The Communist Parties of Morocco, Tunisia, and Algeria have been employing their propaganda apparatus and other techniques in support of the Nationalists' demands, although presently advocating "autonomy within the French Union." Whether the Communists will favor complete independence from France, autonomy within the French Union, or complete union between the "progressive" elements in both France and North Africa will depend upon the internal political situation in France, the current degree of power of the French Communist Party, and, of course, overriding orders from Moscow which sometimes demand a policy in the dependent areas not designed to further the best interests of the Com-

[22] Undated memorandum entitled "The Ethiopian Situation," not printed.

[23] For documentation on this subject, see pp. 669 ff.

munist party in the mother country. So far the Moroccan and Tunisian Nationalist parties have refused to associate themselves with the Communists despite the entreaties and tactics of the latter.

France does not seem to have evolved a long-range colonial policy designed successfully to meet the changed political situation in her Empire. If such a policy exists, its implementation is being alarmingly delayed. The French have been inconsistent and misdirected in their use both of force and concessions vis-à-vis their dependent peoples, and, as a result of all of these factors, France would appear to be in a very poor position to solve the political problems facing her in North Africa without some assistance.

The State Department has now undertaken a plan of action which it is felt may be of considerable assistance in improving the internal situation in French North Africa. [Annex A10[24]] Politically, this plan envisages a high-level, confidential, and oral approach to the French Government with a view to urging the French to offer to the peoples of Morocco and Tunisia constructive, concrete, and long-range proposals guaranteeing gradual but sure evolution toward something comparable to dominion status. The French will be assured that if they take such steps we will be willing to support their program vis-à-vis the Arabs. If our proposition is accepted and acted upon in a manner satisfactory to us, we can then approach the Moslems of North Africa and point out how such an evolution under the aegis of a benevolent France is to their advantage. In view of the fundamental differences in the political, economic and racial problems of Algeria, we may have to support the Algerian Statute, which has recently been voted by the French Assembly, until such time as it has had a chance to prove itself; but at the same time we can urge the French to expedite further social and educational programs throughout Algeria.

d. Special British Treaty Relationships:

Kuwait, Bahrein, . . . and the Sheikhdoms of the Trucial Coast have chosen to place the conduct of their foreign relations in the hands of the British, and are known as British protected States. Political and economic changes in the Persian Gulf over the last fifteen years have made this situation obsolete. In view of the fact that the British are pulling out of India while at the same time American interests are predominant in Saudi Arabia and Bahrein, and rapidly growing in importance in Kuwait, it is reasonable for us to inquire of the steps the British are planning to take to recognize the new situation in the Persian Gulf, as well as in south Arabia.

[24] This annex consists of three undated memoranda entitled "Tunisia and Morocco," "Algeria," and "North African Wheat Production," none printed.

Iraq:

It would be to the interest of all concerned to abrogate the Anglo-Iraqi exchange of notes of June 30, 1939, which binds the Iraqi Government to engage only British subjects when in need of the services of foreign officials except for posts for which suitable British subjects are not available.

Egypt:

The military clauses in the 1936 Treaty regarding missions, training of Egyptians abroad and purchases of supplies are a limiting factor in the development of any military cooperation along these lines which we might wish to extend to Egypt. We regard the clauses as binding on Egypt until revised or abrogated and although we do not, of course, look on them as legally binding on us, it is our policy, as a matter of courtesy to the UK, to refrain from supporting Egyptian violations of them by acceding to Egypt's requests inconsistent with them without UK concurrence. As in the case of the waiver of the British diplomatic precedence clause, prior to the raising of our Legation to an Embassy,[25] the British would undoubtedly not insist on a strict observance of these military clauses if the Egyptian case is disposed of in the Security Council. It should be noted that the proposed draft revision of the Treaty (Bevin–Sidky) omits these clauses as well as those providing for a perpetual military alliance even after 1956.

Furthermore, until the 1936 Treaty is revised, and in the event of a war between the US and a third power in which the UK might be neutral, it might be very difficult for us to arrange to establish bases in Egypt. It should be recalled that our military operations in Egypt during the last war were made possible by the British under the provisions of the Treaty of Alliance with Egypt. Article 5 of the 1936 Treaty reads as follows: "Each of the high contracting parties undertakes not to adopt in relation to foreign countries an attitude which is inconsistent with the Alliance, nor to include political treaties inconsistent with the provisions of the present treaty."

Attention is also called to para. 11 of the Annex to Article 8 which provides as follows: "Unless the two Governments agree to the contrary, the Egyptian Government will prohibit the passage of aircraft over the territories situated on either side of the Suez Canal and within 20 kilometres of it, except for the purpose of passage from east to west or vice versa by means of a corridor 10 kilometres wide at Kantara. This prohibition will not, however, apply to the forces of the High Contracting Parties or to genuinely Egyptian air organizations or to air organizations genuinely belonging to any part of the British Com-

[25] For documentation on this subject, see *Foreign Relations*, 1946, vol. VII, pp. 78 ff.

monwealth of Nations operating under the authority of the Egyptian Government."

e. British Middle East Office:

The British Middle East Office, an outgrowth of the Middle East Supply Center in which the U.S. participated during the war,[26] now makes available economic experts to Middle Eastern countries desiring them and performs various coordinating functions. Apparently little use has been made of the services of this institution.

We do not believe that passive assistance of this character to the Middle Eastern countries will adequately meet their needs. Moreover, the B.M.E.O. inherits, to some extent, the unpopularity in the Middle East of the old MESC. In our view, the lethargy of the governments of this area necessitates a more active form of assistance than that envisaged by the B.M.E.O. For this reason, and because an overtly coordinated proffer of Anglo-American assistance of this type would be looked upon with suspicion by Middle Eastern governments, we do not favor U.S. participation in this organization.

f. Cultural and Informational Activity:

Although this subject does not fall within the specified scope of the conversations, it is suggested that mention of it might properly be made as one of the instruments at our disposition of which full advantage should be taken in seeking to obtain common objectives. Unfortunately there has sometimes been a tendency for American and British cultural and informational agencies to be more competitive than cooperative. While a certain amount of healthy rivalry may not be amiss, and while complete identity of approach would doubtless be tactically unwise, it is believed that closer behind-the-scenes consultation and planning would be beneficial.

g. The Turkish Straits:

[Here follows one paragraph reviewing Soviet pressure on Turkey in connection with the Straits in 1946.]

Since last fall the question of the Straits has remained dormant, but there is no reason to believe that the USSR has relinquished its determination to obtain a share in the control of the Straits. It is our belief that the Russians are interested in this not so much because of the importance of the Straits themselves, since it would be possible for the Soviets to close the Straits by the use of aircraft based in their own territory or on that of Bulgaria or Rumania, but because a foothold in the Straits region would open the way for the USSR to achieve

[26] For documentation on the termination of the Middle East Supply Center, see *Foreign Relations*, 1945, vol. VIII, pp. 85 ff.

complete domination of Turkey and subsequently of the rest of the Near East.

It would be desirable to confirm our assumption that the British attitude toward the Straits question remains substantially the same as our own.

h. The Palestine Question:

Current Aspects:

As stated by the US representative in the special committee of the UNGA on October 11, we consider that "in the final analysis the problem of making any solution work rests with the people of Palestine." In the absence of agreement upon a basis for settlement by the parties primarily at interest, we consider that the GA has an important role to play in recommending a solution which "should not only be just, but also workable and of a nature to command the approval of world opinion."

It is presumed that the UK is in substantial accord with our attitude, as expressed above.

More specifically, we have stated that we support "the basic principles of the unanimous recommendations (of UNSCOP) and the majority plan which provides for partition and immigration," but we consider that certain amendments and modifications should be made in the plan in order to give effect to the principles on which it is based.

The problem of implementation is obviously one which will have to be carefully considered by the GA.

Presumably the UK will not feel called upon to express its views on the majority plan or any other plan until it receives the recommendations of the GA.

As further stated by the US representative on October 11, "responsibility for the government of Palestine now rests with the Mandatory Power". It is difficult to see how the UK could divest itself of responsibility for governing Palestine until arrangements of some kind are made to relieve UK of its existing responsibility.

[Here follows a discussion of the general aspects of the Palestine question.]

i. The Arab League:

Basically, we regard the Arab League as a sound conception, although we do not regard it as having any official status and deal with it through its individual members rather than as an institution qualified to represent the states adhering to it. It satisfies the natural and legitimate desire of the Arab states for an organization which will develop and give practical expression to their common views and needs, and which can perform a useful service in settling some problems arising between the various Arab states themselves.

[Here follow three paragraphs stating that the United States had supported the latter aspect of the League's activities, pointing out the undoubted tendency by the Secretary General of the League to utilize his position to support Egyptian aspirations by speaking in the name of the League, and indicating the Department's feeling that the Arab League should concentrate further on economic matters.]

In brief, we feel that the Arab League serves a useful function, and that, in such ways as are open to us, we should encourage its development along constructive lines.

We shall undoubtedly wish to discuss with the British the role which the League might play in any coordinated Anglo-American policy toward the Middle East.

j. Transjordan:

King Abdullah has made it plain that he greatly desires US recognition of the independence of Transjordan.[28] We have refrained from recognizing the independence of Transjordan in view of the great pressure which was brought to bear upon the Department to make energetic representations to the British Government in regard to the latter's recognition of Transjordan as an independent state. It was felt that recognition of Transjordan by the US would result in such violent criticism of the Department that its work on the main Palestine issue would be seriously impaired.

We have consistently supported Transjordan's application for membership in UN. When that is accomplished, recognition of Transjordan by the US would be logical and more easily justifiable. If the admission of Transjordan to UN should be long delayed, we could probably proceed to recognition whenever a Palestine settlement is reached which is of a nature to make it clear that the Zionists cannot hope to realize their aspirations in Transjordan.

k. Greater Syria:

The Greater Syria issue appears to be satisfactorily composed for the present, through British action in exercising a restraining influence on King Abdullah of Transjordan. We believe the British statement declaring British neutrality in this matter was helpful, even if it did not completely satisfy the countries opposed to Abdullah's plans.

In response to an appeal from King Ibn Saud, we set forth our attitude on this question in the manner shown in the appended telegram.[29] [Annex A11]

In a fundamental sense, we are not opposed to the amalgamation of some of the small Near Eastern States, so long as this is accomplished

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[28] For documentation on this subject, see *Foreign Relations*, 1946, vol. VII, pp. 794 ff.

[29] No. 203, July 26, to Jidda, p. 752.

in accordance with UN principals. Amalgamation would have obvious economic advantages. On the other hand, it would subject Lebanon and Saudi Arabia to severe political strains.

l. The Egyptian Question:

The outstanding event in Egypt's foreign affairs has been its appeal to the Security Council regarding the revision of the 1936 Anglo-Egyptian Treaty of Alliance and the status of the Sudan. Protracted negotiations between the two countries broke down over the question of the future status of the Anglo-Egyptian Sudan. The British were willing to acknowledge Egypt's titular sovereignty over the Sudan but insisted that the *status quo* be maintained until the Sudanese were sufficiently advanced to opt for their own political status. The Egyptians expressed willingness to work toward granting the Sudanese autonomy but would not agree to their ultimate right to vote for complete independence with consequent separation from Egypt.

The Egyptian Prime Minister asked the Security Council to direct immediate evacuation of all British forces from Egypt and the Sudan and to direct termination of the administrative regime in the Sudan [30] which Egyptians maintain is used to encourage a separatist movement. He maintained that the question of the administration and future status of the Sudan is a matter for the people of the Nile Valley to decide.

The British representative in his first statement asserted that the Egyptian Government had shown no grounds for Security Council action since there was no danger to international peace and security and because the matters of which Egypt complained were covered in valid treaties still in force. He emphasized that the above-mentioned British attitude toward the future of the Sudanese would not be abandoned. In later statements he denied that the present British policy in Egypt and the Sudan was a continuation of nineteenth century imperialism, pointing out the great progress made in the Sudan under the condominium and insisting that the small Egyptian participation was not so much the result of British pressure but rather to Egypt's failure to supply adequate personnel at appropriate administrative levels. He pointed out that during the negotiations for the revision of the 1936 Treaty, agreement had been reached on the date of withdrawal of British troops from Egypt, and he referred to British willingness to resume negotiations.

The U.S. supported a resolution proposed by Brazil recommending that the parties resume direct negotiations, and that in the event of

[30] The Prime Minister's letter was addressed to the Secretary-General of the United Nations on July 8; see Editorial Note, p. 780.

failure they select any other peaceful means of their own choice to settle the dispute; also, that the Security Council be informed of the progress of such efforts.

Resolutions recommending resumption of negotiations were also introduced by the Colombian and Chinese representatives but these, like the Brazilian resolution, failed to pass and there is at present a complete deadlock, although the Security Council remains seized of the dispute. The Russian and Polish representatives have abstained and will continue to abstain from voting on any resolution which does not clearly direct the immediate evacuation of British troops from Egypt. They reserve their opinions on the Sudan issue. The Egyptians and their chief supporters will be dissatisfied with any resolution which does not express or imply confidence that the British will announce their intention to evacuate troops at an early date prior to a resumption of negotiations for a settlement of other matters in dispute in connection with the treaty revision. Four or five of the representatives, including the U.S., believe that the Egyptians have not sufficiently proved that the dispute is a threat to international peace and security and that, therefore, Article 37 of the Charter should not be invoked. They have avoided a discussion of the substantive merits of the case. Although technically the case might have been thrown out on the grounds of "no jurisdiction" it was permitted to be placed on the agenda and thoroughly discussed in an endeavor to help the parties reach a fair solution. The British oppose any resolution which implies censure or criticism of them for considering the treaty valid until revised, abrogated or terminated, and although willing to have the question of the treaty's validity referred to the ICJ (a proposal violently opposed by the Egyptians) and to resume negotiations, the British object to having one of the matters under dispute (evacuation) mentioned even in the preamble of a resolution without a balancing clause alluding to the existence of a valid treaty and to the other items in dispute, all of which, the British consider, should be negotiated simultaneously. Both parties have expressed a desire that the matter before the Security Council remain "status in quo" until possibly the end of the current General Assembly session. Although we are interested in increasing the prestige of the Security Council and would be willing to propose a resolution at an appropriate time if we thought it could receive the necessary 7 affirmative votes (which is extremely doubtful) for the present we are not planning to take any initiative in the matter.

Very little discussion took place in the Security Council on the Sudan issue which was the chief obstacle in the 1946 negotiations for treaty revision. According to the draft revision agreement was reached on the date of withdrawal of British troops (September 1, 1949) and

on the establishment of a Joint Board of Defense. Articles 2 and 3 read as follows:

[Here follow the texts of Articles 2 and 3 and of the draft Sudan Protocol.]

The Egyptians' interpretation is that although they are willing to assist the Sudanese in obtaining autonomy, they cannot agree, as mentioned above, to permit the Sudanese to opt for their future political status which might result in complete independence and consequent secession from Egypt. In fact, the extreme Egyptian thesis is that both the 1899 Condominium agreement and the 1936 Treaty are no longer valid, that the Sudan is an integral part of Egypt and that only the inhabitants "of the Nile Valley" should have any say as to its political status. They want the present administration of the Condominium abolished.

Irrespective of the extremely involved history of the Sudan, both prior to and after 1899; in spite of frequent allegations of the British as to the early maladministration of the Sudan by the Egyptians; in spite of Egyptian accusations of maladministration by the British under the Condominium; and notwithstanding inaccurate statements by the Egyptians that the Sudanese and Egyptians are one and the same, racially and culturally, and that virtually all Sudanese wish to remain under the Egyptian Crown, we support the British thesis that the future welfare of the Sudanese is of primary consideration and that at some time in the future, they should have the right to opt for their political status. Although we recognize the validity of the Condominium Agreement, reaffirmed and extended in the 1936 Treaty, we sympathize with Egyptian desires for a larger participation in the administration of the Condominium and for normal cultural and economic cooperation. We feel, however, that much study should be given to the best methods of implementing such increased participation in order not to disrupt the efforts of the present administration to develop a responsible group of Sudanese civil servants and institutions of local self-government.

Egypt's desire for protection of its southern boundary and its fears resulting from British preponderance in the Sudan are legitimate and should be given adequate recognition in any settlement of the whole problem. Egypt's vital interest in the control of the waters of the Nile, accurately described by the Egyptians as their "life blood," is fully recognized. This question is a comprehensive one and although of primary interest to Egypt and the Sudan, it also concerns Ethiopia, Eritrea, Uganda, Tanganyika, Kenya, and the Belgian Congo.

[Here follow two paragraphs on the Anglo-Egyptian dispute over the Sudan, setting forth the view that it was "obvious that any future

of the Sudan should necessarily provide for protection to Egypt of its water supply."]

The Sudan problem is extremely complicated. The juridical situation has been aptly termed "a nightmare." Many pertinent and essential facts regarding existing conditions, known probably only by the present administrators, have not been taken into consideration in top-level discussions of the problem. The main difficulty arises from the lack of ability to assess the preparedness of the Sudanese for independence or even for self-government. The 2,500,000 inhabitants of the Southern Sudan are chiefly pagan negroids, immeasurably less civilized than the Northern Sudanese. Very small numbers even in the Northern Sudan are as yet capable of grasping the elementary principles necessary for responsible government.

From the strategic angle, this question has not been raised in the past in such a way as to require the formulation of our views. We know, however, that Mr. Bevin's present thinking is along the line of insisting strongly on an important British base in the Sudan, and it is expected that this question will come up in the course of the discussions with the British, who presumably will have given it careful thought. If so, it is suggested that we should reserve our position until we have had the opportunity of hearing such plans as the British have evolved.

m. Disposition of the Italian Colonies:

The problem is to determine what final disposal of Italy's former territorial possessions in Africa, namely, Libya (comprising Tripolitania and Cyrenaica), Eritrea, and Italian Somaliland, would be in the joint interests of the U.S. and U.K. in view of the present situation in the Mediterranean.

Article 23 of the Italian Peace Treaty states that the Governments of the U.K., U.S., U.S.S.R., and France shall jointly determine the final disposal of the former Italian Colonies within one year from the coming into force of the Peace Treaty (i.e., by September 15, 1948) in the manner laid down in Annex XI of the Treaty. The Deputies of the Foreign Ministers are meeting in London at present to discuss procedural matters in connection with the implementation of Article 23 and Annex XI of the Treaty, including the instructions to be given to the commission of investigation to be sent to the colonies, and to decide on the future program generally.

At the meetings of the Foreign Ministers in 1945 and 1946, the U.S. advocated the principle of collective trusteeship as the best method of developing these territories toward self-government. In the present international situation, however, and particularly in view of the situa-

tion in the Mediterranean area, NEA thinking with respect to each of these is as follows:

1) *Libya:* That Libya should be placed under the international trusteeship system, with the Government of the United Kingdom as the administering authority, under terms of trusteeship which would provide for the people of Libya to become self-governing at the expiration of a period of ten years from the date of the establishment of such trusteeship, at which time Tripolitania and Cyrenaica would be permitted individually to elect whether they desire to (*a*) become separate independent states, (*b*) remain united as an independent Libya, or (*c*) become federated with other states or territories.

2) *Eritrea:* That Eritrea should be ceded in full sovereignty to Ethiopia, except for the area in the northwestern part of Eritrea inhabited by Moslem-Sudanese, which should be incorporated into the Anglo-Egyptian Sudan.

3) *Italian Somaliland:* That Italian Somaliland, together with British Somaliland, should be placed under the international trusteeship system, with the Government of the United Kingdom as the administering authority, under terms of trusteeship which would provide for eventual self-government but which would not fix the period of time within which the area would become self-governing.

Discussion of this problem is contained in the appended memoranda, dated July 8, 1947, and October 1, 1947.[31] [Annexes A11a and A12]

EUR concurs with NEA in so far as a British trusteeship for Cyrenaica is concerned, but reserves its position with respect to the disposition of the other Italian colonies.

[Here follows section entitled "British and American Payments to the Iranian State Railways".]

3. POLITICO-ECONOMIC QUESTIONS

[Here follows a table of contents.]

Improvement of Living Standards in the Middle East Through Development of Resources and Industrialization

Living standards of the masses in the Middle East are generally very low. The aftermath of war-time activity in the area has caused increased discontent and unrest. The economic stimulation resulting from the purchases by large Allied forces during the war has ceased. Profits made during that period are in many cases frozen in inconvertible sterling. The gap between rich and poor has been increased. In some parts of the area, notably in Egypt, the situation is being aggravated by the pressure of increasing population upon limited resources of cultivable land.

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[31] It is anticipated that these memoranda will be published in volume III.

Such conditions are due to a complex of causes. These are not all, nor immediately, remediable. Nevertheless a general increase in the economic prosperity of the peoples of the Middle East, as broadly distributed as possible through the masses of the population, is most desirable if not essential. It is needed as a basis for internal stability and security of the area, and to reduce the danger of revolutionary developments and communist penetration.

Two general lines of endeavor are indicated. Since the Middle East is largely agricultural, expansion of the area of cultivable land and improvement in its utilization afford the most likely avenues of economic development. Geographical factors make such developments possible.

At the same time development on certain appropriate lines of industrialization is desirable, including development of manufacturing and transport facilities. Increasing pressure of population, resulting from high birth rate, and augmented, as health standards improve, by low death rates, point to prospects of increasing population which cannot all be accommodated on the additional land which may become cultivable through development projects. Increasing proportions of the population must therefore find opportunities to earn their living in industrial pursuits. However, the pattern of industrial development cannot arbitrarily be imposed, nor copy the pattern of highly industralized western countries. It must develop according to the local requirements and possibilities of the area.

Over the long range the principal contribution which Anglo-American cooperation may lend to the economic welfare of the Middle East is through assistance in the development of the natural resources, particularly the land, and of the transportation facilities, and suitable industrialization possibilities.

But the task is neither simple nor easy. Effective development requires far more than the provision of capital and technical assistance to construct particular projects, however well-conceived. Complex adjustments will be required to fit such developments into the pattern of life of the area, as well as to adjust the pattern to the developments. In particular, laws governing land tenure will generally require reform; and careful attention to public health requirements will be necessary. In general, it is likely that commercial and financial institutions and practices, and the procedures for collection and expenditure of public revenues, will require considerable development. Above all, however, these problems must be recognized as the internal problems of the countries of the Middle East. The solutions, to be effective, must be their solutions, adapted to their way of life, thought and culture. The assistance, technical and otherwise, which the United States and

the United Kingdom may offer must follow methods agreeable to and accepted by the Governments and peoples of the area.

Current trends in the development of the oil resources in the area are illuminating. They provide the basis for a considerable influx of private capital into undeveloped areas of the Middle East. Through royalties, fees, and wages, and expenditures made in producing oil, a large flow of new income expendable abroad comes into the hands of the local peoples and Governments. Problems of judicious and beneficial handling of this new large flow of wealth are becoming apparent, whether as problems affecting oil company relationships with the local authorities, or in the evident need for new or modernized financial institutions and procedures of public finance.

Among the many development projects currently proceeding, proposed or envisioned in the area, the two of most outstanding interest at this time are (1) a proposal for a vast irrigation scheme on the Tigris and Euphrates Rivers in Iraq, which would serve to double or treble the population required in the area; and (2) the Lake Tana Dam project which is a part of a major scheme for control of the Nile and expansion of cultivable land in Egypt and the Sudan. These two projects are separately outlined below, and are followed by outlines of present and proposed industralization or development projects in the various countries of the area.

[Here follows discussion of these subjects:

Iraq Irrigation Scheme: A low state of agricultural development prevails in Iraq and the major area for economic improvement lies in the development of agricultural resources and methods before substantial industrial development. The Iraqi Government was to be encouraged to make an associated effort to improve national health, establish social security, construct roads and buildings, institute agricultural reform, and undertake settlement of tribes;

The Tana Dam Project: An Element in Nile Control: This series of proposed projects aimed to regulate seasonal fluctuations in the level of the Nile and to open new areas for irrigation by increasing water flow;

Egypt: The increasing industralization of Egypt, particularly in the production of electric power, fertilizers, textiles and chemicals, was necessary to employ its expanding population and to permit an improved standard of living;

Palestine: The proposed development of the Jordan River Valley for irrigation and power and the diversion of sea water from the Mediterranean for hydro-electric power were singled out to benefit the people of Palestine regardless of race or religion. These projects were to be financed, preferably, by the International Bank and by private capital; and

Syria and the Lebanon: These governments were to be encouraged to formulate sound programs of national development, particularly the Aleppo water project, the irrigation of the Jezirah region and flood control of the Euphrates. These projects were to be financed, preferably, by the International Bank and by private capital. It was thought possible, however, to provide an Export-Import Bank loan to develop the Beirut airport.]

Arabia

The average standard of living is extremely low throughout the Arabian Peninsula. The population is largely agricultural, but for the most part resources are not properly utilized and agricultural methods are primitive. It is essential that steps be taken along the following lines: (*a*) further development of natural resources, such as oil, natural gas, gold, etc., to produce surplus revenues; (*b*) application of these surplus revenues to such projects as building of dams, drilling of wells, financing agricultural schools and experimental farms; (*c*) great improvement in transportation, in order to facilitate movements of produce to market and for export; and (*d*) export of greater quantities of Yemen coffee and Hofuf dates, every effort being made to see to it that the farmers, workers and middlemen get a good share of the profits, rather than having all the wealth accrue to the rich merchants and nobles. The British can be of assistance in helping to raise the standard of living of the people of the Arabian Peninsula by removing restrictions to trade which have grown up around their control of certain strategic areas, such as Aden and Bahrein, particularly in connection with the sterling bloc.

[Here follow discussions of Saudi Arabia where industrial development had taken place in the past fifteen years and where it was reasonable to presume that further industries would be developed to supply the country's basic needs, and of Yemen where it was expected that primitive industrial establishments would develop.]

Other Arabian States

Kuwait, Qatar, the Trucial Coast, Muscat and Oman are so primitive that any industrial development in these areas, other than the development of oil, will have to wait for some time.

It was long the British policy to keep the people flanking the sea route to India in a state of primitive economy. The United States has rather the opposite point of view, however, and is anxious to develop the agriculture, industry, and trade of an area like the Arabian Peninsula. This is based on the theory that the more developed an area becomes the more it can produce, the more it will buy from the United States and other countries of the world, thereby increasing the sum total of world trade, and prosperity. This American policy of pushing the economic development of the Arabian Peninsula may run counter

to British thinking. It should be possible, however, to show the British that our policy is to their interest in the long run.

[Here follow discussions on these subjects:

Ethiopia whose development plans were said to be severely limited by shortages of dollars and technicians. The Department expressed itself as long sympathetic to the solution of both problems;

Turkey, which was said to need "sounder integration of the nation's economic potentialities, with emphasis on the basic necessities upon which a sound national economy must rest, rather than on spectacular undertakings in imitation of the most modern achievements of the more mature Western economies." Singled out as a fundamental to national economic advancement was an efficient road system. Turkish need for "expert guidance in the planning and execution of economic projects" was also pointed out;

Iran whose most important and immediately feasible projects were said to be in the agricultural field where production would be enormously increased through improved farming, better stock breeding, introduction of new crops, and increasing the area of cultivated land by irrigation; and

Afghanistan where the Department expressed its great interest in the success of the Morrison-Knudsen Corporation, an American firm, in construction of roads, bridges, dams, hydroelectric plants and irrigation works under contract with the Afghan Government.]

The Dollar Sterling Problem

"The Dollar-Sterling Problem in the Middle East" is an appropriate label for an aggregation of problems whose chief feature is shortage of dollars, inconvertibility of sterling assets, or both. In essence these problems constitute a large part of the impact on the Middle East of the world's war-time dislocations, and post-war readjustment difficulties. No complete solution to these problems is to be looked for until Britain has recovered from its financial difficulties, European economic reconstruction has been achieved, and the related problem of the balance of payments of the United States ameliorated.

Current action toward these Middle Eastern problems can largely be only ameliorative. Nevertheless the scope for amelioration is substantial, and provides opportunity for close Anglo-American cooperation.

The character of these problems is clarified by a review, in broad outline, of the developments which have mainly brought them about. Already long before the war a dollar shortage had been manifested. This was in the sense that larger purchases from the US were desired, and presumably would have been made, if local currencies could more readily have been converted into dollars.

This basic problem of the American balance of payments has been seriously augmented by the war, in the Middle East as elsewhere. During the war imports from the United States provided in large measure the only available source for import requirements (aside from such substitutions as local production could provide). European industry was out of the picture, and British production was practically limited to British domestic and military requirements. As a result American commerce "captured the markets" of much of the Middle East, (to use a common but misleading phrase). Meanwhile in various Middle Eastern countries, particularly in Egypt, British purchases for the military services resulted in substantial accumulation of sterling credits which could not be expended because of a lack of goods to purchase.

Now there exists substantial demand for imports of many varieties. These include materials for construction and development, and articles and supplies for current consumption. This demand arises out of need for meeting expenditures deferred during the war; out of accumulations of war-time earnings, and perhaps out of certain stimulations to living standards which those earnings brought about.

But the demand meets a shortage of supply. The United States continues to be the principal, sometimes the only source of supply for many items of industrial and other import requirements. In the United States, this foreign demand must compete very generally with heavy domestic demand which the production is often unable to satisfy. Until European production has made great strides in revival, Europe's industries cannot resume their function in supplying Middle Eastern and other foreign markets. Although the British export drive has achieved remarkable size, it is insufficient to meet the urgent requirements of the United Kingdom; its proceeds are as yet insufficient to pay for Britain's current import requirements of food and raw materials. British exports must go so far as possible where they can earn the currencies needed to pay for British import requirements. They cannot yet go far to liquidate Britain's sterling debts in the Middle East or elsewhere.

In the meantime the physical aspects of this problem of world-wide reconstruction and production are masked by the prevailing phenomenon of dollar shortage and inconvertible sterling. The fact that dollars are limited and hard to get, and that only limited amounts of sterling can be used or converted to dollars for use in making current payments, conceals the underlying fact of production shortage.

Fundamentally therefore the dollar-sterling problem of the Middle East is a facet of the world-wide problem of economic reconstruction, recovery, and readjustment. The frozen sterling credits in the hands

of Middle Eastern Governments and peoples, and their difficulties in obtaining dollars in the amounts they would like, is a part of the impact upon them of the problems of recovery from war. Therefore no immediate over-all solution is conceivable. The whole problem has to be worked out.

Nevertheless, there is substantial scope for temporary alleviations and technical improvements which may result in appreciable relief, and which may also contribute to the longer-range solution if technically sound and properly administered. These measures of alleviation include action along the following lines:

1. Increase in United States imports where supplies are available, as for instance increases in our imports of long staple cotton from Egypt by raising the import quota administered by the United States Tariff Commission.
2. Technical and financial measures including improved foreign exchange control, to prevent escape of hard currency earnings and illegitimate capital movements through black markets.
3. Acquisition of more direct control over the dollar earnings from exports to the United States. For instance, the Yemen might recover directly a proportion of the dollars paid for its exports of coffee to the United States through Aden. Likewise, Iraq might improve dollar revenues from indirect exports of wool to the United States through Syria or from date exportations through the British date monopoly. Nevertheless in considering such possibilities, it must be borne in mind that these do not necessarily give rise to new supplies of dollars; in so far as they constitute a diversion of dollars from British or other recipients they augment the dollar difficulties of the latter.
4. To the extent it may be found appropriate in specific cases, alleviation may be achieved through international financing. Possibilities include recourse to the International Monetary Fund, to the International Bank, and to the Export-Import Bank, wherever the circumstances are such as to make such financing feasible and acceptable.
5. Finally, there is the possibility of devising ways and means to encourage the resumption of private financing, particularly to tap United States resources of private capital export. Until great advance has been made in reestablishing the conditions of political stability and international security necessary for such outflow of private capital from the United States, no great results are to be expected. Nevertheless it is not too early to consider the possible projects and the ways and means by which this flow might at least be persuaded to begin.

The character of the dollar sterling problem in certain Middle Eastern countries, where this problem is particularly acute, and in certain other countries where it is not equally acute but takes a different form, is outlined in the following sections.

[Here follows a discussion of the dollar sterling problems of Egypt, Iraq, Turkey, Syria and the Lebanon, French North Africa, Saudi Arabia, Yemen, and Afghanistan.]

Technical and Economic Aid to Middle Eastern Countries

By various means the United States and the United Kingdom have been and are rendering technical and economic, including financial, assistance to the countries of the Middle East to aid them in handling local problems. This assistance has taken many different forms. In some cases it is rendered by the Governments, in others by private interests. A survey of the principal items of such aid indicates its nature. This survey excludes the special programs of United States aid to Greece and Turkey.

An important means of providing American technical assistance to Middle Eastern areas will become available if and when legislation is enacted by the Congress which will enable the Department to supply American technical personnel in response to requests from Middle Eastern Governments, on the same basis that such technical assistance is given to the American Republics.

[Here follows a discussion of technical and economic aid by the United States to Turkey, Ethiopia, Egypt, Saudi Arabia, and Iran during and after World War II, including lend-lease aid, surplus property credits, loans of silver, Export-Import Bank loans, technical missions, and the like. Included also is an account of British aid to Ethiopia.]

Petroleum in the Middle East

The major American economic interest in the Middle East relates to the development and exploitation of petroleum resources. In addition there are some questions involving petroleum transportation and marketing.

The major petroleum developments of the area are in Iran, Saudi Arabia, Iraq and other Arab States on the Persian Gulf. Exploration for petroleum resources is active however, in other Middle Eastern areas, including Egypt, Palestine and Ethiopia, and to a moderate extent in Libya, Turkey and Afghanistan. In Iran of course, the Anglo-Iranian Oil Company is the outstanding producer; the question of a concession to the USSR in the north is a serious and delicate matter. Oil marketing questions in the area involve principally Egypt and are primarily an aspect of the problem of dollar shortage and inconvertible sterling. Oil transportation problems concern principally the construction of pipelines from Saudi Arabian and other Persian Gulf sources to the Mediterranean.

The importance of oil production to the economic life of the primitive pastoral states of the Arabian Peninsula can not be overestimated. Although private companies are being relied upon to see to the development of this oil, it is important to the United States and United Kingdom that the companies handle their labor relations in a modern man-

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ner, and if at all possible that the enormous royalties to be derived from these oil concessions be used in a way that is most beneficial to the peoples of the countries where the oil is found. It is important that the Americans refrain from engaging in other activities that assume proportions of dominating the local economics, and that that they plan to release acreage under concession which they have no reasonable anticipation of developing.

Pipelines

It is essential that Kuwaiti and Saudi Arabian oil be brought to the Mediterranean as cheaply and easily as possible. The Trans-Arabian Pipeline Company, a subsidiary of Aramco has been formed and has obtained the right of way for a pipeline to run from Dhahran through Transjordan and Syria to Sidon in Lebanon. Kuwait oil will be tapped into a new pipeline which is being built from Abadan. The facilities of IPC are being enlarged.

The chief immediate problem relating to the construction of the pipelines is the supply of steel pipe, due to competing domestic requirements in the US. With our strong support, however, an export allocation for an initial 20,000 tons of pipe during the first quarter for the Aramco project from Saudi Arabia to the Mediterranean has been issued, so that construction can be initiated.

It is understood than an application is being sponsored informally by the Standard Oil Company of New Jersey to the Export-Import Bank for a loan to cover the construction of the Middle East pipeline to transport oil from Kuwait and/or Iran to the Mediterranean.

Saudi Arabia

The Arabian American Oil Company, a 100% American owned corporation, is now holding the Arabian concession which covers oil in most of the probable oil bearing areas in that country. Approximately 1200 Americans live at Dhahran where the general offices are located, at Ras Tanura on the Persian Gulf where there is an oil refinery and a loading pier, and at Abqaiq, the largest oil field in the area. Approximately $150,000,000 has been expended by Standard of California and the Texas Company, the original owners of Aramco, and has gone into pipelines, wells, refinery and housing and other accommodations for the workers and officials of the Company. Standard of New Jersey and Socony Vacuum are negotiating for a substantial interest in Aramco. Around 265,000 barrels of oil a day are being produced at the present time. A pipeline has just been started from Dhahran to Sidon on the Mediterranean. On its completion production will be stepped up to more than 400,000 barrels a day. Present royalties are running at the rate of $19,000,000 a year and it is expected that they may reach

$50,000,000 at the end of ten years. About 7,000 Arabs are employed directly by the oil company.

It is essential that the development of this enormous natural resource be allowed to continue and that the United States and other friendly nations have access to it. For this to occur, it will be necessary to keep the goodwill of the King and other important Saudi Arabs and to prove to them that American business initiative is developing the oil of Saudi Arabia in the best possible way for the Government and people of that country. If the present trend of developments is not upset by political happenings in Palestine, or by Russian infiltration from the north, and if the royalties are used constructively to advance the interest of the country as well, then the future of the Saudi Arabian oil concession is very great.

Bahrein

The Texas Company and Standard of California also own Bahrein Petroleum Ltd., which is exploiting the resources of Bahrein Island, much more limited than those of Saudi Arabia. Here American business initiative and British skill are working together in a way to provide the natives of the island with order, medicine, education and a rising standard of living. The concession agreement, under which a certain amount of the royalties are set aside to be used by the British on improvements, should be studied in connection with drawing up contracts for oil development in other parts of the Peninsula.

Kuwait

The Gulf Oil Company has a half interest in Kuwait Oil Company, Ltd. Although the British have long objected to the exploitation of this field, the demand for oil has now become so great that it can be expected Kuwait will soon become a major producer. Like Bahrein, Qatar and the Trucial Coast, the Government of Kuwait has placed the handling of its foreign affairs in the hands of the British, a factor which complicates the economic as well as the political picture in those areas. No concession has as yet been granted for the Kuwaiti half of the Kuwait Neutral Zone. Besides the Iraq Petroleum Company, the Royal Dutch Shell Company and several American oil companies are actively negotiating for this potentially rich concession.

Qatar

The sparsely habited promontory of Qatar, the six petty Shaikhdoms which make up the Trucial Coast, and Oman & Muscat are under concession to Petroleum Development Company Ltd., a subsidiary of Iraq Petroleum, in which Socony Vacuum and Standard of New Jersey each have 11.75% interests. Development work has at last been started in Qatar, and it would be desirable to induce Petroleum Development

Company, Ltd., either to start work in their other areas or else to relinquish its concession.

Yemen

There is reason to believe that there is some oil in Yemen, although the area has been little prospected. No concessions as yet have been granted there. Superior Oil and the American Independent group are both interested in a concession. It seems probable that within the near future, American oil interests will be prospecting in Yemen.

Iraq

Development of petroleum resources of Iraq has been active for a longer period than in other Arab States. The Iraq Petroleum Company was organized as an international consortium based on shares in oil and is owned 23.75% each by Anglo-Iranian Oil Company, Anglo-Saxon Petroleum Company,[31a] Compagnie Francais de Petroles, Near East Development Corporation and 5% by Mr. C. S. Gulbenkian. While production of petroleum and its exportation through pipelines to Beirut and Haifa have been in active operation for some years, it is believed that the petroleum resources of Iraq should be developed on a broader scale than heretofore with a view to augmenting the means for economic development of Iraq and safeguarding its interests. For the purpose of assuring the producing country equitable benefits and reasonable compensation for the contribution of its natural resources, it is felt that the Iraq Petroleum Company should market low-cost indigenous products in Iraq at prices computed in relation to local costs of production, refining, and marketing; that labor should be fairly and reasonably compensated, that maximum employment should be effected of local native skills, that training programs should be instituted and that other measures should be initiated which would strengthen the local economy and raise the otherwise relatively impoverished standard of living.

[Here follows a discussion of prospects for major oil development in Egypt, where possibilities were considered extremely remote, and in the Levant States, where they were regarded as limited.]

Palestine

Drilling is now being conducted by a subsidiary of Iraq Petroleum Company in Southern Palestine. Thus far Palestine's oil resources are unproven.

A pipeline from the oilfields in Northern Iraq terminates at Haifa where there is a refinery. The latter has suffered damage on several occasions as a result of the political troubles in Palestine.

[31a] A component of the Royal Dutch-Shell Oil Company.

Ethiopia

The Sinclair Oil Company has a concession for the development of Ethiopia's oil resources. The Company is now rapidly moving equipment and personnel into Ethiopia, preparatory to commencing active drilling operations in the Ogaden Province in the near future. This operation raises several points involving British and US cooperation:

1. The maintenance of law and order in the Ogaden district in the event that the British withdraw in the near future.
2. Pipeline rights in neighboring British territories in the event that the Company finds oil.
3. Ethiopia as a possible alternate source for oil in the event of trouble in the Middle East.

Libya

The Standard Oil Company of New Jersey (Egypt) has undertaken to do geological survey work in Cyrenaica. Late in July 1947, however, the British Military Administration authorities in Libya requested that this activity cease. The action of the military authorities is believed to be based on a ruling of the British Ministry of Fuel and Power that prospecting for oil is prohibited.

[Here follows a paragraph on the prospects for discovering oil in Libya, which were considered to be fair.]

Turkey

There is no commercial production of petroleum in Turkey at the present time. [Here follows remainder of paragraph on oil exploratory activities by the Turkish Government.]

Iran

I. British and US Attitude Toward Iranian Oil Concessions to the USSR.

While the US and the UK agree that any Soviet oil concession in Iran would doubtless lead in the direction of Soviet domination of Iran, there are certain divergencies of view between the two Governments as to how best to meet the current Soviet demand for an oil concession in Iran. The official position of the United States is that Iran should make its own decision and we will support them in their choice. The United Kingdom on the other hand have indicated the view that Iran would do well, should the Majlis desire to refuse the Soviet oil concession, to mollify the Soviet Union in some way by leaving the door open to further negotiations.

While Mr. Bevin has stated that he desires that the United Kingdom keep in step with the United States in this matter, and while the Foreign Office and State Department officials seem to share the same views, it is probable that Mr. Bevin is responding to pressures of the Labour

Party and British oil interests in directing that a mild British stand be taken in this case. The United States and the United Kingdom are at one in their resolve to support action in any justifiable charges of Soviet interference in the internal affairs of Iran.

[Here follows Section II entitled "Future Oil Concessions in Iran."]

Afghanistan

An Afghan concession to an American company (Inland Exploration Company Seaboard Oil) for development of known oil deposits was allowed to lapse with the onset of World War II. Since the war, repeated Afghan efforts to interest American developers have been unsuccessful. In 1946 the Afghans proposed to exploit their oil themselves but with American technical advice and equipment. Later this plan was suspended in view of Soviet sensitiveness. The Afghans have recently revived plans for oil and mineral development with an offer to grant concessions on a basis of up to 50% outside (American) investment.

[Here follows a discussion of various aspects of the Afghan petroleum situation.]

Development of U.S. Aviation in the Middle East

In general, no very serious problems affect the development of United States aviation policy in the Middle East. On the whole the development of intergovernmental aviation relations, agreements, etc., and the development of the United States overseas aviation network are proceeding satisfactorily in the area.

A principal exception with respect to intergovernmental relations may perhaps be seen in the circumstance that it is not considered judicious to press the Middle Eastern Governments, which are members of the Arab League, for action in regard to air conventions, etc., at the present time when their general attitude toward the United States is affected by the Palestine problem.

With respect to the aviation network, there are some individual circumstances to which attention should be called. These are indicated below under country headings.

[Here follows a review of aviation matters in various Middle Eastern countries, including a discussion of the Saudi Arabian Airline and Iranair, both of which were operated by Transcontinental & Western Air, Inc., under technical assistance contracts, and of other local airlines in Egypt, Iraq, Syria and Lebanon, Greece, Iran, Ethiopia, and Libya.]

American Economic Interests in the Middle East

Except for the large and important American interests participating in the development of Middle Eastern oil resources, American

economic interests in the area are not particularly outstanding. Trade relations are of some importance. Although the Middle East generally (excluding India in the present connection) does not account for a major share of U.S. import and export trade, the trade is far from negligible. The Middle East is the source of some fairly important specialty requirements for U.S. import trade such as dates, figs, coffee (specialty grades), long-staple cotton and oriental rugs. The expansion of these imports would provide a most useful source of increased dollar exchange for the area.

This question of dollar exchange is fundamentally part and parcel of the very large and intricate problem of the U.S. dollar balance of payments in international relations, as a whole. This problem appears in the Near East particularly in the form of a dollar-sterling exchange problem (see discussion of this subject under The Dollar Sterling Problem). For instance the Yemen might acquire desired dollar exchange by direct trade to the U.S. instead of through Aden. Unless, however, this were effected in connection with an increase in U.S. imports of Yemen coffee the result would be to intensify somewhat the difficulty of the British sterling–dollar problem. Nevertheless in principle there is advantage to be seen in the development of direct trade relations whenever U.S. trade with the area concerned is of sufficient size and value to warrant.

The principal aspects of U.S. economic interest in the area are discussed below by individual countries.

[Here follows a review of United States economic interests in Saudi Arabia, Yemen, Bahrein, Kuwait, the Trucial Coast, Iraq, Egypt, Syria and Lebanon, and Iran.]

British Economic Interests in the Middle East

If endeavor is made to assess the influences which seem likely to bear upon any decisions by the British Government as to the extent to which they will endeavor to maintain a position of influence in the Middle East, consideration naturally must be given to British economic interests in the area. Their outstanding interest is of course in the Anglo-Iranian Oil Company operations in southern Iran. The size of this operation and its importance in the supply of British petroleum requirements is such as to make it difficult to believe that any British Government would willingly leave its interests there (or in the nearby oil producing areas on the Persian Gulf) unprotected.

In addition to petroleum interests, however, the United Kingdom has many other economic interests of miscellaneous nature in the area. These include, banking, insurance, aviation, shipping, construction, and mining interests, all of which can be considered as serving to some extent to anchor British interests in the area. How strong these anchors

are it is of course impossible to estimate. British service in banking, insurance, shipping, ship agencies, etc., are predominant over all the entire Arab area with the exception of Lebanon and Syria. As the historic conditions which favored British financial, commercial and other developments in the area change, the influence of these interests as anchors may be considerably altered.

The principal interests of this nature are outlined country by country in the following paragraphs.

[Here follows an account of British economic interests in Iran, Greece, Turkey, Iraq, Saudi Arabia, Yemen, other Arab States on the Persian Gulf, Syria, Lebanon, and Egypt. Although British economic activities in Saudi Arabia were small compared to American enterprise there, they made valuable contributions to the Saudi economy and "it is desirable that the British remain economically active in the country and even expand their participation, so long as this is not on the basis of an economic sphere of influence." In connection with the Persian Gulf States of Kuwait, Qatar, the Trucial Coast, Oman and the Hadhramaut, "British influence has been largely a 'dead hand.' The world demand for oil, plus American representation in the oil companies involved, is beginning to bring about activity in Kuwait and Qatar. We hope that competition from American capital and enterprise will stir the British into greater economic activity in these outlying areas." Noted also was the British tendency to keep Yemeni trade "bottled up behind Aden. This situation should be corrected, perhaps by the development of a Yemeni port on the Red Sea."]

Organized Anglo-American Cooperation To Handle Economic Problems of the Middle East

Some of the British officials in London who have been studying the question of Anglo-American cooperation in the Middle East, according to reports from the American Embassy in London, have favored the establishment of some formal Anglo-American organization in the area through which cooperation in economic matters would operate. Recent reports indicate that the views of others who favor informal cooperation are at present in the ascendant.

It is possible however that the idea of formally organized cooperation has not been entirely abandoned and may again be brought forward. Presumably any such proposal would be patterned along the lines of the British Middle East Office in Cairo "with its staff of agricultural, labor, health and statistical advisers whose services are at the disposal of any of the Middle Eastern countries who wish to consult them". (Quoted from Mr. Bevin's memorandum to the Secretary of State of March 1947).[32]

[32] See p. 503.

Organized cooperation with the British in the area had a precedent in the Middle East Supply Center (MESC), which was created during the war period for the primary purposes of conserving British and American shipping and supplies and at the same time assuring that the peoples of the area were provided with basic essentials. The control functions were supplemented by important advisory and technical services designed to improve the economies of the several Middle Eastern countries and to contribute to their self-sufficiency. While the MESC's operations as a wartime agency were highly successful, it is true that most if not all of the countries looked upon the organization as restrictive, and evidenced little appreciation for the development work that was done. It is primarily for this reason that British proposals for continuation of the advisory services were rejected by the United States.

There are a number of objections to creation of an official central Anglo-American organization for economic cooperation in the Middle East. It would be difficult to agree to the creation of such an Anglo-American agency while at the same time sustaining our objection to the creation of an Economic Commission for the Middle East under United Nations auspices, as proposed in the resolution recently introduced by Egypt in General Assembly. The creation of an Anglo-American institution of this nature would probably be received with little enthusiasm, even perhaps with resentment by the countries of the area, to whom it might very well appear to be [an] effort to impose Anglo-American ideas and purposes upon them. Moreover, the idea of establishing a central United States agency in a single Middle Eastern location such as Cairo, to deal with economic problems for the whole area, has been considered in the Department and rejected in favor of economic coordination in Washington and direct relations with the various United States Missions in the area.[33]

It is believed that British and American economic objectives in the area can best be served through continuation and development of free and informal collaboration between the representatives of the two Governments rather than through any formal organization.

Proposed Establishment of an Economic Committee for the Near East by the United Nations Organization

The establishment under United Nations auspices of the Economic Committee for Europe (ECE) and of the Economic Committee for the Far East (ECAFE) has lead to proposals that there be established a corresponding Economic Committee for the Middle East (ECME). Within the last few days this has crystallized in a resolu-

[33] For documentation on this subject, see *Foreign Relations*, 1945, vol. VIII, pp. 33 ff.

tion introduced in the General Assembly by Egypt. This resolution invites the ECOSOC to study the establishment of an Economic Commission for the Middle East (See Annex 17 for text of resolution [34]).

Advance notice of Egyptian intention to introduce such resolution was given to the American Embassy in Cairo early in September 1947. The Department was accordingly able to formulate its position on the subject. This position, which has not been communicated to any other Governments, is set forth in a "Position Paper of September 25, 1947" [35] (Annex 18).

Briefly our position is to discourage the establishment of such a Commission at this time and to recommend referral of specific proposals for such establishment to the Economic and Social Council for consideration, preferably without prior discussion in or recommendation by the General Assembly as to the merits of the proposal.

The reasons for our position are in summary as follows: that there are no reconstruction problems in the area comparable to those of the other areas; that the economies of the countries involved are not complementary to each other; that previous attempts for creation of joint economic machinery in the area have failed because of lack of economic justification (a proposed Near [*Middle?*] Eastern Agricultural Body (MEAB) was never developed, and the Economic Committee of the Arab League has not been very active); and that no great support for the proposed Commission is expected unless the question becomes one of prestige.

In addition, the United States position takes account of serious political difficulties involved, including: the encouragement of the USSR to take a hand in the area through membership on such a Commission; the consequent embarrassment of Turkey; the uncertain development of the Palestine situation; a possible French claim to membership which would be likely to produce friction with Syria and Lebanon; lack of clarity as to the Iranian position; and the problem of Indian membership, India being also a member of the Economic Committee for the Far East.

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[34] Annex 17 gives the resolution as incorporated in telegram 969, October 9, from New York, not printed.

[35] Not printed.

NEA Files: Lot 55–D36

Memorandum of Conversation, by the Chief of the Division of South Asian Affairs (Hare)[1]

TOP SECRET [WASHINGTON,] October 9, 1947.

Participants: Mr. Henderson, NEA; Mr. Hickerson, EUR; Mr. Kennan, S/P;[2] General Norstad;[3] General Gruenther;[4] Admiral Sherman;[5] Mr. Wailes, BC;[6] Mr. Hare, SOA.

The above-mentioned persons met on October 9 for preparatory discussion regarding prospective talks with the British on the Eastern Mediterranean and the Middle East, and the following represents the consensus of their opinions:

1. It is very important that "British uniforms" should be kept in Greece. Realizing the difficulties under which the British Government labors in this matter, however, we should not press for a binding agreement for the retention of British troops in Greece, but should make it clear to the British that we are proceeding on the assumption that their troops will in fact be retained.

2. The use of American troops in Greece would present virtually insuperable obstacles.

3. The decision taken in August, 1946, regarding the determination of the United States to resist overt Soviet aggression against Turkey should apply with equal force to the Eastern Mediterranean, including specifically Italy, Greece, and Iran, as well as Turkey. The British should be informed to that effect on the understanding that such represents the current thinking of our negotiators but not accepted policy.

4. The British should be told that we intend seeing the Greek affair through, and that we will recommend that we [*they?*] do not pull out on July 1, 1948.

5. As matters now stand the British have the only military bases in the Middle East. We have none and should not take steps to acquire any. This does not exclude the possibility, however, that we might eventually accept the responsibility for establishing bases in the area in the event that Soviet aggression should reach a point where such action

[1] Read by Under Secretary of State Lovett at a meeting with Mr. Henderson and John D. Hickerson, Director of the Office of European Affairs, on October 16.

[2] George F. Kennan, Director of the Policy Planning Staff.

[3] Lt. Gen. Lauris Norstad, Deputy Chief of Staff for Operations, United States Air Force.

[4] Maj. Gen. Alfred M. Gruenther, United States Army.

[5] Vice Adm. Forrest P. Sherman, Deputy Chief of Naval Operations (Operations).

[6] Edward T. Wailes, Chief of the Division of British Commonwealth Affairs.

on our part would be clearly welcomed by the countries of the Middle East.

6. We should use diplomatic influence with the Egyptians in order to induce them to come to an agreement with the British by virtue of which, assuming that the British consent to evacuate Suez, arrangement would be made for re-occupation of the Suez base area in an emergency. At the same time, we might find it advisable to intimate to the British our feeling that it would be unwise to insist on conclusion of a treaty as a *quid pro quo* for evacuation; the more logical sequence would seem to be to decide on evacuation first, in order to clear the air, and then proceed to negotiate a new treaty.

7. Our acceptance of the apparent inevitability of the British evacuation of Suez does not apply to the Sudan.

8. The negative response which we have hitherto made to the Egyptians in respect of the furnishing of military assistance to Egypt might be replaced by an indication of a more cooperative attitude on our part as a means of reinforcing our diplomatic representations to the Egyptians, with a view to inducing them to become more receptive to the idea of a mutual assistance pact with the British.

9. Greater attention should be directed to the sheikdoms, sultanates, etc. in Southeastern Arabia, south of the Persian Gulf, where oil development might be tied up with the installation of "ghost" airfields, which would provide defense in depth and at the same time be accessible by sea. A "loosening up" by the British in respect of this area would be welcome.

10. Cyrenaica is a strategically key area in the Mediterranean, and the building up of a British base there would be highly desirable, particularly in the light of prospective British evacuation of Suez. This would necessitate the evolving of some political arrangement which would make it possible for the British to remain in that area. The disposition of Tripolitania, however, remains an open question.

11. The cession of Eritrea to Ethiopia and the Sudan, and the amalgamation of British and Italian Somaliland under a single British trusteeship merits consideration, but decision in this respect was reserved, having particularly in mind possible reaction in Italy. It was generally agreed, however, that we suggest to the British that they take a more kindly view of the Italians generally. It was further agreed that the questions of the various Italian colonies should be treated by individual colonies, and not as a whole.

12. The effective use of Trans-Jordan as a base will be vitally affected by its accessibility to the Mediterranean littoral via Palestine. This, in turn, makes of particular importance such final decisions as may be made regarding the allocations of territory to the Arabs and Jews under the proposed partition plan.

13. Any plan for Palestine which might give the Russians a foot in the door in that area would be dangerous and should be avoided.

NEA Files: Lot 55–D36

Memorandum Prepared in the Department of State

TOP SECRET [WASHINGTON,] October 16, 1947.

SUGGESTED REMARKS BY THE ACTING SECRETARY AT THE OPENING OF THE US–UK TALKS ON THE MIDDLE EAST [1]

MR. AMBASSADOR: We are very happy indeed to have this opportunity to talk over frankly and informally some of our mutual problems relating to the Mediterranean area and the Middle East. We appreciate the fact that Mr. Wright,[2] Mr. Greenhill,[3] General Hollis,[4] Mr. Mallaby,[5] and Air Vice Marshal Foster [6] have been willing to come to Washington for these talks rather than our going to London.

You will recall that during the numerous exchanges of views between our two Governments in recent months with respect to withdrawal of British troops from Greece, Mr. Bevin informed Ambassador Douglas that one of the important considerations which influenced his Government in this connection was the fact that the policy of the American Government in the Middle East was unknown to the British Government. Mr. Bevin then went on to suggest that the two Governments jointly review the whole position in the Middle East, including Cyrenaica, Egypt, Palestine, Iraq and Persia, for the purpose of arriving at a "gentlemen's understanding" on a common policy and joint responsibility throughout the area.

It is our understanding that these talks are to be quite informal and that the participants, at least during the early stages, are to be free to exchange views without in any way committing their Government. In order that these discussions may have the widest scope, it is my suggestion that a series of meetings be arranged in which Mr. Henderson, Mr. Hickerson, Mr. Kennan, Mr. Wailes and Mr. Hare, with such assistants as they may call upon for aid from time to time, will represent the Department of State, and in which the Embassy will be represented by such persons as you may care to designate.

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[1] A marginal notation states that the suggested remarks were "Delivered by close paraphrase or reading."

[2] Michael R. Wright, Assistant Under-Secretary of State in the British Foreign Office.

[3] Denis A. Greenhill of the Middle East Secretariat of the British Foreign Office.

[4] Lt. Gen. Sir Leslie Hollis, Chief of Staff to the British Minister of Defence.

[5] Presumably Howard G. C. Mallaby, Assistant Secretary in the Offices of the British Cabinet and Minister of Defence.

[6] Air Vice Marshal R. M. Foster, Assistant Chief of the Air Staff (Policy).

It will probably be found helpful for representatives of the military to attend some of these meetings as observers. Furthermore, the military undoubtedly will desire to hold a number of conversations regarding strategic matters without diplomatic attendance. Attendance at all of these various meetings can be arranged on an informal basis. The participants can keep in touch with their superiors and the military and the political representatives can also maintain close contact so that from their talks it might be possible for suggestions and recommendations to emerge which you and I can consider at subsequent meetings.

I also suggest that no minutes be kept of the various discussions although anyone can make such notes as he may consider helpful. If decisions are made or understandings arrived at, they will of course eventually be reduced to writing in order to obviate so far as possible misunderstandings with regard to their nature.

In view of the false significance which undoubtedly would be attributed by certain elements to these discussions if it should become known that they are taking place, it is extremely important that every practical measure be taken to keep the fact that we are holding them from becoming public. It has therefore been suggested that future meetings to be attended by the military be held in the Pentagon Building where it is easier for privacy to be maintained.

We are agreed, I believe, that our talks are to cover the Middle East and certain areas of the Mediterranean, with Greece and Turkey included, where necessary, as any strategic review of the area could not ignore these two key countries.

The primary objective of our talks, according to our understanding, is to enable each of the two governments, in the interests of world peace, to have a better understanding of what the policies of the other government are with regard to the areas under discussion and to coordinate, wherever possible, these policies with the purpose of promoting the security of those areas and the welfare of the people inhabiting them.

It is clear that any helpful exchange of views regarding our respective policies must be in the framework of a common concept of the strategic situation of the areas under discussion. We hope that with the aid of the military each government will have clearer ideas regarding the strategic situation before our discussions come to a close. Discussions regarding the strategic situation will, I assume, be based upon our common determination to discourage aggression and to maintain the security of the areas under discussion, the preservation of which is vital to the maintenance of world peace.

Our talks of a political and economic nature, similarly are for constructive purposes. It is, I understand, our common desire to work together towards the end of assisting the countries of the areas to maintain their political independence and territorial integrity. It is also our common desire to assist the peoples of these areas in attaining higher standards of living and culture so that they will be able to contribute more effectively to world prosperity and to the cause of world peace.

It is our view, and your very presence here causes us to believe that it is also your view, that our respective governments will be facilitated in their efforts to aid in raising the economic and cultural levels of the countries of the Eastern Mediterranean and the Middle East if their approach to the problem is coordinated. In the present world situation it is extremely important that the contributions of an economic and cultural nature which each of our governments may make to the Eastern Mediterranean and the Middle East should be complimentary rather than conflicting. In these times we can not permit the growth of petty rivalries of [*or?*] small-minded competition to handicap our efforts. We believe that it is possible through mutual understandings of our respective policies to bring about and maintain a spirit of cooperation in the economic and cultural spheres which would guarantee the maximum results of our efforts and at the same time not in any way restrict the freedom of international economic and cultural intercourse of the peoples of the Eastern Mediterranean and the Middle East.

We have not prepared any set agenda for this meeting and we would now be happy to hear any views which you may wish to express with regard to our procedure or the subjects to be discussed.

NEA Files: Lot 55–D36

Draft Notes for Remarks by the United Kingdom at the Opening of the United States–United Kingdom Talks on the Middle East

TOP SECRET [WASHINGTON, October 16, 1947.]

MR. ACTING SECRETARY OF STATE: We on our side are equally happy to have this opportunity to talk over frankly and informally our common problems relating to certain areas of the Mediterranean and the Middle East. We are in full agreement on the scope and objectives of these talks as you have stated them. We agree also on the procedure which you suggest. Our representatives at the meetings with members of the Department of State will be Sir John Balfour,[1] Mr.

[1] British Minister in the United States.

Wright, Mr. Allen [2] and Mr. Bromley,[3] with such assistants as they may call upon from time to time. Military representation at these meetings, and conversations between military representatives without the attendance of the political representatives can be arranged as you suggest.

And now I may perhaps say a few words to indicate the general lines on which our minds are working.

There lies between the western countries and the countries which are Communist or Communist controlled, a [kind of] [4] crescent of middle lands stretching from Scandinavia through Europe, the Middle East and South East Asia to the Far East, whose orientation will either be towards Western ideas or towards Communism. It is in our view essential that the approach of our two countries towards these peoples, on whom the preservation [issues] of peace so largely depends, should be co-ordinated and that we should work together on a constructive basis in a spirit of complete understanding and co-operation.

In these [particular] talks we are concerned with one segment of this crescent, namely the Eastern Mediterranean and the Middle East.

In this segment we on our side are confronted with a number of problems which are of vital importance to our future and to the future of peace. On one or two occasions lately [in recent past] you have said to us reproachfully that we have only informed you at the last moment of decisions we had taken on matters of interest to us both. We want to be sure that in the area which we are now discussing there should be no ground for such reproach between us. We should like to have the fullest possible consultation and discussion with you before we crystallise our own policy and take any final decisions.

Our basic problem in the Middle East is as follows. Our Chiefs of Staff inform our Government that in the event of any major power violating the Charter and resorting to war, the Middle East will, as proved to be the case in both the last wars, be a strategic theatre second only in importance, or perhaps equal in importance, to the United Kingdom. The reasons which they adduce are not merely that the Middle East is a vital theatre of communication for the Commonwealth, or that it contains vital supplies of oil, although both these reasons are valid. But they adduce the still more important argument that in meeting future aggression conditions of modern warfare will not permit of merely passive or even active defence, but require counter

[2] William D. Allen, Counselor of the British Embassy.

[3] Thomas E. Bromley, First Secretary of the British Embassy.

[4] The bracketed portions in this paper seem to represent insertions or changes in the original draft notes and were presumably included in Lord Inverchapel's actual remarks.

offence. The Middle East is perhaps the one area from which offensive action could be taken, both to relieve the pressure of attack on the United Kingdom and from which to strike at the aggressor where he is vulnerable.

The Chiefs of Staff go on to say that if the Middle East is to play this role in action against a possible aggressor it is essential, as was again proved during the last war, for us to maintain strategic facilities in the Middle East in peace time. In other words, we must not only maintain bases in Africa, at Aden and at other places within reach of the Middle East, but must have advanced bases in peace time in the Middle East area itself.

But if we are to possess the strategic facilities in the Middle East in peace time, they must be located somewhere.

We are therefore brought squarely up against a perfectly definite and concrete issue. Either we must obtain or maintain the requisite strategic facilities [in certain definite localities] in the Middle East in peace time or withdraw strategically from the Middle East altogether.

At this point strategy merges with politics. It does not appear probable that we can maintain the strategic facilities we require either in Egypt or in Palestine. We have two air bases in Iraq and hope to reach agreement with the Government of Iraq for maintaining at least modified rights there. We also have treaty rights in Transjordan and there are always possibilities of certain rights in the Persian Gulf. We shall certainly wish to maintain rights in the Sudan. But without Egypt or Palestine these are insufficient, [not enough,] since they would leave us without the essential rights in the southeastern corner of the Mediterranean. The whole question whether we can retain adequate strategic facilities in the Middle East in peace time therefore turns upon Cyrenaica.

Cyrenaica is therefore the first question we want to talk over with you, since upon it so many others depend. There are roughly speaking two means by which we could obtain what we need. The first would be by a British trusteeship for Cyrenaica [in Libya]. This, under the Italian peace treaty, would require either the consent of the four powers within the year or, failing that, the consent of the Assembly. Apart from possible objections on the part of some countries there is the further complication that an ordinary trusteeship would not normally provide for the full strategic facilities we should require, and that a strategic trusteeship would need the approval of the Council. The second course would be to work for the early independence of Cyrenaica, and then to conclude a treaty with Emir giving us the facilities we require. There are of course variants to these alternatives, such as a temporary trusteeship to be followed by early independence

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and a treaty. And lastly there is the possibility that we might prevent any other solution being adopted and simply retain the necessary strategic facilities by default under Article 23 (ii) of the Italian peace treaty.

I need hardly add that the question of Cyrenaica is intimately linked with others. We have to consider the attitude of the Soviet Union, of France, and of the Arab States; and we can hardly take a decision about Cyrenaica without also clearing our minds on Tripolitania and on the future of the other former Italian colonies.

Here perhaps you will allow me to make a suggestion about possible procedure. Since all the other problems in the Middle East are dependent upon this vital strategic problem of bases, and in particular Cyrenaica, might it be wise to have these studied first both from the strategical and the political angle? In other words, the first points we should like to put to you are as follows. Do you agree that it is of essential importance to us both that we [Britain] should remain in the Middle East rather than withdraw? If we are to remain, do you agree that it is essential that we should possess the necessary strategic facilities in Cyrenaica in peace time, in addition to other facilities elsewhere than in Egypt and Palestine? If so, can we work out a common approach to the problem and agree to work together for whatever solution commends itself to us after further study as being the most practicable? And finally, do you agree, in studying the question of Cyrenaica, we should simultaneously study the questions of other bases in the Middle East and of the Italian colonies other than Cyrenaica, all of which more or less hang together? When we have examined these problems, we could go on to examine other problems in the area.

NEA Files: Lot 55–D36

Memorandum by the Chief of the Division of South Asian Affairs (Hare)

TOP SECRET [WASHINGTON, October 16, 1947.]

SUBSTANCE OF RESPONSE OF THE ACTING SECRETARY TO THE BRITISH AMBASSADOR, AT THE FIRST MEETING ON OCTOBER 16, 1947

The Acting Secretary appreciated the helpful presentation of the British Ambassador. We were in agreement regarding Anglo-American coordination of approach in the area to which the Ambassador had so aptly referred as the "great crescent."

We were also in accord regarding the importance to both our countries and to the cause of world peace that the British remain in

the Middle East and that in order to do so they should have facilities in the area to make their position strategically tenable.

In respect of Cyrenaica we understood how important it is for the British to have bases there and elsewhere in the area, and we were prepared to take up Cyrenaica as the first item for discussion with a view to working out a common approach.

NEA Files : Lot 55–D36

Introductory Paper on the Middle East Submitted Informally by the United Kingdom Representatives

TOP SECRET [WASHINGTON, undated.]

The area which we now call the Middle East was for thousands of years the cradle of civilisations and religions. It was the centre of gravity of the ancient world at a time when Europe did not count in the scheme of things. As man began to dominate the more rigorous conditions further north and further west, the centre of political, military and intellectual power shifted westward and the Middle East entered into a long period of decline and decay. But the fundamental geographical importance of the area continued to have its influence on Western European policy and strategy at recurrent intervals through the centuries. Today the world-wide extension of Western interests and responsibilities has again thrown into high relief the vital role which the Middle East has to play in world affairs. Moreover, the development of communications which has gone with the extension of Western interests into Asia and Africa has for the last one hundred and fifty years given an ever increasing strategic importance to this area.

The Middle East joins three continents and two oceans. Its fifty million or so inhabitants straddle the only possible communication routes between Europe, Asia, Africa and the Far East. The area has proved as vital for air and radio communication as for camel-caravans and steamships.

The administrative, economic and intellectual standards of the peoples of the Middle East have however unfortunately not risen commensurately with the grave international responsibilities which are now being thrust upon those peoples. Thus, not only is the area a vital prize for any Power interested in world influence or domination, but it is an area which cannot possibly defend itself against a Power with modern organisation and technical resources.

The importance of Greece and Turkey in the politico-military defence of the area is self-evident. They are, under modern conditions, its natural bastions to the North, just as the waters of the Mediter-

ranean have constituted its natural defence from the West. It was only when and because we had lost command of the Mediterranean during the last war that the Italians and Germans were able to attack the Middle East overland across North Africa. Similarly our control of the Persian Gulf and the Red Sea by sea and of the Sudan by land has acted as a shield to the whole area from the East and South, though it is becoming increasingly evident now that in addition Persia is going to be a necessary bastion if the area is going to be protected from the North-East.

If the Middle East has not become the cockpit of rival European Powers, this is due largely to the protective measures taken by Great Britain during the last century. It cannot be pretended that our original motives in going to the Middle East were particularly noble and altruistic. Such motives for political action were even rarer in those days than at present. We went to the Middle East in pursuit of trade with that area and to ensure that no other Great Power was astride our communications with India. From the moral standpoint, our intervention had two elements which distinguished it from most other attempts throughout history to dominate that area. In the first place, it was in our interest that the whole area should be stable and prosperous and that its transit routes should be unhampered. We did not undermine the existing civilisation or political institutions or tamper with the Moslem religion. Nor did we try to close the area against all comers. For instance, we let the French enter the Lebanon after the victory of 1918. Secondly, we have since the collapse of the old Turkish Empire in 1918 introduced into the succession States, including Egypt, our representative institutions and our conception of law, order and justice. These have in a comparatively short time given to the oppressed and misgoverned peoples of the Middle East a new ideal of justice and impartial administration which, even if it has seldom been fully attained by local Governments, has at least caused general improvement and set a standard by which current practice can be judged.

As regards Egypt in particular we originally occupied this country largely to secure our financial interests and those of other Western Powers. But in addition to achieving this object, we have made possible the establishment in the country of democratic and constitutional forms of government, with improved judicial and fiscal systems and with an administration considerably less corrupt than before. We have also provided the country with vast irrigation works and generally increased its wealth and prosperity although it must be acknowledged that this wealth is distributed still very unequally.

The first World War emphasised with great clarity several of the essential factors of the Middle Eastern situation and of our influence there. The course of the war showed unmistakably that no major conflict can now take place without this area becoming heavily and vitally involved. We were at that time able to defeat the Turks and to keep open our communications with India and the Dominions because we were firmly established in Egypt, the Sudan and the Persian Gulf. But our political influence in Greece was a contributory factor and we received the support of the Arab population with several of whose rulers we had for some time been in friendly relations.

The reaction against us in Egypt immediately after the first World War was due partly to the rapid growth of Nationalist feeling, prompted largely by the ideas of European Liberalism which we had ourselves helped to propagate, partly to the restrictions inseparable from the conduct of war. The collapse of the Ottoman Empire set us a vast new problem in guiding the political and economic development of the Arab groups which had hitherto been loosely held together by the Turkish Army. It was from the start our general purpose to help the various parts of Arab territory towards the status of independent nations. We can be criticised for delays and mistakes and we had several bitter reminders, such as the Iraqi rebellion of 1920, of the strength of the feelings which we had let loose, but the pattern which gradually emerged was one of which we could on the whole be justly proud.

Persia and Afghanistan, though not astride our lines of communication with India and the Far East, hold nevertheless a vital position on their flank. Napoleon's interest in these two countries at the height of his dreams of Eastern conquest affords sufficient proof of this. Above all—and Napoleon realised this too—Persia and Afghanistan represent a considerable barrier against Russian expansion towards South East Asia. Our first attempt to solve the problem of Russian penetration in Persia was the open establishment of British and Russian zones of influence, but this expedient resulted in the early years of this century in a conflict with the development of Persian national feeling. Since the first World War therefore we have consistently supported the complete integrity of Persia and have resisted any idea of interference by any power in Persian internal affairs. Quite apart from this strategic interest, we are now, since the beginning of the 20th century and the development of the Southern Persian oil fields, committed to a vital economic stake in the country. In Afghanistan, the traditional gateway to India, we attempted by the payment of subsidies and other measures to bolster up the native Government to resist Russian pres-

sure. But a series of wars, culminating in the short-lived but disastrous Third Afghan War of 1919, finally persuaded us of the wisdom of adopting the same policy of non-intervention in Afghanistan as in Persia. In spite of periodical difficulties on the North West Frontier we have established cordial relations with the present rulers of the country.

The situation in 1939 was that we had created, or helped to create, fully independent States in Egypt and Iraq, in treaty relations with us, which gave us military facilities without derogation from national sovereignty. Transjordan was well on the way to being in the same position. Ibn Saud had driven out from Arabia the Hashemite dynasty who had been our chief supporters in the Arab Revolt, but he nevertheless regarded us as his best and closest friends and exerted a considerable influence in our favour throughout the Arab world. The small States and Sheikhdoms in the Persian Gulf were in treaty relations with us, which left them complete freedom in their internal administration. In Egypt and Iraq we had a number of British officials and technicians working in the service of the local Governments, for whom they provided much-valued help and advice. We had developed important commercial interests throughout the area, but without using our political position to secure undue privileges for our commercial interests—as witness the important French, Belgian and Italian investments in Egypt and the vast development of American interest in Arabian oil.

So far, so good. But the fulfilment of our promises and obligations to these countries and the very real assistance we had given to creating Arab nationhood there were more than offset in Arab eyes and in those of our critics elsewhere by our inability to solve the problem of Palestine and by the continuance of French rule in Syria and the Lebanon. This is not the place for a disquisition on the Palestine question, which since the Balfour Declaration has been distorted beyond all recognition by Hitler's unexampled massacre of the Jews and the consequent panic efforts of the survivors to escape en masse from Europe at all costs. It need only be said that we found ourselves confronted with two inconsistent sets of claims and obligations and after twenty years were practically no nearer our goal of an independent Palestine in which a Jewish National Home could exist without Arab hostility. Owing to the refusal of Arabs and Jews to join in any form of representative body, we had had to maintain a British administration on colonial lines. The influence of the Palestine difficulties was felt far outside the frontiers of Palestine itself and was undoing much of the good effect of our Middle Eastern policy in other countries. In Syria and the Lebanon after the defeat of France in 1940 we were held

to some extent responsible for the continued subjection of these States to a discredited and helpless foreign Power merely because in the time of its strength it had been given a mandate over them which it could no longer effectively exercise. Nevertheless it was we who eventually arranged for the withdrawal of the French without loss of face and for the subsequent granting of independence to the two States.

The war naturally produced a new disturbing factor in the intensive German and Italian propaganda directed against our influence in all parts of the Middle East. It was in the nature of things much easier to attack us than it was for us to defend ourselves. The Axis propagandists did not have to think of the future and could undertake all kinds of obligations which they had no intention of carrying out. They aimed at disruption and subversion of the existing framework of society and could therefore make full use of the most unbalanced and extremist elements of the population.

Within a year of the outbreak of the war of 1939, the Libyan Desert became one of the main theatres of war and continued to be so until the Axis forces were finally driven from Africa. Moreover, a serious threat developed from the north. The launching of a pincer movement designed to meet on the Suez Canal was slowed down by the Greek campaign of 1940 and by our attempts to help Greek resistance in 1941. It was finally stopped by our resistance at Alamein, by the continued neutrality of the Turks, stiffened by our diplomatic activity and by supplies of war material, and finally by the exhaustion of the German drive into the Caucasus. The course of events demonstrated once more that in a world war the Middle East must at all costs be held. Had the Axis powers obtained control of the Suez Canal the way would have been open to them to join hands with Japan in the Pacific; to obtain vital supplies of oil and rubber; and to dominate the south shore of the Mediterranean. Had we not possessed a peace time base in Egypt, and subsidiary bases in other parts of the Middle East, and maintained our general political influence in this area and the Balkans, we should have been unable to prevent this from occurring.

The political position which we had established during the years between the Wars proved strong enough, in spite of Palestine and in spite of Axis propaganda, to allow us to deploy our forces without having to waste manpower and resources on guarding our communications or keeping order in Middle Eastern countries. The one exception to this state of affairs—the Rashid Ali revolt in Iraq—may justly be taken as one of those exceptions which go to prove the rule. This revolt had several causes, among the most immediate of which were the dictatorial ambitions of a few personalities and the skilful propa-

ganda of the German representative. The movement failed to spread and was easily suppressed by a small British force. The reaction throughout Iraq after the restoration of constitutional government was intense and could be ascribed no less to guilty conscience than to realisation of the narrow margin by which the country had escaped coming under the influence of foreign Powers much less friendly to the aspirations of the Arabs than we had been.

In all other respects, the area was internally quiet, even including Palestine. Political evolution continued during the war and the immediate post-war period and resulted in the establishment of three new independent nations—Syria, Lebanon and Transjordan. It also resulted in the creation of the Arab League, a loose regional association providing for political consultation and economic, social and cultural cooperation. The foundation of the League was the culmination of a long process of political development.

The second World War has not perhaps brought about such dramatic changes in the Middle East as the first, but it has presented us with no less difficult and urgent problems. Apart from the running sore of Palestine, which became inflamed again as soon as the war was over, we have become involved in a dispute with Egypt turning in no small degree on Egyptian refusal to guarantee to the Sudanese freedom to choose whether or not they shall in the future continue to be associated with Egypt.

Meanwhile we had on the liberation of Greece to intervene in the country to prevent its being captured by the Communists and this intervention has lasted longer and involved us more deeply than we had originally expected. But as one looks back it becomes increasingly evident that but for our intervention, Greece would by now be a puppet state of Russia, the Soviet flag would be flying on the Mediterranean and the northern bastion of the Middle East would have been irretrievably breached; for if Greece had collapsed it is almost certain that Turkey would have followed suit. The development of the present bandit war in Northern Greece represents but another attempt by the Communists to carry the position. Until this threat is removed, there can be no hope of security. It has therefore been our policy to assist the Greek Government to restore order and this has unfortunately only added more heavily to our responsibilities. But now the United States Government have relieved us of our burden, and have in accordance with the Truman Declaration assumed a direct and welcome responsibility for positive assistance in rehabilitation and defence.

We are for our part fully determined to retain our influence throughout the area because we are convinced of its continuing strategical importance both as a communications centre and as a source of oil and

because we believe it to be vital that the peoples of the Middle East should develop their future national existence as democratic and not as extremist countries. But if they are to do so they will continue to require assistance in social and economic fields. The low standard of living and the social disequilibrium of most of the Middle Eastern countries are bad in themselves and particularly dangerous as laying the countries open to the penetration of all kinds of extremist ideas. At the present time, political stability in these countries depends largely on a satisfactory solution of these difficulties. It is our desire to continue to render assistance to the full measure of our capacity.

NEA Files: Lot 55–D36

Memorandum Prepared in the Department of State

TOP SECRET [WASHINGTON, undated.]

THE AMERICAN PAPER

After detailed discussion and careful deliberation, and after a full exchange of views with both American and British military advisers, we have arrived at the following basic conclusions:

1. Since the basic objective of the foreign policy of the United States is the maintenance of world peace in accordance with the principles of the Charter of the United Nations, the Government of the United States must be concerned with any situations which might develop into international armed conflict. The Eastern Mediterranean and the Middle East is an area in which such situations exist at the present time.

2. The security of the Eastern Mediterranean and of the Middle East is vital to the security of the United States. (It is understood that the British Government has already arrived at the conclusion that the security of the Eastern Mediterranean and the Middle East is vital to the security of Great Britain, but has not as yet made policy decisions based on this conclusion.)

3. The security of the whole Eastern Mediterranean and Middle East would be jeopardized if the Soviet Union should succeed in its efforts to obtain control of any one of the following countries: Italy, Greece, Turkey, or Iran.

4. In view of the foregoing, it should be the policy of the United States, in accordance with the principles, and in the spirit of the Charter of the United Nations, to support the security of the Eastern Mediterranean and the Middle East. As a corollary of this policy the United States should assist in maintaining the territorial integrity and political independence of Italy, Greece, Turkey, and Iran.

5. In carrying out this policy the United States should be prepared to make full use of its political, economic, and, if necessary, military power in such manner as may be found most effective. Before resorting to the actual employment of force, the United States should exhaust political and economic means, including recourse to the United Nations. Any resort to force should be in consonance with the Charter of the United Nations and, so far as possible, in cooperation with like-minded members of the United Nations.

6. It would be unrealistic for the United States to undertake to carry out such a policy unless the British maintain their strong strategic, political and economic position in the Middle East and Eastern Mediterranean, and unless they and ourselves follow parallel policies in that area.

7. One of the greatest dangers to world peace may be the failure of the Soviet Union to understand the extent to which the United States is prepared to go in order to maintain the security of the Eastern Mediterranean and the Middle East. It should, therefore, be the policy of this Government to make evident in a firm but nonprovocative manner the extent of the determination of the United States to assist in preserving in the interest of world peace the security of the area.

NEA Files: Lot 55–D36

Memorandum by the Chief of the Division of South Asian Affairs (Hare)[1]

TOP SECRET [WASHINGTON,] November 5, 1947.

CONSIDERATIONS IN SUPPORT OF POLICY IN RESPECT OF THE EASTERN MEDITERRANEAN AND MIDDLE EAST DRAWN UP AFTER CONSULTATION WITH THE BRITISH GROUP

The following observations have been prepared by way of explanation and elaboration of the paper drawn up by the American Group. The following numbered paragraphs should be read in connection with the identically numbered paragraphs in the American paper:[2]

[1] Draft No. 2. Mr. Hare noted that this paper was prepared as a supporting document and was cleared by Messrs. Henderson, Hickerson, and Villard but was not found necessary to use.

[2] The numbered paragraphs below do not coincide with those in the American Paper, *supra*, covering instead paragraphs numbered 2 to 7. This suggests that an earlier draft of the American Paper was prepared and that paragraph numbered 1 was added in the final version. The editor has been unable to find earlier versions of either the American Paper or of Mr. Hare's memorandum in the Department files.

1. Vital Character of Security of the Eastern Mediterranean and the Middle East to the Security of the United States.

Should the Eastern Mediterranean and the Middle East fall under Soviet domination, a process of deterioration would thereby be initiated which, if not successfully resisted, would constitute a disastrous blow to the preservation of world peace under the United Nations and, as far as the United States is concerned, would result in our being forced back to the Atlantic, with consequent loss of ability effectively to bring to bear not only our political and economic strength, but also military force in the maintenance of the security of the area, and of the United States and of all states friendly disposed to us. In the specific case of the United States, this would mean a retreat to the Western Hemisphere and facing the prospect of a war of attrition which would spell the end of the American way of life. In the case of the United Kingdom, the maintenance of a Middle Eastern front would be essential in order that the British "home base" should not be isolated and subjected to the full impact of a Soviet attack directed from Europe. Viewed from the standpoint of international peace and security, Soviet dominance of the Eastern Mediterranean and Middle East would certainly spell the end of the United Nations in anything approaching its present form and concept.

2. Special Importance of Italy, Greece, Turkey, and Iran in the Maintenance of the Security of the Eastern Mediterranean and Middle East.

Italy, Greece, Turkey and Iran constitute a bastion, in both the political and strategic sense, which, if breached, would create a situation, the virtually inevitable result of which would be Soviet domination of the entire Eastern Mediterranean and Middle East. The foreseeable consequences of such an eventuality are set forth in the preceding paragraph.

3. Necessity for American Policy to Support the Security of the Eastern Mediterranean and the Middle East.

In the light of the considerations set forth in paragraphs one and two above, a policy in the support of the Eastern Mediterranean and Middle East, and particularly of Italy, Greece, Turkey and Iran, is essential not only to the security of the United States and of the United Kingdom, but to world peace and the survival of the United Nations. In view of the gravity of the situation, a policy decision is required without delay and in most clear-cut form. Time is fast running out and half measures serve merely to confuse and to render more dangerous an already explosive situation. This applies not only to the situation in the Eastern Mediterranean and Middle East itself,

but also to the fact that British policy-makers appear to be at a crossroads where, having once chosen the road which they decide to follow, it would be extremely difficult to turn back. We have been frankly told by the British that although the British Government has decided that the maintenance of the security of the Mediterranean and Middle East is vital to British security, they have not made plans to implement that policy and that one of the important reasons for their indecision has been the lack of knowledge of United States policy in respect of that area. They admit that they do not see how implementation of such a policy could be effective without strong American support. Since we are similarly minded regarding the necessity of British support in the preservation of the security of the Eastern Mediterranean and the Middle East, immediate planning and parallel policies are obviously necessary. Failing this, we should be examining other expedients and losing no time in so doing.

4. Implementation of Foregoing Policy.

The maintenance of a policy of assisting in the support of the security of the Eastern Mediterranean and Middle East within the framework of the United Nations necessitates a program of assistance for the whole area to meet foreseeable situations, both in time of peace and in time of threat to the peace or actual hostilities.

In time of peace, political and economic assistance to the countries of the area should be directed to the promotion of political and economic stability which will, on the one hand, act as a deterrent to Soviet infiltration, and, on the other hand, build up bonds of friendship with both the British and ourselves, based on the mutual interest of all concerned. The Arab states deserve particular mention in this connection because of the location there of strategically important oil and pipe lines, and of areas suited to the installation of bases for both forward defense and defense in depth. Fearing possible Soviet aggression, therefore, measures should be taken in time of peace to assure the maintenance in friendly hands of military bases in the Eastern Mediterranean and Middle East from which to operate in an emergency.

All possible peaceful means, including recourse to the United Nations, should be exhausted to meet any external threat to the security of the Eastern Mediterranean and the Middle East. However, in the event of failure of such peaceful means, it may be necessary to resort to use of force as provided under Article 51 of the Charter of the United Nations. A policy of full support of the Eastern Mediterranean and the Middle East, and particularly of Italy, Greece, Turkey, and Iran, does not necessarily mean that machinery would be set in motion for the direct defense of the threatened area, but rather that counter measures would be taken wherever and whenever it may be determined

that they could be most effective. In other words, whereas we propose to take a political stand against Soviet aggression on the Italy–Greece–Turkey–Iran front, it is not improbable that, in the event of the necessity of recourse to arms, our military effort might be concentrated elsewhere with a view to most effective use of the forces employed.

5. The Special Role of the British.

It is not intended that the Eastern Mediterranean and Middle East should be regarded as a British sphere of influence. What is intended is that the British should continue to maintain primary responsibility for the defense of the Eastern Mediterranean and the Middle East as part of an overall concept of resistance to Soviet aggression, and that, in order to implement that responsibility, the British should have bases from which to operate in time of emergency. The maintenance of such bases, together with the right of reentry in an emergency, requires in turn that the British should have mutually satisfactory political and economic relations of a long-term nature with the countries of the area, as a foundation for their military position. This type of relationship does not imply any necessity of exclusiveness; quite to the contrary, the attaining and preservation of any such relationship would certainly be prejudiced by any indication that it was not to the advantage of the Mid-Eastern countries concerned, or that any restriction on their political, economic, or cultural relations with one another or with other countries was involved. With specific reference to the United States, it would not follow that we should become a sort of Middle Eastern junior partner of the British, nor that we should be placed in the position of more or less blindly following the British lead. Rather, the basic nature of our relationship should be recognition of the common problem of desiring to maintain the security of the Eastern Mediterranean and Middle East; the assumption by the British of a special responsibility in meeting that problem; and a parallel effort to work together not only in our own interests but in the interests of the countries of the area and with every respect for their positions as fellow members of the United Nations.

6. Notification of Our Intention to the Soviet Union.

Any move to make our intentions known to the Soviet Government would almost certainly have to be informal and indirect, since direct notification to that effect might well have the contrary of the result intended.

Regarding the distinction between overt and indirect aggression, it is futile to attempt to distinguish between them since it is recognized that in either case Soviet success would spell the loss of the effective independence of the country or countries concerned. In this connection

it might be stressed that, since in no country in the Middle East are Communist or Communist sympathizers to be found in large numbers, any coup resulting in a Communist controlled government could not be successful unless instigated and implemented from the Soviet Union or Soviet satellites. In deciding on the type of action to be taken in meeting these two types of aggression, on the other hand, a certain distinction would be necessary.

In the event of overt aggression, action would presumably be taken initially through the Security Council, but any undue delay or lack of effective action resulting from this procedure would probably necessitate recourse to action under Article 51. The possibility that such action would logically lead to the disruption of the United Nations must be faced.

Greater complication would be encountered in meeting indirect aggression because of difficulty in definition arising out of the wide variety of forms in which it might be encountered and concentrated and vigilantly sustained attention would be required with a view to countering, as far as practicable, every indirect act of aggression by appropriate counter action on our part. Such counter measures might, for instance, be fully as effective, possibly at times even more effective, if related to the satellites rather than to acts which could be attributed to the Soviet Union itself.

The essential considerations are (1) that we should not allow the indirect character of Soviet aggression to becloud our recognition of its significance, (2) that a carefully planned policy of counter action should be constantly maintained, and (3) that the implications of counter measures which we may take should be clear to all concerned.

NEA Files: Lot 55–D36

Memorandum on Policy in the Middle East and Eastern Mediterranean by the British Group

TOP SECRET [WASHINGTON, undated.]

1. The Middle East and the Eastern Mediterranean is an area in which a threat to peace may easily arise. Since the policy of H.M.G. is the maintenance of world peace in accordance with the principles of the Charter of the United Nations, it is essential that H.M.G. should formulate definite views on the most effective means of safeguarding peace in that area.

2. H.M.G. have already decided that the preservation of the security of the Middle East is vital to the security of the United Kingdom (the word vital is used in the sense that failure of such preservation involves

mortal danger). The same considerations apply to the countries of the Eastern Mediterranean, which, with the Middle East, form a strategic whole.

3. At the same time it is clear that H.M.G. can only implement this policy if the United States Government is adopting a parallel policy. Hitherto we have been unaware of the views of the U.S. Government, and this has prevented us from clarifying our own views.

4. We now understand that the political and strategic authorities of the U.S. Government are thinking on lines similar and parallel to our own. They are advising the U.S. Government that the preservation of the security of the Middle East and of the Eastern Mediterranean is vital to the security of the United States; that the U.S. Government can only implement this policy if H.M.G. adopt a parallel policy; and that it is therefore in the interests of each Government to cooperate with and support the other in the area.

5. In the light of the above, it is recommended that our policy in the Middle East and the Eastern Mediterranean should be based upon the following principles:—

(*a*) The preservation of the security of the Middle East is vital to the security of the United Kingdom (the word vital is used in the sense that failure of such preservation involves mortal danger). The same considerations apply to the countries of the Eastern Mediterranean, which, with the Middle East, form a strategic whole.

(*b*) The whole of the Middle East and the Eastern Mediterranean would be in mortal danger if any hostile power should succeed in obtaining control of any one of the following countries:—Turkey, Greece, Persia (or indeed Italy).

(*c*) In view of the foregoing, it should be the policy of H.M.G. to support the security of the Middle East and the Eastern Mediterranean, and in particular to assist in maintaining the territorial integrity and the political independence of Turkey, Greece, Persia (and indeed Italy).

(*d*) The implementation of this policy by H.M.G. depends upon the adoption by the United States Government of a parallel policy.

(*e*) If any external threat develops to the security of the Middle East and the Eastern Mediterranean, the United Kingdom must be prepared, in cooperation with other like-minded members of the United Nations, to resist this threat in accordance with, and in the spirit of, the Charter of the United Nations. The first steps would be to exhaust all political and economic means of resisting any such threat in violation of the Charter. But the United Kingdom must be prepared, in cooperation with other like-minded members of the United Nations, to make use of its full political, economic and if necessary military strength in such manner as may be found most effective in accordance with, and in the spirit of, the Charter of the United Nations.

(*f*) One of the greatest dangers to world peace may be the failure of any other country to understand the extent to which the United

Kingdom is prepared to go to assist in resisting any violation of the Charter in the Middle East and in the Eastern Mediterranean. Means should therefore be found of making known in any appropriate quarter in a firm but non-provocative manner the extent of the determination of the United Kingdom to assist in preserving in the interest of world peace the security of the area.

6. There is no greater danger to peace than hesitant and confused policy. In issues of such importance, there can be no halfway house. In the interest of their own security H.M.G. must be prepared, with other like-minded members of the United Nations, and in accordance with the principles of the Charter, to assist in maintaining the security of the Middle East and the Eastern Mediterranean.

NEA Files: Lot 55–D36

General Statement by the American Group

TOP SECRET [WASHINGTON, undated.]

On the instructions of their respective Governments, United States and United Kingdom representatives, including Service advisers, have reviewed the strategic, political, and economic problems in the Middle East, as well as certain strategic and political problems in the Eastern Mediterranean.

The conversations opened on October 16 and closed on November 7, 1947. The following persons took part at various times:

AMERICAN GROUP

Loy W. Henderson, Director, Office of Near Eastern and African Affairs
John D. Hickerson, Director, Office of European Affairs
George F. Kennan, Director, Policy Planning Staff
Raymond A. Hare, Chief, Division of South Asian Affairs
Edward T. Wailes, Chief, Division of British Commonwealth Affairs
Vice Admiral Forrest Sherman, Deputy Chief of Naval Operations
Lieutenant General Lauris Norstad, Director of Plans and Operations, General Staff, U.S. Army
Major General A. M. Gruenther, United States Army

BRITISH GROUP

John Balfour, British Minister, British Embassy, Washington
M. R. Wright, Assistant Under-Secretary of State, Foreign Office, London
Mr. W. D. Allen, Counsellor, British Embassy, Washington
Mr. T. E. Bromley, First Secretary, British Embassy, Washington
Admiral Sir Henry Moore, Air Chief Marshal Sir Guy Garrod, General Sir William Morgan — Members of the British Joint Staff Mission, Washington

Lieutenant General Sir Leslie Hollis, Chief of Staff to the Minister of Defense
Air Vice Marshal R. M. Foster, Assistant Chief of the Air Staff (Policy)

The two groups were headed by the Honorable Robert A. Lovett, Under Secretary of State, and Lord Inverchapel, British Ambassador, Washington, who were present at the opening and closing meetings.

As a result of these conversations, the United States representatives have decided to recommend the adoption of a policy toward the area based on the general principles set forth below. The United Kingdom representatives have likewise indicated their intention to recommend to their Government a policy based on the same principles.

1. The security of the Eastern Mediterranean and of the Middle East is vital to the security of the United States and of the United Kingdom and to world peace.

2. This policy can be implemented only if the British maintain their strong strategic, political, and economic position in the Eastern Mediterranean and the Middle East, including the sea approaches to the area through the Straits of Gibraltar and the Red Sea, and if the British and American Governments pursue parallel policies in that area.

3. It follows from the above that both Governments should endeavor to prevent either foreign countries, commercial interests, British or American or other, or any other influences from making capital for themselves by playing off one of the two countries against the other in the Eastern Mediterranean and the Middle East. It should be the parallel and respective policies of the two Governments to adopt the general principle that they will endeavor to strengthen each other's position in the area on the basis of mutual respect and cooperation. It should be contrary to the policy of either Government to make efforts to increase its country's influence at the expense of the other. Likewise, the policy of the two countries should be to strengthen and improve each other's position by lending each other all possible and proper support. This support should also apply to the retention or development of strategic facilities, including civil air development.

There shall be full and constant exchanges of information and views and consultation between the two Governments about the problems of the area.

In cooperating with one another, they should of course take care not to embark on policies which would tend to deprive the countries of the Middle East of the opportunity to engage in normal friendly economic or other intercourse with each other or with other nations. At the same time, every effort should be made by both Governments in close consultation with one another to assist in the economic and social development of the countries of the area. Such a policy would not only be in accord with general Anglo-American encouragement of the progress

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of the peoples of backward areas, but it would also have the specific advantage of reducing the field for subversive activity and of contributing to the stability of the area.

In the spirit of the foregoing, there are attached hereto a number of statements [1] covering individual countries and topics which, taken as a whole and to the extent that approval is indicated in each statement, will provide guidance for action on the subjects in question.[2]

[1] *Infra.*

[2] A virtually identical General Statement prepared by the British Group, not printed.

NEA Files: Lot 55–D36

Statement by the United States and the United Kingdom Groups

TOP SECRET [WASHINGTON, undated.]

The Problem: Retention of British Military Rights in Egypt.

DISCUSSION

1. It was the consensus of both the American and British groups that it was extremely important in the interests of the maintenance of the security of the Middle East and of the preservation of world peace that the British have certain strategic facilities in Egypt. The British should have the right to maintain these facilities during peace time in such a condition that they could be effectively and speedily used in case of an immediate threat to the security of the Middle East and right of reentry in order to make full use of these facilities in accordance with the provisions of the Charter, and with the principles of the United Nations in case of such a threat.

2. In order to ensure such rights, it is necessary to negotiate a satisfactory agreement with Egypt which, because of political difficulties already encountered in negotiations between the British and the Egyptians, might best be conceived within a common framework of regional defense agreements between Britain and the Arab states.

3. Failing an agreement within a regional framework, renewed efforts should still be made for the negotiation of a bilateral Anglo-Egyptian treaty ensuring to the greatest possible degree the desiderata specified in paragraph one.

4. The durability and effectiveness of any such bilateral agreement might best be assured by its negotiation with a majority, or national, Egyptian Government as contrasted with the present minority Government. The advent of a majority or national Government in Egypt would therefore be welcome, but any overt attempt to achieve that end would require most careful consideration. The principal obstacle which

prevents the formation of such a government is the long standing antipathy of the King to the Wafd.

5. The successful negotiation of an Anglo-Egyptian agreement hinges furthermore on convincing the Egyptians that it would be in their own interest since Egypt could only stand to lose by instability in the Middle East.

6. Regarding tactics to be followed the British group said that they wished to make no further move for the present, in view of current British negotiations with Iraq and of the situation in Palestine. The American group said they wondered whether, prior to any move to resume negotiations, it would be good tactics for the British Government to signify its intention to evacuate British troops without insisting upon a *quid pro quo*, thus creating a more favorable atmosphere for negotiation. If such a course should be decided upon, they thought that the American Government would be prepared to exert all its influence with the Egyptian Government in supporting the British during the negotiations. The British group foresaw the danger that a British gesture of this kind might be interpreted as a sign of weakness and would only have the effect of encouraging the Egyptian Government to take a still more unreasonable line. Both sides agreed that this was a danger which deserved consideration. The American group indicated that in any event they would recommend that the United States Government be prepared to exert all its influence with the Egyptian Government in supporting British efforts to retain or obtain the necessary strategic facilities.

I. The American group stated:

A—that the American Government was not itself interested in acquiring military rights in Egypt in the present circumstances;

B—that they were prepared to recommend that the American Government lend such assistance as might seem to it appropriate, in close consultation of course with the British Government, in endeavoring to convince the Egyptian Government that it would be in the interest of Egypt itself and of the cause of world peace for Egypt to arrange that Great Britain should have such military facilities—and in case of immediate threat from without to the security of the Middle East rights of reentry in order to be able to make full use of such facilities—as will enable Great Britain to play its full part in assuring the security of the Middle East; and to convince the Egyptian Government that such arrangements could be effected in a manner which would not be derogatory to the independence and sovereignty of Egypt.

C—that while the details of such supporting action remain to be worked out, one idea would be an approach to King Farouk, who might possibly be invited to visit the United States;

D—that in assisting in making it clear to Egypt that the full right of Egypt to have free intercourse with other countries would not be affected by such arrangements with the British Government, the American Government might, after consultation with the British Government, indicate to Egypt that it was prepared, in case such arrangements were effected, to take various steps to strengthen relations between the United States and Egypt. For instance, it might indicate its readiness in such circumstances to consider favorably certain Egyptian requests for military advisers, various military supplies, other kinds of technical and financial assistance, etc. In doing so, the American Government, in order to prevent the creation of the impression that such assistance was being granted in a spirit of rivalry, would be prepared to point out that it was its understanding that the British Government looked with favor upon such a course of action.

E—that they will recommend that during the course of such proceedings as there might be in the United Nations relating to the obtaining or maintaining by Britain of the facilities in Egypt required for the preservation of the security of the Middle East the Government of the United States give such support to Britain as would be consonant with the provisions of the Charter and with the principles of the United Nations.

F—they would consider it dangerous in the present world situation for the British Government to abandon such strategic facilities to which it is entitled by treaty in Egypt, unless there were provisions of some kind for good alternative facilities elsewhere in the area.

II. The British group stated that American assistance at the appropriate time and in the appropriate manner would be welcomed.

III. Both groups considered that full consultation on all these questions should be maintained.

NEA Files: Lot 55–D36

Statement by the United States and the United Kingdom Groups

TOP SECRET [WASHINGTON, undated.]

THE PROBLEM

Assurance of British strategic facilities in Cyrenaica.

DISCUSSION

1. It was the consensus that, even if the British were to succeed in maintaining certain strategic facilities in Egypt, they should also have strategic facilities in Cyrenaica.

2. Although Britain was at present in occupation of Libya, including Cyrenaica, the future status of that colony was still uncertain and a Four-Power Commission named by the Deputies of the Council of Foreign Ministers was carrying out an investigation with the object of making a report containing factual material required by the Deputies in their consideration of the disposition of this and the other former Italian colonies. Since the future of Cyrenaica, in accordance with the Italian Peace Treaty, would be determined by the Council of Foreign Ministers or, failing an agreement within one year in the Council, by the General Assembly of the United Nations, the building up of facilities by Britain in the area presented considerable difficulties. There were a number of possible alternative courses of action which might ensure British strategic facilities in Cyrenaica for at least a considerable term of years.

These were (*a*) to work for the early independence of Cyrenaica and for a treaty with the Emir providing British bases; (*b*) to obtain for Britain a strategic trusteeship; (*c*) to obtain for Britain an ordinary trusteeship; (*d*) failing agreement on any of the above courses, merely for the British to remain in occupation.

3. It was recognized that a secret agreement with the Emir would be dangerous and further that there were no means of insuring that, when independence had been reached, a satisfactory treaty would in fact be obtained. It was also recognized that Soviet assent in the Security Council to a strategic trusteeship for Britain in Cyrenaica would be virtually impossible to obtain except in return for some unacceptable *quid pro quo*. An ordinary trusteeship seemed therefore to be the least unpromising since it might be possible to obtain for this course the support of two-thirds of the General Assembly of the United Nations. It should in any event be possible to obtain the support of more than one-third of the votes cast in the General Assembly to block any undesirable alternative proposal. The question arose whether adequate strategic facilities could be secured under an ordinary trusteeship. The course of remaining indefinitely in Cyrenaica in the absence of any formal agreement would be unsatisfactory because of the embarrassment which would be caused by the perpetuation of such an anomalous situation.

CONCLUSIONS

1. The American group agreed to recommend that an assurance of British facilities in Cyrenaica was desirable in the interest of preserving the security of the Middle East and of the maintenance of world peace and that in order to attain that end American support should be given to the granting of a British trusteeship over Cyrenaica. Members of the American group tentatively suggested that this idea might

be extended to include a British trusteeship for all of Libya, which would have additional strategic advantages, but the views of both groups on this point were reserved owing to the political complications involved.

2. An informal suggestion was made by the American group that, pending a decision on the future of Cyrenaica, the British strategic position there might be consolidated and that certain stores and troops might be quietly moved in from Palestine, Egypt, or elsewhere.

3. The American group also considered that some kind of a provision should be included to the effect that the trustee is to prepare the inhabitants for self-government, that at the end of, say, ten years the question of the future of Cyrenaica will be reviewed by the United Nations; and that before the trusteeship is relinquished the inhabitants will be given an opportunity to express their desires as to their future governance.

4. The possibility of including provision for adequate strategic facilities in an ordinary trusteeship for Cyrenaica should be studied. Close consultation would be maintained.

5. The American group suggested that the possibility should not be dismissed completely of ceding Cyrenaica to Egypt as an autonomous area provided (1) such a solution would appear to be desirable to Egypt and to the inhabitants of Cyrenaica and (2) Egypt should agree to a framework of regional defense agreements between the Arab countries and Britain and would give the British strategic facilities in Egypt and in Cyrenaica on a long-term basis in order that the British might be able to make their appropriate contribution to the maintenance of Middle Eastern security. The British groups saw considerable difficulties in this arising from the probable objections of the inhabitants of Cyrenaica and from the fickle character of Egyptian politics. They were, however, prepared to discuss this matter further with the Americans at any time.

6. It was the opinion of both groups that the question of Cyrenaica should not be discussed at the next meeting of the Council of Foreign Ministers but that it would be preferable to await the report of the Four-Power Commision.

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Statement by the United States and the United Kingdom Groups

TOP SECRET [WASHINGTON, undated.]

THE PROBLEM

Disposition of the former Italian Colonies other than Cyrenaica.

DISCUSSION

1. It was the consensus that whatever decision were adopted concerning the future of these colonies, it was essential in the interest of Middle East security and world peace that the Soviet Union should obtain no direct or indirect foothold in them.

2. The American group reserved its position regarding the disposition of the former Italian colonies other than Cyrenaica, specifically mentioning as reasons for deferring decision that the Four Power Commission's report was still awaited and that it would seem desirable to allow sufficient time for the observation of internal developments in Italy.

3. The suggestion was made that in such consideration as may be given this matter either in the CFM or the UN, importance should be attached to dealing with this question on the basis of separate colonies rather than as a single problem.

4. It was felt that the November meeting of the CFM would not be an appropriate occasion for discussion of this problem because the report of the Commission would not have been received and also because such discussion would afford an opportunity for Soviet trouble making.

5. The American group suggested that, bearing in mind the importance of Italy in the general Mediterranean picture, it would be helpful if the British could adopt as friendly an attitude as possible in their general approach to Italian problems.

6. *Tripolitania:* It was generally recognized that Tripolitania was the colony on the return of which the Italians are particularly insistent; that its return to Italy would undoubtedly receive French approval; but that such a course would arouse violent opposition on the part of the Arabs which might not only seriously prejudice a successful solution of the Cyrenaica problem but also that of other outstanding questions in the other Arab countries.

The possibility of a British trusteeship for all of Libya was discussed and, although the strategic advantages were recognized to be considerable, it was noted that there were serious political difficulties involved. The possibility of the American Government accepting a trusteeship over Tripolitania at this time was ruled out by the American group.

7. *Somaliland:* It was the view of both groups that an Italian trusteeship over Somaliland would encounter less objection than would one over any other former Italian colony. Its economic value was, however, negligible. Ethiopia, of course, would strongly oppose such a solution but might be mollified by concessions in Eritrea. The British

group observed that consideration had at one time been given to a United Somaliland, but that the suggestion had since been withdrawn.

8. *Eritrea:* The British group stated that an Italian trusteeship over Northern Eritrea, the rest being ceded to Ethiopia, might be worth discussion. The American group said that tentative thought had been given to the cession of Eritrea to Ethiopia except for a northern portion which would go to the Sudan, but that no final decision had been reached.

CONCLUSIONS

1. Both the American and British groups reserved their positions regarding the disposal of the former Italian colonies other than Cyrenaica.

2. In any plans which may be evolved it is essential to prevent the Soviet Union from obtaining any direct or indirect foothold in the territory of the former Italian colonies.

3. In reaching decisions on these questions the development of the political situation in Italy, the attitude of the Arab countries and the views of France would all have to be considered.

4. The question of the former Italian colonies should not be discussed at the forthcoming meeting of the CFM.

5. It is most important that close consultation should be maintained between the two Governments on the whole subject.

NEA Files: Lot 55–D36

Statement by the United States and the United Kingdom Groups

TOP SECRET [WASHINGTON, undated.]

THE PROBLEM

The maintenance of the British position in the Sudan.

DISCUSSION

1. Both the American and British groups expressed the opinion (*a*) that the Sudan has great strategic importance in the Middle East area, particularly from the standpoint of communications and defense in depth and (*b*) that the maintenance of British military facilities in the Sudan is essential to the security of the Middle East and would be in the interest of the maintenance of world peace.

2. The maintenance of the British position in the Sudan raises certain political complications resulting from the fact that the government of the Sudan is under an Anglo-Egyptian condominium. It is firm

British policy to follow a program of encouraging the political evolution of the Sudanese toward self-government with the ultimate intent that the Sudanese people should decide their own political future. The Egyptian Government, on the other hand, claims that Egypt possesses sovereignty over the Sudan and denies that the Sudanese should have any right to declare themselves independent of Egypt. Constructive measures towards the development of self-government by the Sudanese would inevitably involve constitutional changes in the powers of the Governor-General as defined by the Condominium Agreement of 1899; and it was questionable whether the approval of Egypt as one of the co-domini was not requisite.

3. Asked for its views whether the Governor-General of the Sudan should proceed with the implementation of the foregoing policy, the American group expressed sympathy with the general objectives as outlined, but observed that they were not in a position to judge the technical legal aspects of the problem. They expressed the hope that the British would endeavor to carry out their objectives in the framework of the Condominium Agreement, in view of the obvious disadvantages of following a course of action which the International Court should later find was in contravention of an Agreement to which Great Britain was a party.

CONCLUSIONS

1. The British Government feels bound to proceed with its constitutional proposals for the Sudan in the belief that, if it fails to do so, Sudanese reaction might render impossible the maintenance of a satisfactory British position there.

2. The American group was prepared to recommend that the American Government should support the maintenance of adequate British facilities in the Sudan. The American group also felt that the American Government should view with sympathy the British objective of constitutional progress in the Sudan. They indicated, however, that they were not in a position to express an opinion as to the manner in which this objective should be achieved. They were of the opinion that if the Egyptians should insist on the submission of any British policies or actions in the Sudan to the International Court, it would be difficult for the United States, in view of its general established policies, to oppose such submission. It was hoped that the British in carrying out their objectives in the Sudan would bear in mind that their policies and activities might eventually be subjected to the scrutiny of the International Court.

3. Both the American and British groups expressed the opinion that this question merited further exploration and consultation.

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Statement by the United States and the United Kingdom Groups

TOP SECRET [WASHINGTON, undated.]

IRAN

The American group observed that the main problem in Iran was the danger of Soviet infiltration and control. It was the policy of the United States, within the scope of the United Nations, to support Iran to the extent possible in maintaining its integrity without interference in the internal affairs of the country. Encouragement was being given, however, to social and economic development as a means of assuring greater stability.

With regard to negotiations for a Soviet-Iranian oil agreement, the advice which the American Government had consistently given to the Iranian Government was that the latter must decide for itself whether to accept or reject the Soviet proposal. The British approach had been similar except for the fact that the British Government had taken the view that, if the concession were rejected, this should be done in such a way as not completely to close the door to further negotiations. The American Government had not fallen in with this idea because it did not believe that any safeguard was possible once a Soviet foothold was attained. Neither did it consider it advisable for Iran to attempt to keep the door open to further negotiation unless it had a bona fide intention of arriving at some sort of agreement in the end. Despite its feelings in this regard, however, the American Government had taken care not to advise the Iranians other than to say that the decision was the responsibility of the Iranian Government.

The British group replied that the purpose of the British Government was identical with that of the United States Government in the sense that it was directed to the preservation of the independence and integrity of Iran. If Iran fell under Communist influence, its independence would be at an end; its strategic oil supply could no longer be counted on; and the security of the Middle East as a whole would be jeopardized. The only difference between the British and American viewpoints was that the British hesitated to give stronger advice to Iran than they had so far given without fuller examination of the possible consequences. If the Iranian Government were to find itself the object of invasion or penetration, what would the next step be? The Iranians would probably appeal to the Security Council and the British and American Governments would endeavor to secure a resolution in the Security Council calling upon the Soviet Union to withdraw. The Soviet Government would certainly veto such a resolution,

and in any event would have set up a puppet government in Iran before any effective action could be taken. While the British Government had an open mind on the tactics to be pursued, they were anxious to know exactly what the United States Government had in mind if the taking of a firm stand by Iran were followed by Soviet retaliation in some form.

Further discussion of this question centered on its broad implications, not only in respect of Iran itself but of the Eastern Mediterranean and Middle East generally. It was the conclusion of both groups that the preservation of the political independence and the territorial integrity of Iran was essential to the maintenance of the security of the Eastern Mediterranean and the Middle East.

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Statement by the United States and the United Kingdom Groups

TOP SECRET [WASHINGTON, undated.]

TURKEY

There was a general discussion about the situation in Turkey, and about the importance of maintaining the political independence and territorial integrity of the country as an essential factor in Middle Eastern defense.

It was the conclusion of both groups that the preservation of the political independence and territorial integrity of Turkey was essential to the maintenance of the security of the Eastern Mediterranean and the Middle East.

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Statement by the United States and the United Kingdom Groups

TOP SECRET [WASHINGTON, undated.]

GREECE

There was a general discussion about the situation in Greece, and about the importance of maintaining the political independence and territorial integrity of the country as an essential factor in Middle Eastern defense. The American group referred to the gravity of the situation in Greece. It pointed out that it might be necessary for both countries to take further steps to strengthen Greece. The American

group also emphasized the importance of the retention of British troops in Greece during the present emergency.

It was the conclusion of both groups that the preservation of the political independence and territorial integrity of Greece was essential to the maintenance of the security of the Eastern Mediterranean and the Middle East.

NEA Files: Lot 55–D36

Statement by the United States and the United Kingdom Groups

TOP SECRET [WASHINGTON, undated.]

THE PROBLEM

Iraq as a Factor in the Maintenance of Stability in the Middle East.

DISCUSSION

1. The British group observed that, as the ability of Great Britain to contribute effectively to the maintenance of the security of the Middle East depended to a large extent upon the holding of bases in that area, Iraq was regarded as possibly the key Middle Eastern country at the present time. Rightly or wrongly, the British felt that more confidence could be placed in Iraq than in any other country of the area. The Regent and other responsible officials were well disposed and the Iraqi Army appeared well satisfied with recent British efforts to meet its requests for the supply of military equipment.

The American group also stressed the importance of the maintenance of British bases in Iraq, but suggested that continued attention should also be given to the possibility of building up Kuwait as an alternate base in case developments should make it appear that effective use could not be made of the Iraqi bases.

2. In view of Iraqi pressure for the revision of the Anglo-Iraqi Treaty the British Government was prepared to enter into negotiations at the present time. If negotiations were postponed until 1952, when either party could ask for revision, the atmosphere might prove to be less favorable. The British Government were considering the idea that a new treaty might provide for the sharing of the bases at Habbaniya and Shaiba together with the grant of the necessary rights in time of emergency. It was hoped that it might prove possible to conclude these negotiations by December 1 when the Iraqi Parliament was to meet. In the meantime this subject was being treated as top secret.

The American group expressed the hope that British negotiations for a satisfactory revised Treaty would be successful but indicated

concern lest the responsible Iraqi negotiators might at the last minute find internal political pressures against granting bases to foreigners so strong that they would not dare to give the facilities required.

3. The British Government also had in view schemes for economic development in Iraq which might greatly increase the supply of food and might double the population within a measurable number of years.

Definite plans were under discussion. The British Government was making available to the Iraqi Government the services of a considerable number of British advisers and hoped that it would be possible to provide much of the equipment and material from British sources against Iraqi sterling balances. The British Government's view was that the Iraqi idea of carrying out these projects through an Iraqi Development Board was preferable to a scheme for development under foreign auspices. The British group thought that it would be desirable to have American advisers associated with British advisers in the execution of their plans. The question might be discussed more fully in the economic talks.

The American group stated that the American Government had also been approached informally by the Iraqis regarding the development plans in question and that it was generally sympathetic.

The American group also pointed out that the Iraqi Government had also applied to the World Bank for loans with which to finance the development of the Tigris and Euphrates valley and had informally indicated that it would like technical advisers appointed by the Bank to cooperate with British and American technical advisers in working out and putting into effect plans for the development. The American Government had no firm ideas regarding the form which the development should take. The American group thought that American advisers might usefully be associated in such a plan as might be decided upon and that close consultation should be maintained between the Bank and the British and American Governments.

CONCLUSIONS

1. The British Government intends to proceed with negotiations for the revision of the Anglo-Iraqi Treaty and the American Government would be prepared to render any assistance which might be practicable.

2. Both the British and American Governments considered that the economic development of Iraq, particularly of the Tigris and Euphrates Valleys, if carried on in a rational and well-planned manner would not only strengthen the security and the economic stability of

the Middle East, but might also eventually contribute to the solution of the world food problem.

3. It was the opinion of both groups that matters relating to the role to be played in the economic development of Iraq by Great Britain, the United States, and the Bank, in particular problems involving furnishing of technical advisers, engineers, and so forth, and to the sources of supplies and equipment should be discussed in further conversations among representatives of the three interested Governments and that close contact should be maintained with officials of the Bank. It was the opinion of the American group that among the numerous factors to be considered in making decisions with regard to these matters should be availability of competent technicians and supplies and materials, the desires of the Iraqi Government, the existence of Iraqi sterling balances, and the initiative shown thus far by the British and Iraqi Governments.

With regard to these matters and other questions relating to the economic development of Iraq there should be close cooperation and frequent frank discussions between the two Governments.

The successful outcome of such development plans as may be decided upon will be so important for the future prosperity and security of the Middle East that these plans should be approached by Britain and the United States in a broad constructive spirit rather than a spirit of rivalry and competition on either side.

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Statement by the United States and the United Kingdom Groups

TOP SECRET [WASHINGTON, undated.]

THE PROBLEM

Anglo-American interest in Ethiopia.

DISCUSSION

1. Both groups expressed the view that there were no major issues regarding Ethiopia which called for discussion at the present time. Main concern centered on the maintenance of stability and in this connection reference was made to the increasingly active role which the Russians have been playing in Ethiopia recently although the intensity of this activity had not as yet become particularly alarming.

2. Another matter having a bearing on the internal stability of the country was the desire of the Ethiopian Government to obtain arms for the purpose of maintaining the authority of the central govern-

ment. Approaches had been made to the American Government for supplying arms to the Ethiopian Government, but it had thus far not been found possible to comply with their request due to the unavailability of the types of equipment desired. It was possible that certain sales of surplus military equipment might be effected. The United States Government considered, however, that informal Ethiopian requests for material to equip a motorized division should not be given favorable consideration since Ethiopian economy could not stand the purchase of such material or the cost of maintaining such a division. The British group stated that it would be glad to see the United States furnish arms for internal security but would appreciate being kept currently advised on such action as might be taken.

3. The British group stated that the Ethiopian Government had asked for a revised treaty providing for British evacuation of both the Ogaden and the reserved area but that the British were reluctant to proceed with negotiations for the time being pending decisions regarding the disposition of the former Italian Colonies. Reference was also made in this connection to boundary rectification problems in respect to Kenya, British Somaliland and Sudan. Thus far the only appreciable progress made had been on the question of the Kenya border. The British had proposed to cede the port of Zeila together with a connecting corridor to Ethiopia in return for a frontier rectification which would avoid cutting across tribal areas. No agreement on this suggestion had yet been reached.

CONCLUSIONS

1. The problem presented by Russian penetration in Ethiopia, although not currently serious, merits continued attention.

2. The British perceive no objection to sales of American arms to Ethiopia for the purpose of maintaining internal security, but would wish to be kept currently advised of developments.

NEA Files: Lot 55–D36

Statement by the United States and the United Kingdom Groups

TOP SECRET [WASHINGTON, undated.]

THE PROBLEM

Current Political and Economic Questions in Saudi Arabia.

DISCUSSION

1. The British Government regarded it as most important that their ties of friendship with King Ibn Saud should be maintained and

further strengthened. Advantage might be taken of the friendship of King Ibn Saud for the purpose of arriving at regional security arrangements in the Middle East and of helping to bring the dispute with Egypt to a satisfactory conclusion. At the same time the British Government looked with favor on the position which the United States had established for itself in the country and wished for the closest cooperation between themselves and the United States Government. The British Government was somewhat concerned about the suspicions aroused in King Ibn Saud's mind by King Abdullah's espousal of the Greater Syria movement and were anxious that every effort should be made to calm King Ibn Saud's anxiety on this score.

2. The American group observed that, all things considered, matters in Saudi Arabia seemed to be working quite well. The Saudi Arabian Government seemed at times to be under the impression that the British and Americans were acting in rival roles. It was consequently advisable that the British and American Governments should keep each other closely informed regarding their respective policies and activities in Saudi Arabia in order to avoid the strengthening of such an impression.

Reference was also made to the unsatisfactory state of the finances of Saudi Arabia owing to the lack of an orderly financial system.

There was a pending question regarding claims for back payments by the Arabian-American Oil Company arising out of a dispute as to the gold sovereign rate to be used in computing royalties.[1] This question was not only of importance in respect of Saudi Arabia, but might have repercussions elsewhere in the Middle East.

Still another problem affecting oil was that of a recent project of the Superior Oil Company, involving both American and British participation, to develop off-shore oil outside the three mile limit along the eastern coast of Saudi Arabia. The ramifications of such a project were difficult to foresee and serious consideration of this matter by both the British and the American Governments would be required. A particularly disturbing prospect was the possibility that the security

[1] The disagreement between Aramco and the Saudi Arabian Government on this matter began in 1940 but did not then become acute because the Company's dollar advances to the Government exceeded oil royalties due. According to despatch 166, February 26, from Jidda, the company's position was that the royalties of four gold shillings per ton should be made at the par value of the British gold sovereign, i.e., $8.2397. The Government contended that payments should be computed at the rate the gold sovereign commanded in Jidda, i.e., between $16 and $20 (890F.6363/2–2647).

Discussions were carried on at various times from April 1947 to March 1948, when the issue was resolved. A letter from the Arabian American Oil Company of April 2, 1948, and despatch 98, April 6, 1948, from Jidda, explained to the Department that the settlement involved establishment of a $12 equivalent for the gold sovereign when royalty payments were made in dollars, but the Company might elect to make payment in gold sovereigns. Past accounts of Aramco and the Saudi Arabian Government through February 1948 were settled at the same time. Aramco's advances and the royalty payments due to the Saudi Arabian Government were wiped out by an Aramco payment of about $4,000,000 (890F.5151/4–248, 4–648).

of the area might be affected if outside interests should take advantage of the precedent which would be created and unilaterally assert the right to exploit oil beyond the three mile limit.

The American group emphasized that they were most anxious that the British Government should understand that eastern Saudi Arabia was not considered as a closed economic sphere, and that there was no reason from the point of view of the American Government why British enterprise should not also be active in that area.

CONCLUSIONS

1. The value of the friendship of King Ibn Saud for both Britain and the United States is appreciated. The situation should not be allowed to develop in such a way as to strengthen an impression that the British and American Governments are working against each other in that area.

2. Both Governments should continue their efforts to reduce undue anxiety on the part of King Ibn Saud concerning the Greater Syria movement.

3. There should be further consultation between the British and American Governments on the subject of the payment of oil royalties in sovereigns.

4. There should also be discussion on an *ad hoc* basis between the British and American Governments on the problems presented by the project of the Superior Oil Company for off-shore oil development and restraining advice should be given to the British and American interests concerned, at least until the matter could be considered further. Similar advice, if considered desirable, should also be given to King Ibn Saud at the appropriate time.

5. The British Government looks with favor upon the friendly ties developed between the United States and Saudi Arabia. The American Government looks with favor upon maintenance of the friendship between Britain and Saudi Arabia and the further development of British interests in Saudi Arabia, and particularly wishes to emphasize that it does not wish to regard eastern Saudi Arabia as a closed American economic sphere.

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Statement by the United States and the United Kingdom Groups

TOP SECRET [WASHINGTON, undated.]

THE PROBLEM

Political and Strategic Questions Relating to the Persian Gulf Sheikhdoms.

333–774—72——39

DISCUSSION

1. The question of a British base in Kuwait was discussed, and the British representatives observed that this idea had been mooted but nothing more. The absence of satisfactory port facilities was a drawback. The American group mentioned the importance which the development of an adequate base in Kuwait would acquire in case British treaty negotiations with Iraq could not be successfully concluded. Both the British and American groups stated that there were no questions regarding oil development in Kuwait which seemed to require attention.

2. The American group raised the question of special British treaty relationships with the various Arab sheikhdoms of the Persian Gulf. It was observed that there was no intention of questioning the advisability of the continuance of this system at this time, but that certain difficulties had arisen as a result of an apparent lack of full understanding between the British political agents on the one hand and American representatives and individuals on the other. The British group replied that it was realized that this situation might require a certain forbearance at times, but it was heartily of the opinion that friction should be minimized and that it was prepared to see that instructions were sent in order to remedy the situation.

3. The suggestion was made and approved by both sides that British and American naval vessels, when cruising at the same time in the Persian Gulf, might take the occasion to make joint visits to Persian Gulf ports. It was further decided that American naval vessels should follow the same system of salutes in the Persian Gulf as is practiced by British vessels.

4. The strategic potentialities of southeastern Arabia were discussed, from the standpoint of the provision of defense in depth in an area readily accessible by sea. It was observed that difficulty would be encountered in providing secure anchorages outside the Persian Gulf itself.

5. The British group referred to the Persian claim to the Island of Bahrein, which the British Foreign Office regarded as without foundation. The American group said that it was in entire agreement on this subject.

CONCLUSIONS

1. The United States Government does not at present wish to question the continuance of special British treaty relations with the Arab sheikhdoms of the Persian Gulf, but believes that greater cooperation between British political representatives on the one hand and American representatives and individuals on the other would be in the inter-

est of both countries. The British group undertook to have appropriate instructions sent to that effect.

2. The same system of naval salutes should be used by British and American naval vessels in Persian Gulf ports; likewise, British and American naval units might appropriately make joint visits to Persian Gulf ports.

3. Both the American and British Governments share the view that Persian claims to the Island of Bahrein are baseless and should be discouraged.

4. The strategic importance of southeast Arabia is recognized and the possible development, perhaps by oil or civil aviation companies, of installations suitable for conversion to military use should be encouraged. The development of oil concessions by the IPC subsidiary companies or by other British or American oil companies would facilitate the establishment of such installations in southeast Arabia.

NEA Files: Lot 55–D36

Statement by the United States and the United Kingdom Groups

TOP SECRET [WASHINGTON, undated.]

THE PROBLEM

Political and economic questions relating to Yemen.

DISCUSSION

1) Mention was made of the advanced age of the present Imam of Yemen, which raised the possibility of a succession problem. The British and American groups stated that their governments had no particular ideas on this subject.

2) The British group said that there was friction between Yemen and the Aden Protectorate over the frontier areas between them. The British Government wished to restrain Yemen and prevent further trouble; they hoped that the United States Government would take a similar view.

3) The American group outlined the circumstances leading up to the recent establishment of American diplomatic relations with Yemen,[1] and gave an account of certain efforts which had been made by Prince Abdullah to obtain economic assistance in the United States,[2] including particularly a plan for the development of a small

[1] For documentation on this subject, see *Foreign Relations*, 1946, vol. VII, pp. 924 ff.

[2] For information on this subject, see editorial note, p. 1344.

port to be financed by an American loan. There had been insufficient information to reach a decision on this project, as yet, but it seemed that a small port which could be constructed without an excessive outlay might have some merit. It was emphasized that generally speaking the United States had no special interest in Yemen aside from its general desire to promote the economic and social welfare of the peoples of all the Arab countries and to strengthen friendly relations with the countries of the Middle East. The British perceived no objection to this scheme, and shared the opinion of the American group that there should be close cooperation between the British and American Governments with respect to the economic development of Yemen.

CONCLUSIONS

1) The British Government desires that the Yemeni Government should be discouraged from causing further difficulty about the frontier between the Yemen and the Aden Protectorate, and hopes that the United States Government will exert a restraining influence on the Yemeni Government.

2) There should be close cooperation between the British and American Governments with respect to the economic development of Yemen and no British objection is perceived to the possible development of a small port, financed by an American loan.

NEA Files: Lot 55–D36

Statement by the United States and the United Kingdom Groups

TOP SECRET [WASHINGTON, undated.]

PALESTINE

The question of Palestine was discussed against the background of current developments in the United Nations and with reference to foreseeable repercussions in the Arab world and the probable effect of such Arab reaction on the successful implementation of any parallel plans for Anglo-American cooperation in promoting political stability in the Middle East.[1]

[1] In a memorandum of March 11, 1949, to Secretary of State Acheson and Under Secretary of State Webb, the Director of the Office of Near Eastern and African Affairs (Satterthwaite), in treating the discussions on Palestine at "The Pentagon Talks of 1947", stated: "Regarding Palestine, it was agreed that it should be regarded as a thing apart and not to be debated in these discussions, although it was recognized that the development of the Palestine situation would have an important bearing on any endeavors toward Anglo-American cooperation in the Middle East." (Lot 55–D36)

NEA Files: Lot 55–D36

Statement by the United States and the United Kingdom Groups

TOP SECRET [WASHINGTON, undated.]

THE PROBLEM

Transjordan and the Greater Syria Movement.

DISCUSSION

1. The British group referred to the Anglo-Transjordan Treaty of 1946 which provides for strategic facilities in Transjordan and for British assistance in financing and equipping Transjordan forces. They also mentioned the useful role played by the Arab Legion in Palestine. Concern was expressed about King Abdullah's tendency to indulge in provocative utterances, particularly in respect of Greater Syria, which had given rise to friction with King Ibn Saud. The British had endeavored to assert a calming influence on King Ibn Saud and a statement had been made in the House of Commons for the purpose of making it clear that the British were not sponsoring the Greater Syria project. The British Government hoped that the United States Government would on their side continue to do all they could to allay the anxiety of King Ibn Saud. If the United States Government felt able to recognize Transjordan and to appoint a representative at Amman they would also be in a better position to help in exercising a calming influence on King Abdullah. The British Government disliked the position that the British were represented at Amman and not the Americans.

2. The American group observed that United States Diplomatic Representatives in Saudi Arabia had repeatedly told King Ibn Saud that it was the understanding of the American Government that the British were not supporting the Greater Syria idea. Regarding its own position on the Greater Syria issue, the American Government had not reached any decision, although no reason was perceived for opposing such a plan provided that it had the free consent of the various countries concerned and was brought about in such a way as not to disturb King Ibn Saud. On the matter of recognition of Transjordan, action was being delayed pending a decision on the subject of Palestine by the United Nations. In any event the possible election of Transjordan as a Member of the United Nations would doubtless clear the way for recognition. The form which American representation might take at Amman had not been decided. Thought had been given to dual representation through existing Offices in either Jerusalem or Baghdad but

the establishment of an independent Mission at Amman was not excluded.

3. The British group observed that although consideration had been given to the establishment of bases in Transjordan no definite plans had been evolved and one of the principle problems which had arisen in that connection had been to obtain a Mediterranean outlet. An outlet to the Gulf of Aqaba was, of course, possible but not entirely satisfactory. The suggestion was made that the question of an outlet to the Mediterranean might be considered in connection with current discussion of the Palestine question by the United Nations.

CONCLUSIONS

1. The United States Government would give consideration to the recognition of Transjordan at the appropriate time and to the possible appointment of a Diplomatic Representative resident at Amman.

2. Access to the Mediterranean should be borne in mind in connection with current discussion of the Palestine question in the United Nations.

3. Neither the American nor British Governments feel in the position actively to support the formation of Greater Syria. They are not, however, unalterably opposed to such a project provided it could be carried into effect in a manner acceptable to the countries concerned and without incurring undue opposition on the part of Saudi Arabia.

4. Both the American and British Governments would do what was possible to restrain King Abdullah from making provocative utterances about Greater Syria and to allay the anxiety of King Ibn Saud in that regard.

NEA Files: Lot 55–D36

Statement by the United States and the United Kingdom Groups

TOP SECRET [WASHINGTON, undated.]

PROBLEM

Political and Economic Situation in Syria and Lebanon.

DISCUSSION

1. The British group said that there was discernible in the Arab League a line of cleavage into two camps in which Syria was tending to align herself with Saudi Arabia (and Egypt) against Iraq and Transjordan. It was important that both Britain and the United States should counter a tendency observable in some parts of the Middle East to associate Iraq and Transjordan with Britain and Saudi

Arabia and Syria with the United States. This tendency was sometimes expressed in talk of Anglo-American rivalry in the Middle East as a whole with particular reference to oil questions. The American group said that their information was to the same effect and they stressed the fact that there was nothing in such stories. They shared the view of the British group that efforts should be made when occasion offered to put an end to these allegations.

2. Both groups felt anxiety about the financial situations in Syria and Lebanon which were in a serious condition. The British Government had felt unable to accede to a request by Syria and Lebanon to enter the sterling area and had advised the two Governments to try to enter into a satisfactory financial agreement with the French. The American Government had been informally approached for a loan by both Syria and Lebanon, but the Export-Import Bank upon examination had not found the proposal practicable. The British group observed that it was important to avoid economic chaos in the two countries because of the opportunity which would be afforded for the exploitation of such a situation by Communist elements, which were particularly strong in Lebanon. The British Government would, therefore, be glad to see American economic support which might be given Syria and Lebanon.

3. The British group remarked that the Syrian Government might, under Nationalist pressure, refer the question of Alexandretta [1] to the United Nations. This would have undesirable repercussions in that the Soviet Government might for example use it as a precedent to raise claims against Turkey. The American group shared the opinion of the British group that the reference of this matter to the United Nations would be undesirable and further observed that it would definitely be preferable that for strategic reasons Alexandretta should remain in Turkish hands.

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[1] In telegram 62, March 17, 1947, the Department requested the Legation in Damascus to discuss with the Syrian Foreign Office the "evident tendency Syrian Govt to view Hatay problem as possible case for UN in near future as result alleged persistent refusal Turkish Govt to enter into direct negotiations." The Legation was instructed to "emphasize our view that Turkey's problems with USSR are overriding considerations and that we consider it urgently desirable to maintain integrity of Turkey's eastern frontier in face threatened Soviet encroachment. We therefore strongly urge patience on part Syrian Govt in its own best interest, as any impairment Turkish sovereignty on part USSR would seem bound to jeopardize Syrian sovereignty sooner or later. We therefore earnestly hope Syrian Govt will refrain from pressing this question at present time." (767.90D/2–2847) In telegram 121, April 12, the Legation in Damascus reported information from the Syrian Prime Minister that "Syria realizes gravity of situation facing Turkey and for that reason only now refrains from raising Alexandretta question before UN. Such forbearance should not be misconstrued, for Syria is not abating its claims and will present them at proper moment." (767.90D/4–1247) For documentation on the cession of the Hatay (the Sanjak of Alexandretta) by France to Turkey, see *Foreign Relations*, 1939, vol. IV, pp. 832 ff.

CONCLUSIONS

1. Both Governments should take advantage of appropriate occasions to correct misapprehensions regarding alleged British support of a Transjordan–Iraq group in opposition to an American supported Syria–Saudi Arabia group as reflecting Anglo-American rivalry in the Middle East.

2. The financial situation in both Syria and Lebanon requires continued attention.

3. Not only would it be politically inadvisable for Syria to raise the question of Alexandretta in the United Nations but it would be disadvantageous from the point of view of Middle East security if Alexandretta were to pass from Turkish hands. Any move by the Syrian Government in this direction should, therefore, be discouraged.

4. There should be close consultation between the American and British Governments on all these questions.

NEA Files: Lot 55–D36

Statement by the United States and the United Kingdom Groups

TOP SECRET [WASHINGTON, undated.]

PROBLEM: THE ARAB LEAGUE

DISCUSSION

1) The British group stated that the British Government had not taken the initiative in creating the Arab League but they had indicated that they were not adverse to it and currently maintained contact with it through the British Middle East Office and otherwise. On the one hand, the League had a certain usefulness in lessening friction between the Arab States but on the other hand it had lately displayed certain anti-foreign tendencies. This raised the question of the advisability of its continuance, with the arguments being about evenly balanced. Were it to break up, the tendency for the Arab Nations to split into two blocs might be accentuated. These might then seek foreign partners and one or the other might lend an ear to Soviet propaganda. Moreover, any attempt to bring about its dissolution might only serve to arouse Arab antagonism.

2) The American group stated that the United States Government, after a period of initial reserve, had in 1945 welcomed the League,[1] but that the tendency of the League to extend its activities outside the Arab States, particularly in North Africa, had recently given rise to

[1] For documentation on the attitude of the United States toward the Arab League at that time, see *Foreign Relations*, 1945, vol. VIII, pp. 25 ff.

concern. It was recognized that the League served as a useful forum for the discussion of Arab problems, but it was felt that activities of the League had thus far centered excessively on political problems to the virtual exclusion of attention to economic and social development. The American Government still considered, however, that the League was serving a useful purpose.

CONCLUSION

Both groups found their views about the Arab League to be in general accord. The two Governments should watch developments carefully and there should be exchanges of views and consultation.

NEA Files: Lot 55–D36

Statement by the United States and the United Kingdom Groups

TOP SECRET [WASHINGTON, undated.]

THE PROBLEM

Political, Strategic, and Economic Questions Relating to Afghanistan.

DISCUSSION

1. It was recognized by both groups that Afghanistan was of strategic importance because of its position on the flank of Iran and athwart the approach to India from the northwest. At the same time it was noted that in view of the geographical situation of Afghanistan the loss of Afghan political independence and territorial integrity, while fraught with serious consequences, would not in present world conditions be likely to menace the security of the Middle East to the extent of similar losses on the part of Iran, Greece, or Turkey. A determined effort should be made in the framework of the United Nations to assist Afghanistan in resisting direct or indirect aggression.

2. In the past, the financing of arms supplied to Afghanistan and of subsidies to the tribes of the Northwest Frontier was effected through the Government of India. In order to maintain the stability of the area, and of Afghanistan in particular, and taking into consideration recent Communist activity among the tribes, it is important that these subsidies should be continued. The British Government hopes that responsibility therefor will be assumed, at least in part, by the Dominions of India and Pakistan.

3. The British group made it clear that American assistance in the economic development of Afghanistan was welcomed by the British Government.

4. Reference was made to evidence of an apparent lack of full consultation and cooperation between the American and British Legations in Kabul, and both groups undertook to take action in order to assure appropriate cooperation in the future.

5. The American group made mention of approaches which had been made to it by both the Iranian and Afghan Governments regarding the Helmand River question, and said that informal discussion between the Iranians and Afghans had been initiated in Washington at the suggestion of the American Government and that the British Government would be kept currently advised of developments in that regard.

CONCLUSIONS

1. In view of the geographical situation of Afghanistan which is on the flank of Iran and athwart the route into India from the northwest, Afghanistan occupies a position of strategic importance not, however, comparable, under existing circumstances, with that of Iran, Turkey, and Greece. This importance should be taken into account in the event that United Nations assistance should be invoked in an emergency affecting Afghanistan. A determined effort should be made in the framework of the United Nations to assist Afghanistan in resisting direct or indirect aggression. It is possible that circumstances might so develop that the strategic importance of Afghanistan might be considerably increased.

2. Arms and training facilities required by the Afghans should, insofar as possible, continue to be supplied by the United Kingdom, and by the Dominions of India and Pakistan.

3. In the interest of internal security in Afghanistan, as well as in Pakistan, it is important that consideration should be given to the continuance of subsidies to the Northwest Frontier tribes.

4. The influence of both the British and American Governments should be used in an appropriate manner for the purpose of furthering a peaceful settlement of existing tension between Afghanistan and Pakistan over the question of the status of the peoples of the Northwest Frontier.

5. The United States Government will continue to use its informal good offices with a view to facilitating agreement between the Iranian and Afghan Governments on the Helmand River question, and will keep the British Government currently informed.

6. The British Government welcomes economic assistance to Afghanistan by the United States Government or by private American enterprise.

7. Both Governments will instruct their respective missions in Kabul to cooperate fully with one another.

NEA Files: Lot 55–D36

Statement by the United States and the United Kingdom Groups

TOP SECRET [WASHINGTON, undated.]

PAKISTAN

Recognizing the strategic importance of Pakistan, the British Government entertains hopes of arriving at a common defense agreement with the Dominion of Pakistan as well as with the Dominion of India. The apparently favorable disposition of the people of Pakistan holds the prospect not only of a close understanding between the United Kingdom and Pakistan but also of an effective contribution by Pakistan to the stability of the Moslem world. The British Government hopes that as the result of the defense discussions the Pakistan Government may be induced to share with the Indian Government the necessary expenses involved in furnishing subsidies to the tribes of the Northwest Frontier and arms and military assistance of various kinds to the Afghan Government. The stability of the Northwest Frontier would be further strengthened by the settlement of the problems which have arisen between the Pakistanian and the Afghan Governments.

The conclusion was reached by both the British and American groups that each Government should endeavor to keep the other Government informed with regard to developments in its relations with Pakistan which would be likely to affect the other Government.

NEA Files: Lot 55–D36

Statement by the United States and the United Kingdom Groups

TOP SECRET [WASHINGTON, undated.]

FRENCH NORTH AFRICA

The American group referred to efforts which M. Bidault[1] had made to work out a plan which would give a greater degree of participation in the Government of French North Africa to the native population. Unfortunately, these plans had been kept strictly secret, and it was now a question whether, following the new French municipal elections, these liberal plans would be made public and pursued. Unless a progressive program looking forward towards the development of eventual self-government was adopted, fears were entertained of serious difficulties in French North Africa within the next few years. It was American policy to try to do nothing to offend the French

[1] Georges Bidault, French Foreign Minister.

in North Africa, but at the same time to avoid seeming unfriendly to Arab Nationalists in view of the United States Government's desire, under appropriate circumstances, to be of friendly assistance to both sides in reconciling their differences along progressive lines. This policy was apparently not always appreciated by the French, who were very sensitive on this subject.

The British group said that the British view was in general agreement with the above, and expressed the hope that the two Governments would continue to exchange views on this question.

NEA Files: Lot 55–D36

Statement by the United States and the United Kingdom Groups

TOP SECRET [WASHINGTON, undated.]

CYPRUS

It was the opinion of both groups that in existing circumstances the maintenance of Cyprus as a British base area would be in the interest of Middle Eastern security and world peace. This would not, however, preclude the possibility of reviewing the status of Cyprus at some future time.

NEA Files: Lot 55–D36

Statement by the United States and the United Kingdom Groups

TOP SECRET [WASHINGTON, undated.]

THE PROBLEM

Subversive Activities in the Middle East.

DISCUSSIONS

1. The British group outlined a number of factors favoring the development of subversive activities in the Middle East. These were: the general social and economic conditions in the area which had been aggravated by the war; reactionary regimes in the Arab countries; disillusionment and impatience among the younger men; tension over Palestine; Arab respect for Soviet power; the existence of a Moslem minority in the Soviet Union; and the existence of large minorities in many Middle Eastern countries. On the other hand, Communism was not widespread in the Middle East and the Moslem religion was not favorable to it. Soviet propaganda, though not working at full pressure, was attempting to exploit the miserable social and economic

conditions of the peoples of the Middle East and was in particular representing shortages as due to British domination, and was also attacking American "dollar diplomacy" through various channels. Communism was most active in the Lebanon, with its relatively high degree of industrialisation and its mixed population. In Egypt the government's policy had recently been more lenient towards Communism, perhaps with an eye to Soviet support in the Security Council, and the Communists had profited by this to consolidate small cells in the police, and perhaps in the army. In Iran there had been a considerable degree of Communist penetration through the Armenians and the Tudeh Party. The American group observed that in French North Africa Arab nationalists had tended to join Communist organizations since these were permitted to exist, while Arab nationalist organizations were banned. The British group went on to say that there was practically no Communist activity in Transjordan, Saudi Arabia or the Yemen. Among the best means of combatting such activities in the British view were measures to improve social and economic conditions in the Middle East, and it was desirable that assistance of this kind should be increased.

2. The American group shared these views and added that they were also concerned by the fact that the Soviet Government was using the World Federation of Trades Unions for subversive purposes. A further cause for concern was the penetration of certain American and British governmental and semi-official organizations by Communists and fellow travellers. For example, in certain British Army journals and through other channels this had manifested itself in a tendency to criticize the United States and praise the Soviet Union. Similar instances could doubtless be cited with respect to American agencies. It should be the policy of newspapers and other media of publicity, run by governmental agencies of each country in the Middle East, to curtail criticism and rather to call attention on all appropriate occasions to the good work being done by the other in order not to provide the Soviet Union with an opportunity of driving a wedge between the United States and the United Kingdom.

3. Neither government had issued directives to its Information Services in the Middle East to attack Communism as such. The British Information Services had as their objectives only to correct misapprehensions and to give the Middle Eastern peoples a true picture of the British way of life. The question was being raised whether the offensive should not be taken by the American Government in its information work in an attempt to break down the myth of Soviet perfection. Good use could, for instance, be made of material on the treatment of their Moslem minorities by the Soviet Union.

CONCLUSIONS

1. All possible efforts should be made to combat Communism in the Middle East by measures directed towards the improvement of the social and economic conditions of the peoples of the area.

2. It might be suggested to the Information Services of the United States and United Kingdom that they should respectively give more favorable publicity on suitable occasions to the achievements of the other country. The suggestion was also made that each government should bring to the attention of the other any deviations from this policy.

3. Consideration might be given by both governments to the question whether Communism as such should not now be attacked by their respective publicity agencies in their work in the Middle East.

4. Full information should be exchanged on subversive activities in the Middle East in general.

NEA Files: Lot 55–D36

Statement by the United States and the United Kingdom Groups

TOP SECRET [WASHINGTON, undated.]

COORDINATION OF INFORMATIONAL AND CULTURAL ACTIVITIES

1. There was discussion of instances where the informational agencies of the two countries had not only failed to maintain satisfactory relations, but had actually worked at cross purposes. It was the unanimous opinion of both groups that steps should be taken to remedy this situation. (The question of directives covering Communism is discussed in the paper on that subject.[1])

2. The importance of providing properly qualified British and American teachers and professors to supply the needs of Middle Eastern educational institutions was recognized by both groups and discussion centered particularly on steps which might be taken by both countries to provide financial assistance from private or governmental sources for that purpose.

[1] The paper on "Subversive Activities in the Middle East," *supra*.

NEA Files: Lot 55–D36

Statement by the United States and the United Kingdom Groups

TOP SECRET [WASHINGTON, undated.]

SUPPLY OF ARMS AND EQUIPMENT TO MIDDLE EASTERN COUNTRIES

The American group stated that it is current American policy to confine arms sales to countries of the Middle East to reasonable quantities required for the maintenance of internal security. The only exceptions thereto were Greece and Turkey in respect of which special supply programs had been instituted. It was possible, however, that it might be desired in due course to review this policy with a view to furnishing equipment to the countries of the area which would make it possible for them to assume a higher degree of responsibility for their own defense. Both groups were of the opinion that a full exchange of views and information on this subject should be maintained.

The American group also discussed training from the standpoint of receiving foreign military students and of sending American military missions to the Middle East. Regarding the former, a limitation was imposed by the lack of facilities and regarding the latter, enabling legislation is awaited which would make it possible to act favorably on requests which have been received for U.S. military missions subsequent to the lapse of wartime emergency powers under which several American military missions were previously sent to certain Middle Eastern countries.

NEA Files: Lot 55–D36

Statement by the United States and the United Kingdom Groups

TOP SECRET [WASHINGTON, undated.]

ANGLO-IRANIAN STANDARD OIL PIPE LINE

In reply to an inquiry by the American group regarding the preference of the British Government for a southern route for this pipe line,[1] despite the greater cost involved, the British group explained that they were impressed by the advantages of the greater security which would be provided by the more southerly alignment. This would also have the advantage of facilitating an outlet to the Gulf of Aqaba, thus avoiding the Suez Canal. Future developments in northern Palestine and in the Levant states were uncertain, and it was desirable to have

[1] For the official exchange of notes on this matter by the British Embassy and the Department of State, see pp. 660, 663.

alternative outlets for the oil. It was true that the cost would be greater but the availability of oil in time of war would more than justify the extra expenditure involved.

The American group observed that this question was already being considered by the Joint Chiefs of Staff and it was thought preferable that the matter should be left in their hands at this time.

NEA Files: Lot 55–D36

Summary Memorandum of Informal Conversations Relating to Social and Economic Affairs in the Middle East [1]

Washington, October 23 to 30 [*28?*], 1947 [2]

SECRET

I

Opportunity for informal exchange of views and information and discussion of social and economic affairs in the Middle East was afforded by the presence in Washington of Mr. Denis Greenhill of the Middle East Secretariat, British Foreign Office.

Full advantage was taken of this opportunity through a series of frank and informal talks attended by representatives of: the British Treasury delegation in Washington (Mr. A. Christelow), and of the British Embassy in Washington (Mr. Anthony E. Percival), in addition to Mr. Greenhill; and by representatives of the interested offices of the Department of State, namely the Offices of Near Eastern and African Affairs, of European Affairs, of Financial and Economic Development, of International Trade Policy, of Transport and Communications, of Information and Educational Exchange, and of Intelligence Research.

The subject of British and American interest in the social and economic affairs of the Middle East and in the raising of living standards in that area had been raised in a memorandum transmitted by Mr. Bevin to the Secretary of State at Moscow in March 1947. Further explanations of British views and interests in the subject had been communicated in informal conversations between Mr. Greenhill and a representative of the American Embassy at London. Previously,

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[1] Jointly prepared by American and British participants.

[2] Minutes of meetings with the British, prepared in the Department of State, disclose that discussions concerning Middle East regional economic problems and Iraq took place on October 23 and concerning Iran and Egypt the following day. The two groups reconvened on October 27, after a weekend adjournment, for discussions on Syria, Lebanon, Transjordan, and Ethiopia. They concluded the meetings on October 28 with talks on Saudi Arabia, Yemen, and Kuwait and on regional matters. There are no Minutes for October 29 and 30. Copies of the Minutes were sent to London in instruction 484, December 5, and are filed with that instruction under 890.50/10–347.

in the spring of 1944, British and American interests in the Middle East had been reviewed in informal conversations held in London between Mr. Wallace Murray, Director of the Office of Near Eastern and African Affairs of the Department of State and officials of the British Foreign Office. Pursuant to these conversations, parallel instructions had been transmitted by the Foreign Office and the Department of State to the British and American diplomatic missions in the Middle East in April 1944. These instructions called upon the respective British and American Missions at each post to arrange for the conduct of Anglo-American relations throughout the area in a spirit of cooperation based on mutual frankness and goodwill.

The informal conversations held in Washington in October 1947 again demonstrated the usefulness of frank and full informal exchange of views and information between British and American representatives with reference to matters of mutual interest involved in the social and economic affairs of the Middle East.

II

The point of departure was the conviction that the maintenance of security and tranquillity in the Middle East is a necessary condition of world peace. A prerequisite for the maintenance of security and tranquillity in the Middle East is the raising of the social, cultural and economic standards of the peoples of the area. If these standards are to be raised there must be constructive foreign influences in the Middle East. It is considered that Great Britain and the United States are among the countries of the world which are in the best position to exercise such constructive influences designed to further the interests and well-being of the peoples of the Middle East. It is therefore essential that Great Britain and the United States cooperate in strengthening each other's respective positions in the Middle East in order that, by working with mutual understanding and goodwill, they can attain the objective of assisting the economic and cultural development of the Middle East in a manner which will tend to raise its cultural and general economic standards to the benefit of the peoples concerned.

It must be understood that in cooperating with each other there is no intention on the part of either Great Britain or the United States of barring or preventing any other country from having free intercourse with the countries of the Middle East for the purpose of contributing in a constructive manner to their economic and cultural advance. In fact, contributions of this character from other like-minded countries would be welcomed.

In the light of the foregoing, it was the expressed view of the British and American representatives that in a matter of such importance to

both the United States and Great Britain, both Governments should endeavor to prevent either foreign countries, or commercial interests, or any other influences from making capital for themselves by playing Great Britain and the United States off against each other. Great Britain and the United States should each follow the general principle that each country endeavor to strengthen the other's position in the Middle East on the basis of mutual respect and cooperation. It should be contrary to their respective policies for either country to make efforts to strengthen itself or to increase its influence at the expense of the other.

The policy of each Government in the Middle East is to lend the other all possible and proper support for the attainment of the objective referred to above. In cooperating with each other Great Britain and the United States should, of course, take care not to embark on policies which would tend to curtail the economic freedom of the countries of the Middle East, including their right to engage in free economic and cultural intercourse with other nations.

III

The close affinity of British and American objectives, and many similarities of method were revealed in this review of social and economic affairs in the Middle East. Representatives on both sides considered the salient points which emerged from the informal discussions to be as follows:

a) Solutions to the urgent social and economic problems of the Middle East along lines compatible with Western concepts and ideals would significantly influence the political orientation of Middle East countries.

b) The responsibility for the solution of these problems should be carried to the fullest possible extent by the Middle Eastern countries themselves, and whenever practicable the United States and the United Kingdom should seek directly or indirectly to encourage these countries to undertake constructive activity.

c) All practical support should be given to sound schemes of economic development designed to raise the general standard of living in Middle Eastern countries. It was recognized that there are inherent difficulties in meeting the immediate problems of the area with such long term solutions. Where large schemes are not yet possible efforts should be made to encourage the establishment of "sample" projects of an economic size which would serve to stimulate Governments to constructive action at a later date.

d) All major development plans for the Middle East should constantly be considered by the United States and United Kingdom Gov-

ernments in the light of their respective commitments and plans for economic recovery, reconstruction and development elsewhere, e.g., the European Recovery Program and British Colonial Schemes.

e) Pending general adoption and implementation of the Charter for an International Trade Organization, questions of commercial policy which arise with reference to the area should be dealt with by the United States and the United Kingdom in accordance with the principles embodied in the Geneva Draft of that Charter. The two nations have already agreed to act in accordance with the principles set forth in the document entitled "Proposals for the Expansion of World Trade and Employment" and are parties to the General Agreement on Tariffs and Trade negotiated in Geneva in 1947.

f) It is in the interest of the countries of the Middle East as well as of the United Kingdom and the United States for the countries of the Middle East to increase their earnings of American dollars. The representatives of both the United Kingdom and the United States accordingly share the opinion that both the British and American Governments should in general with due regard to established channels of trade, pursue policies which would tend to encourage an increase in exports from the Middle East to the United States.

g) There is an important common interest in the maintenance of conditions in the Middle East which will permit the oil industry to function effectively and to increase its substantial contribution to the raising of the standards of living in the area. Similar considerations apply to the development of civil air facilities.

h) It is highly important for the United States and United Kingdom to establish by all useful means at their disposal the widest possible cultural and technical links with the countries of the Middle East, and particularly with those groups who may be most influential in promoting the sound economic and cultural development of their countries and the raising of the cultural and economic living standards of the population of the Middle East generally.

i) The exchanges of information and views effected through these informal conversations demonstrated the advantages and usefulness of such exchanges; and similar opportunities for maintaining close informal contact between representatives of the two Governments on these matters of common interest should be availed of whenever suitable occasion may offer.

IV

Among the various matters with regard to which the representatives of both countries found themselves holding the same views were:

a) The desirability of a strengthening of the Economic Committee of the Arab League Council to enable it to function as an instrument

of constructive collaboration. Any attempt by the Arabs to use it for undesirable economic or political objectives should be resisted.

b) That the establishment at this time of a United Nations regional economic organization in the Middle East was not favored.

c) That fullest informal cooperation between the staff of the diplomatic missions and consular offices of the United States in the various countries of the Middle East and the staff of the British Middle East Office as well as with the staffs of the British diplomatic missions and consular offices should be encouraged.

d) That the present intention of the Iraq Government to undertake considerable economic development of that country justifies support. The responsibility for ultimate decisions must rest throughout with the Iraq Government, but consideration should be given to the most effective machinery to be devised to produce quick results, making appropriate use of the projected Central Development Board and existing advisory staff. To the extent that the Iraq Government finds external borrowing necessary for the implementation of sound specific projects arising out of its plans, support should be given to application to the International Bank for investment funds.

e) That the United States Government is prepared at the request of the Iraqi Government to cooperate with the British Government in affording to the Government of Iraq technical advice and aid in development plans. The British Government would welcome such cooperation.

f) That the balanced development of the national educational systems of Middle Eastern countries is of high importance, and the Governments of these countries should be encouraged to pay special attention to the provision of technical education.

g) That the economic and social conditions of Egypt gave cause for concern and justified every appropriate effort being made to induce the Egyptian Government to undertake a progressive domestic development program involving full use of local capital available.

h) That whilst His Majesty's Government were at present thinking in terms of a small technical Nile Board, the usefulness of creating a Nile Valley Authority which would genuinely safeguard the interests of all should be further considered. His Majesty's Government would welcome any observations or suggestions that the United States Government may feel disposed to make in this connection.

i) That in the interim, to offset population pressure in Egypt and to permit development in the Sudan, every encouragement should be given to the implementation of suitable existing schemes for the full utilisation of the Nile waters. The feasibility of, and possible problems

involved in, the provision of dollars for financing the Lake Tana project should receive further study.

j) That it is a matter of high importance to keep in closest touch with educated opinion in Egypt, as in all Middle East countries, and that the early filling of existing vacancies in Egyptian universities with a carefully selected United States and United Kingdom staff provides an excellent method of doing so.

k) That a progressive social and economic program in Iran is necessary. "Sample projects" undertaken with the aid of foreign advisers are of value for this purpose. In appropriate cases support may be given to applications for the financing of sound development projects by the International Bank.

l) That further exchange of information is desirable in considering the problems of the Anglo-Iranian Oil Company, Arabian American Oil Company, etc., and on the manner in which the oil companies are meeting their problems of employer-employee and government relationships.

m) That the economic situation of the Levant States indicates the desirability of encouraging development on a scale commensurate with their resources. This area might well offer good opportunities of initiating "sample projects".

n) That pipeline and refinery activities in the Levant might help in relieving the dollar situation and should give some employment to skilled and semi-skilled labour thrown out of employment by the departure of the Allied forces.

o) That the Levant States should be encouraged to seek a friendly and reasonable resolution of their financial difference with the French. Similarly it is desirable that the French should be encouraged to adopt a friendly and reasonable attitude in this regard.

p) That British participation in the increasing commercial activity in all parts of Saudi Arabia would be welcome to the United States Government.

q) That if the employment of any substantial number of foreign experts by the Saudi Arabian Government becomes a likely prospect, it might be desirable to consider the formulation of a standard form of contract of employment which would serve to protect the interests of all concerned.

r) That in view of the conflicting activities of the various medical organizations in Ethiopia, it would be desirable if the authority of the Ethiopian Minister of Public Health were built up and future public health activities put under his direction.

s) That the United States Government would take note of the fact that His Majesty's Government, in view of the balance of payment

prospects, attached importance to the principle that dollars resulting from any dollar loan or royalties be made available for expenditure without restriction in any currency area, and not be confined to payments for supplies, services, etc., provided by the United States only.[3]

[3] Copies of the Summary Memorandum were sent to the Embassy in London on December 5. The transmitting instruction, No. 484, stated: "This memorandum sets forth the views of the representatives of the Department of State and of the British Embassy and Foreign Office who participated in the conversations, as to the manner in which the United States and Great Britain might most effectively cooperate in approaching social and economic problems in the Middle East. The Acting Secretary of State is of the view that the memorandum, having been approved in principle by the interested economic and geographic offices, though possibly subject to certain amendments of detail, can be considered to reflect the present social and economic policies of the Department in the Middle East.

It was clearly understood by the British and American representatives who contributed to the preparation of this summary memorandum that the Department of State or the Foreign Office might, after further review of the memorandum, wish to propose some amendments of detail, in which case notification to this effect would be made through diplomatic channels. Accordingly, if it becomes necessary to propose any changes as a result of the considered review now being given to the memorandum in the Department, appropriate instructions will be transmitted to the Embassy." (890.50/10–347)

NEA Files: Lot 55–D36

Memorandum Prepared in the Department of State

TOP SECRET [WASHINGTON, undated.]

CLOSING REMARKS BY THE ACTING SECRETARY OF STATE

MR. AMBASSADOR: In the meeting of this group which took place on October 16 it was agreed, I believe, that the primary objective of our talks was to enable each of our two governments in the interests of world peace to have a better understanding of what the policies of the other governments are with respect to the Eastern Mediterranean and the Middle East and to coordinate, wherever possible, these policies with the purpose of promoting the security of those areas and the welfare of the peoples inhabiting them.

It was also agreed that these talks would be of an informal nature, that the participants were to feel free to exchange views without in any way committing their Governments, that, although no minutes were to be kept of the various discussions, decisions or understandings arrived at during the course of discussions would be reduced to writing in order to obviate so far as possible misunderstandings with regard to their nature.

It was also our idea, I believe, that any helpful exchange of views regarding our respective policies must be in the framework of a common concept of the strategic situation of the areas under discussion and our hope that, with the advice of the military members of the

respective groups each of our Governments, we would attain clearer ideas regarding the strategic situation before our discussions came to a close.

It was also our understanding that our discussions, both of a strategic and political nature, would be based on a common determination to discourage aggression and to maintain the security of the areas under discussion, the preservation of which is vital to the maintenance of world peace. I expressed the view, in which I believe you concurred, that our respective Governments would be facilitated in their efforts to aid in raising the economic and cultural levels of the countries of the Eastern Mediterranean and the Middle East if their approach to the problem would be coordinated.

As a result of the conversations which have taken place since our last meeting a number of documents have been prepared for the consideration of our respective Governments. These documents, I believe, represent the views of the British and American groups as to what the policies and objectives of their respective Governments are or should be. The documents prepared by each group are not in the nature of agreement, formal or informal. If, however, the views expressed in them are accepted by our respective Governments, it would mean that our Governments would be following in the Eastern Mediterranean and the Middle East parallel policies based on our main objective of maintaining world peace in accordance with the principles of the Charter of the United Nations in a spirit of cooperation and mutual trust and good will. I cannot of course undertake at this point to state that the views expressed by the American group in these various documents are the established policies of the American Government. I can say that these views, which have been formulated only after protracted discussion and study by representatives of the Department of State and of our armed services and after consultation with the British representatives, deserve, in my opinion, most careful consideration and that I shall transmit them with that recommendation to Mr. Marshall so that he will be in a position to discuss them with Mr. Bevin in London.

During the course of our previous conversation I made it clear to you that my Government considers that it is important to both our countries and to the cause of world peace that the British remain in the Middle East and that we understand that if they are to remain there they must have facilities in that area which would make their position strategically tenable.

During our first conversation you stressed the importance of Cyrenaica as a strategic area. It was suggested that Cyrenaica might be taken up as a first item for discussion with the view to working out

a common approach. I note it is the view of our respective groups that it would be in our common interest and in the interest of world peace that international arrangements should be effected which would permit the British to have the necessary strategic facilities in Cyrenaica. I concur in these views and have reason to believe that they are the views of my Government.

I might at this point refer briefly to the various documents emanating from the conversations which have taken place:

(1) The recommendations of the American group with respect to what the basic policies of the United States should be with regard to the Eastern Mediterranean and the Middle East.

It is my intention to submit this document to Mr. Marshall with the recommendation that it be submitted to the National Security Council. This document will probably be the subject of discussion between Mr. Marshall and Mr. Bevin in London.

(2) The recommendations of the British group with regard to what the basic policies of the British Government should be with regard to the Eastern Mediterranean and the Middle East.

It is my understanding that this document is to be submitted to Mr. Bevin for study and consideration and that it will probably be the subject of discussion between Mr. Marshall and Mr. Bevin in London.

(3) A general statement prepared by the American group to which are attached some twenty-five memoranda relating to countries of the Eastern Mediterranean and the Middle East and to general topics relating to that area which have been considered during the course of our conversations. These documents contain suggestions of both the British and American groups as well as expressions of individual or common opinions as to how our respective basic policies with regard to the Middle East might best be implemented in individual countries or in the treating of problems pertaining to several countries.

It is my intention to recommend that this document with attached memoranda be transmitted to the National Security Council in order that that Council might obtain an idea of the manner in which we are planning to implement our basic policies with regard to the Eastern Mediterranean and the Middle East.

(4) A general statement prepared by the British group [1] to which are attached the same memoranda as those attached to the American general statement relating to countries of the Eastern Mediterranean and the Middle East and to general topics relating to that area which have been considered during the course of our conversations.

It is my understanding that this statement with attached memoranda will be studied by the appropriate British officials in London

[1] See footnote 2, p. 584.

and will probably be the subject of discussion between Mr. Marshall and Mr. Bevin in London.

(5) A summary memorandum of informal conversations relating to social and economic affairs in the Middle East prepared jointly by representatives of the Department of State and of the British Embassy and Foreign Office. This memorandum, as I understand it, sets forth the views of these representatives as to the manner in which the United States and Great Britain might most effectively cooperate in approaching social and economic problems in the Middle East. The conversations which resulted in the preparation of this memorandum revealed, I believe, that in general we are pursuing parallel social and economic policies in the Middle East and that it would be in our own interest and in those of the peoples of the Middle East and those of world prosperity and peace for the United States and Great Britain to continue to cooperate closely in this respect. It is my understanding that this memorandum has already been approved in principle by the interested economic and geographic offices of the Department of State and, although possibly subject to certain amendments of detail, can be considered to reflect the present social and economic policies of the Department in the Middle East. It is possible that Mr. Bevin and Mr. Marshall may care to discuss various aspects of this memorandum when Mr. Marshall is in London. If the State Department or the Foreign Office should desire to make certain amendments or changes in this memorandum it is understood, I believe, that notification to this effect will be made through diplomatic channels.

NEA Files: Lot 55–D36

The Acting Secretary of State to President Truman

WASHINGTON, November 24, 1947.

MY DEAR MR. PRESIDENT: I enclose for your consideration and for your approval if you concur, a memorandum [1] resulting from conversations with the British in regard to the Eastern Mediterranean and the Middle East.[2] The National Security Council has approved this document.[3] The Secretary of the Army, however, approved subject to: (*a*) a similar British commitment, particularly as to the military features, being simultaneously made, and (*b*) the policies outlined being

[1] The American Paper, p. 575.

[2] President Truman expressed his approval in an undated marginal notation. According to a memorandum of March 11, 1949, by the Director of the Office of Near Eastern and African Affairs (Satterthwaite) to Secretary of State Acheson and Under Secretary of State Webb, the approval was given on November 24, 1947 (Lot 55–D36).

[3] In Action No. 13, November 21, 1947.

first discussed, and if possible cleared, with the Chairmen of the Armed Services Committee of the House and of the Senate and with the Chairmen of the Foreign Relations Committee [4] and the Foreign Affairs Committee.

With reference to (*a*), a similar memorandum was prepared by the British for consideration by the British Government.

I also enclose for your information a paper setting forth the comments of the Joint Chiefs of Staff on the enclosed document.[5]

Faithfully yours, ROBERT A. LOVETT

[4] In an attached memorandum of November 28 to Mr. Henderson, William J. McWilliams, Assistant Director of the Executive Secretariat, set forth the directive of the Acting Secretary of State that no Departmental action should be taken with respect to (*b*), pointing out that President Truman had indicated that he would talk to the Secretary of the Army about it. On December 2, Mr. Lovett called on Arthur H. Vandenberg, Chairman of the Senate Committee on Foreign Relations, and read to him the American and British Papers. Mr. Lovett's memorandum of conversation stated that he "pointed out that this exchange of views, which indicated a present intent to carry out parallel policies, had deep significance, which of course he [Senator Vandenberg] at once recognized." (890.00/12–247)

[5] Not printed.

Editorial Note

In Michael letter No. 1, November 24, the First Secretary of Embassy in the United Kingdom (Jones) informed Mr. Henderson of information from Michael Wright that both the political and economic papers had been approved by the British Government (Lot 55–D36). The Michael letters were a special series of informal communications sent to the Department by the Embassy in London detailing conversations with Michael Wright on the recently completed talks in Washington.

NEA Files: Lot 55–D36

The First Secretary of Embassy in the United Kingdom (Jones) to the Director of the Office of Near Eastern and African Affairs (Henderson)

TOP SECRET LONDON, December 8, 1947.

Michael No. 5

DEAR LOY: I quote below a top secret memorandum which was originally drafted by Mr. P. J. Dixon, Private Secretary to Mr. Bevin. The underlined portion of the final paragraph of the quotation was inserted later by agreement, and the sentence marked out was dropped. When I delivered the corrected draft to Mr. Dixon on December 5 he said that he personally, as record-taker at the talk, accepted the

quoted version as the definitive record. The Secretary has in his file the original memorandum.

You will find at the end of the memorandum the very restricted distribution which it will receive in the British Foreign Office:

. . . . . (Begin Memorandum) . . . . .[1]

"(Not to be Entered or Printed) FINAL

TOP SECRET

MIDDLE EAST

During a discussion on December 4th at the United States Ambassador's residence between the Secretary of State and Mr. Marshall, at which Mr. Douglas and I were present, Mr. Marshall said that he wished to raise the question of the Washington Middle East conversations.

Mr. Marshall said that he had received endorsement from the President of the principles and recommendations put forward by the United States participants in the conversations.[2]

The Secretary of State said that the British Cabinet had already endorsed the principles and recommendations put forward by the British participants in the conversations.

In the course of discussion, Mr. Marshall and Mr. Bevin agreed that the position was as follows: there was no agreement nor even an understanding between the two Governments on the questions which had been discussed at Washington; it had merely happened that each of the Governments had been presented by their officials with recommendations which substantially coincided.[3]

The question whether any intimation on the subject of the Middle East should be made to the Russians was raised. Mr. Bevin said that he might take an opportunity of telling Mr. Molotov, as he had done before, that the Middle East was a vital area for us, but that he thought it preferable not to mention the discussions between the United States and the United Kingdom on the Middle East. Mr. Marshall agreed that the Soviet should not be informed. ~~Mr. Marshall did not commit himself as to any communication which might be made to the Russians by the United States Government.~~

(Signed) P. J. Dixon
4th December, 1947.["]

[Here follows distribution of the memorandum in the British Government.]

. . . . . (Memorandum Ends) . . . . .[4]

With best wishes, [G.] LEWIS [JONES, JR.]

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[1] As in the original.
[2] Telegram Telmar 24, December 1, to London, not printed.
[3] For further views of the Department on this matter, see footnote 5, p. 1289.
[4] As in the original.

NEA Files: Lot 55–D36

The First Secretary of Embassy in the United Kingdom (Jones) to the Director of the Office of Near Eastern and African Affairs (Henderson)

TOP SECRET LONDON, December 10, 1947.

Michael No. 5a

DEAR LOY: The only development since my letter of December 8 has been the fact that Michael raised with me the question of the exact meaning of the final sentence of the memorandum of conversation on December 4 quoted in Michael No. 5. Sir Orme Sargent,[1] he said, had asked whether this in any way affected the final paragraph of the "American Paper" which deals with letting the USSR know that the Middle East is an area important to the US.

After discussing the matter with Jack Hickerson[2] and with his approval I sent Michael for the records the following personal note:

"Dear Michael: I have looked into the question you raised with regard to the final paragraph of the memorandum recording the December 4 conversation on Middle Eastern problems.

I am assured that when Mr. Marshall agreed that the Soviets should not be informed he was referring only to the fact that the Washington talks had taken place; there was and is no implication in his words contrary to the substance of the Washington talks.

Most sincerely, Lewis Jones."

Michael said that he thought this covered Sir Orme's inquiry and that he would watch with interest what came from Washington in the way of implementation of the American idea of letting the USSR know the importance of the Middle East to the US.

With best wishes, LEWIS [JONES]

[1] Permanent Under-Secretary of State for Foreign Affairs in the British Foreign Office.

[2] Mr. Hickerson was an Adviser to the United States Delegation to the Fifth Session of the Council of Foreign Ministers, meeting at London.

PARTICIPATION BY THE UNITED STATES IN THE DEVELOPMENT OF THE PETROLEUM RESOURCES OF THE NEAR EAST [1]

890.6363/1–647

The French Ambassador (Bonnet) to the Secretary of State [2]

No. 8 WASHINGTON, January 4, 1947.

The Ambassador of France presents his compliments to His Excellency the Secretary of State and has the honor to call his attention to certain aspects of the action undertaken by American petroleum companies in the Middle East.

The French Government sees only advantages in the development of oil operations in that part of the world and it can but approve of the concern of American companies to make arrangements of such nature as to facilitate the increase of production in a region which, if it is desired to economize the resources of the American continent, must be the normal source of supply for Europe. However, the French authorities could not fail to raise the strongest protest against any action contrary to previous commitments relating to the said region and guaranteeing the rights of the Compagnie Française des Petroles, as well as against any unilateral denunciation of the Agreements of 1928.

The French Government deems, in fact, that those Agreements which were prepared and approved by the Governments after long negotiations and which the said Governments have morally obligated themselves to cause to be respected, do not, under any circumstances, stand in the way of the arrangements which a policy of increase of production would require, especially in Saudi Arabia. It is fully cognizant of the fact that these developments are in the general interest; but it deems that they should be effected with due respect for the agreements which have been concluded. If it has always approved the

[1] Continued from *Foreign Relations*, 1946, vol. VII, pp. 18–50. For other aspects of the Department's views on Near Eastern oil, see pp. 551–556. Further information on this subject is contained in an article by John A. Loftus entitled "Middle East Oil: The Pattern of Control", which appeared in the *Middle East Journal*, January 1948, pp. 17–32. The author was Chief of the Department's Petroleum Division until his resignation on October 31, 1947.

[2] Handed to William L. Clayton, Under Secretary of State for Economic Affairs, by Ambassador Bonnet on January 6.

efforts made by the Compagnie Française des Petroles at London with a view to obtaining a contractual modification of the said Agreements, intended to take into account the new elements of the situation, it could not permit such changes to be made at the expense of acquired rights and signed contracts.

It is convinced that the American Government can but share this point of view, given its prior declarations, particularly during the course of the negotiations which resulted in the Anglo-American Petroleum Agreement.[3]

The French Government also refuses to believe that the American companies can have the support of their Government when they violate the Group Agreement of 1928.[4] For its part, it gives its entire support to the Compagnie Française des Petroles in the lawsuit which it is bringing before the British courts against an erroneous and politically inadmissible interpretation of the English legislation on commerce with the enemy.[5]

The Department of State is certainly not unaware of the importance which the French Government attaches to the participation of the Compagnie Française des Petroles in the Iraq Petroleum Company and the hopes which it continues to found on the development of the imports of that Company, which would assure its new facilities for obtaining its petroleum supplies and a substantial saving in foreign exchange. Now, the policy inaugurated by the American companies in Saudi Arabia, as well as the arrangements concluded by them with the British companies in Iran,[6] would result in retarding the develop-

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[3] Actually there were two Anglo-American petroleum agreements, both unperfected, one signed at Washington on August 8, 1944, and a revised one signed at London on September 24, 1945. For documentation on the earlier agreement, see *Foreign Relations*, 1944, vol. III, pp. 94 ff; for information on the revision, see bracketed note, *ibid.*, 1945, vol. VI, p. 244.

[4] For the text of this agreement, entered into on July 31, 1928, by the private American and European oil interests which owned the Iraq Petroleum Company, see *Current Antitrust Problems:* Hearings before the Antitrust Subcommittee of the House Committee on the Judiciary, 84th Cong., 1st sess., pt. 2, p. 1004. Negotiations leading up to the agreement extended over several years; for documentation on the negotiations immediately prior to the agreement, see *Foreign Relations*, 1927, vol. II, pp. 816–824.

[5] The British Government had vested the rights of Compagnie Française des Petroles in the IPC under its Trading with the Enemy legislation. The American participants, the Standard Oil Company of New Jersey and the Socony-Vacuum Oil Company, claimed that the Group Agreement had been voided as a result of this action. For a further account of their views and of the resort to court action by CFP as a countermove, see, *The International Petroleum Cartel* Staff report to the Federal Trade Commission submitted to the Subcommittee on Monopoly of the Senate Select Committee on Small Business, Committee Print No. 6, 82nd Cong., 2nd sess., pp. 101–104.

[6] A reference to the agreement between Standard Oil of New Jersey and Socony-Vacuum with the Anglo-Iranian Oil Company whereby the American companies agreed to buy 134,000,000 tons of petroleum from the latter in 20 years; see telegram 13, January 8, 1947, to Tehran, *Foreign Relations*, 1946, vol. VII, p. 49.

ment of the production of the Iraq Petroleum Company and would place it in an unfavorable position in relation to the new group.

On the other hand, the denunciation of the Group Agreement would deprive the Compagnie Française des Petroles of the right it possesses to participate in the new exploitations contemplated. Most serious disadvantages to the French economy could not fail to result therefrom.

The intentions which the American authorities have shown in regard to the needs of the French economy, particularly during the course of the negotiations conducted last spring in Washington by Mr. Leon Blum,[7] permit the French Government to think that they will fully recognize the justice of the serious concern which it feels concerning the rights of the Compagnie Française des Petroles in the Middle East.

Mr. Henri Bonnet is happy to avail himself of this occasion to renew to the Honorable James F. Byrnes the assurances of his very high consideration.[8]

[7] For documentation on financial and economic discussions between the United States and France in 1946, including the mission of Léon Blum to the United States, see *Foreign Relations*, 1946, vol. v, pp. 399 ff.

[8] The French Embassy sent a follow-up note, No. 18, dated January 13, which amplified the note of January 4 (890.6363/1-2047). The Secretary of State acknowledged both communications on February 14, informing the French Ambassador that further time was required for their consideration (890.6363/1-447).

891.6363/1-947

Memorandum of Conversation, by the Chief of the Petroleum Division (Loftus)

[WASHINGTON,] January 9, 1947.

Participants: Mr. William L. Clayton—U-E
Mr. Orville Harden, Standard Oil Company (New Jersey)
Mr. Harold Sheets and Mr. Brewster Jennings, Socony-Vacuum Oil Company
Mr. John A. Loftus—PED
Mr. Charles B. Rayner—AP [1]
Mr. Loy W. Henderson—NEA [2]
Mr. Woodruff Wallner—WE [3]
Mr. George C. McGhee—U-E [4]
Mr. David A. Robertson—NEA [5]

[1] Adviser on Petroleum Policy.
[2] Director of the Office of Near Eastern and African Affairs.
[3] Assistant Chief of the Division of Western European Affairs.
[4] Special Assistant to Mr. Clayton.
[5] Of the Office of Near Eastern and African Affairs.

Messrs. Harden, Sheets and Jennings called at their request to discuss the problems created by the French attitude toward the apparent breach by the American companies of the Red Line Agreement.[6]

The company representatives stated:

1. That they considered themselves to be on absolutely solid legal ground in regarding the Group Agreement as void and in acting as if not bound by it in fact.

2. That they considered their repudiation of the restrictive clauses of the Red Line Agreement to be consonant with their understanding of the United States economic foreign policy.

3. That they considered the consummation of the Aramco share purchase transaction to be in the interest of the United States and to have approval of the Department.

4. That they recognized the seriousness of the French resentment over both the basis and the effects of the denunciation of the Red Line Agreement and the consequences such resentment might have both for them and for Franco-American political relations.

5. That they regarded the French position as being essentially an effort to extort some kind of pay-off under threat of reprisals.

6. That nevertheless they would be willing to work out some kind of arrangement designed to satisfy legitimate French needs if any such arrangement were feasible.

7. That the only alternatives available, however, appeared to be (*a*) to give the French some specific guarantees (to the extent to which a minority interest in the IPC could give guarantees) as to future development in Iraq, and (*b*) to arrange some kind of crude purchase contract for the French out of Arabian production; and that both of these possibilities would be explored.

8. That it was out of the question for the French to obtain a participation in the Aramco development; and that it would be desirable if the Department could indicate informally to the French that because of Ibn Saud's[7] attitude such participation was in fact impossible.

9. That the production schedules projected for Arabia did not give to the Jersey–Socony group any excess of crude over their own requirements; and, therefore, precluded an offer of crude to the French on

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[6] A name derived from the red line drawn on a map attached to the Group Agreement of July 31, 1928. The red line delimited an area covering generally the former Ottoman Empire except Kuwait and Egypt. Within this area, the partners comprising the Iraq Petroleum Company mutually excluded themselves other than through the IPC. Were these self-denying provisions still valid, Standard Oil of New Jersey and Socony-Vacuum would be denied the right as individual companies to purchase part of the capital stock of the Arabian American Oil Company; for the plans of the two American companies to do so, see Mr. McGhee's memorandum of conversation of December 3, 1946, *Foreign Relations*, 1946, vol. VII, p. 40.

[7] King of Saudi Arabia.

long term contract unless all four of the partners in Aramco were willing to participate in an additional production program.

10. That in their opinion the French should be advised officially and in writing about the American Government's views on the undesirability of reaffirming the restrictive clauses of the Group Agreement.

The Department officers present noted these views. It was indicated to the company representatives that the misgivings of the French about Middle East arrangements were to be taken seriously and efforts should be made to accommodate to the extent reasonably practical legitimate French requirements.

It was indicated that France would probably be advised of the United States attitude about the restrictive clauses and that an effort might be made to explain to them informally the political impossibility of French participation in Aramco. In answer to specific inquiries it was indicated that the Department did not in the light of the French protest want the American companies to withdraw from the Aramco project. In answer to another specific inquiry it was stated that the Department would not object to their voluntary withdrawal from the Aramco project provided such withdrawal did not involve a voluntary reaffirmation of the restrictive clauses.

In the course of the discussion attention was directed to the provisions of the group agreement under which both the CFP and Jersey (which were unable to lift their proportionate share of crude from Iraq during the war) were unable to receive any return for the use of their capital in the IPC during that period. While it was recognized that these provisions were not germane to the immediate problem, it was suggested by Mr. Clayton that they appeared basically inequitable and might constitute reasonable ground for future complaint by the French. Mr. Harden thought that the Jersey company would welcome such future complaint.

Since it appeared that the Compagnie Française was transmitting a letter to Jersey and Socony outlining the conditions which, if met, might induce CFP to withdraw its legal action, it was agreed that further discussion would not be profitable until the contents of this letter were known.

333-774—72——41

890.6363/1–647 : Telegram

Memorandum of Conversation, by the Assistant Chief of the Petroleum Division (Eakens)[1]

[WASHINGTON,] January 10, 1947.

Participants: Ambassador Bonnet, French Embassy
Messrs. Clayton, McGhee, Henderson, Rayner, Loftus, Robertson, Wallner, and Eakens, Department of State

Ambassador Bonnet opened the discussion by stating that he wished to inform the Department of his Government's views concerning the recent actions of the American oil companies, Standard of New Jersey and Socony-Vacuum, the effect of which was a unilateral denunciation of certain provisions of the IPC Agreement of 1928. He then went on to express what was said in the note which he handed to Mr. Clayton on the matter,[2] a copy of which is attached, and to mention that his colleague in London was taking action similar to that being taken by him.

In reply to Ambassador Bonnet's opening statement, Mr. Clayton said that he was familiar in general with the matter. He stated that it was his understanding that the contract which the French Government considered to be abrogated by the actions of Jersey and Socony is between private parties, and that it would seem that unless they are able to come to some agreement there would be no other recourse but to the courts. He also stated that he understood that two or three leading English barristers had passed the opinion that the Agreement is not now legally enforceable.

Ambassador Bonnet stated that court action was being initiated in the British courts by Compagnie Française des Petroles against Standard and Socony, and that in taking such action Compagnie Française had the full support of the French Government. He emphasized that even though legally the Agreement might not be enforceable as to the provisions breached, there was a moral obligation of the American parties (and he implied also of the U.S. Government to see that the American parties do so) to live up to the contract, implying that the American interest in IPC resulted from a generous gesture on the part of the French and that the actions of the American parties hardly seemed just and morally right in the circumstances. He hinted, if not actually stated, that the Anglo-Iranian–Standard-Socony purchase contract was the consideration received by Anglo-Iranian for

[1] The meeting covered by this memorandum was held in Mr. Clayton's office on January 6.

[2] The note of January 4, p. 627.

not objecting to the Aramco deal. In reply to this point, it was stated that the Department understood them to be entirely separate deals and that if there were any connection between the two the Department did not know it. Much emphasis was placed by Ambassador Bonnet on the retarding effect of the deals on the development of the IPC concessions, primarily in Iraq, on the willingness of the French to see the provisions of the 1928 Agreement modified for the purpose of better adapting it to present conditions, and of the importance to the French economy of increased supplies of Middle East oil on favorable terms. There was also evidence in his comments that the French attached considerable importance to their being considered and treated as an enemy in the reliance by Jersey and Socony upon the British Trading with the Enemy Act as the basis for their denunciation of the IPC Agreement.

It was pointed out that IPC already had concrete plans for increasing by two-or three-fold the capacity of its pipelines to the Mediterranean, thereby indicating a very substantial and rapid increase in IPC production is in prospect despite the two large Middle East deals in question. In the same connection it was mentioned that IPC had indicated intentions of drilling in the near future the undrilled concessions in Iraq, as well as the IPC concession in Qatar.

In closing the meeting, Mr. Clayton assured Ambassador Bonnet that very careful consideration would be given to the points the French Government considered important and that soon a reply would be made to the French note.

891.6363/1–1347 : Telegram

The Chargé in Iraq (Moose) to the Secretary of State

SECRET BAGHDAD, January 13, 1947—2 p. m.

15. Prime Minister Nuri Pasha yesterday expressed concern over recent reports of large increase in oil production and export from Saudi Arabia and Iran. He fears that expanded production neighboring oil fields will hamper increased production in Iraq, thus disappointing Iraqi hopes of greater oil royalties. He brushed aside increase in IPC production resulting from current pipe line construction saying that it was an old project delayed by war conditions. He lamented that pipe lines in Iraq had to be made in Britain, as British were incapable of making large pipe. He added that 12-inch pipe line now being laid was unimportant when compared to 30-inch pipe lines spoken of for Abadan and Saudi Arabia.

In this connection it should not be overlooked that pipe line from Abadan would probably have to run through Iraq. Nuri, who has in-

fluence with Regent in addition to his own standing as country's eldest statesman and Prime Minister, might place difficulties in way of proposed line from Abadan.

With reference to IPC Nuri said that it would be beneficial for the American interests in that company to purchase the French share thus putting American interests on a par with the British and enabling Americans to share in company's management (reEmbtel 668, December 31, 1 p. m., 1946 [1]). Nuri evidently assumes that British either own or effectively control Royal Dutch Shell. Nuri stated that France has no political or economic interests in this area; and no experience in operating an organization such as IPC. He thinks therefore that a guaranteed oil supply in addition to the purchase price should be sufficient compensation for the French.

MOOSE

[1] Not printed.

890F.6363/1–1647

Memorandum by the Director of the Office of Near Eastern and African Affairs (Henderson) to the Under Secretary of State (Acheson)

SECRET [WASHINGTON,] January 16, 1947.

In a conversation on January 15, Asad Al-Faqih, Saudi Arabian Minister to the United States, spoke very frankly with Mr. Sanger, of the Near Eastern Division, regarding new developments affecting Saudi Arabian oil. The Minister who had just been discussing the matter with the Crown Prince of Saudi Arabia,[1] said that the King has been happy over the way his oil resources are being developed by the Texas Company and Standard Oil of California working through the Arabian American Oil Company. And according to the Minister, the King had first welcomed the prospect of having two additional American Companies (Standard of New Jersey and Socony Vacuum) the compartments in Aramco.

The King, however, is now much disturbed by the possibility that the Red Line Agreement may still be in force, or if not actually in force will still be honored in some way. What he fears is that this will prove an "open door" through which British, French and other oil interests can get a foothold in the development of Arabian oil. The Minister repeated twice that the King and the Crown Prince were agreed that the developments of Arabian oil resources must remain

[1] For documentation on the visit to the United States of Crown Prince Saud during the first two months of 1947, see Mr. Henderson's memorandum of conversation, January 17, p. 1329.

exclusively in American hands. He ended by saying that if the proposed new partners in Aramco could not disassociate themselves from previous commitments, they would not be permitted to buy into the Arabian concession.

891.6363 AIOC/1–2047 : Telegram

The Secretary of State to the Embassy in Iran

SECRET WASHINGTON, January 27, 1947—noon.

44. In discussion with McCollum SONJ Jan 21 (urtel 52 Jan 20 [1]) it was indicated SONJ–AIOC pipe line will originate in Iran and that SONJ expects AIOC supply substantial quantities petroleum therefrom in fulfillment recently announced crude oil contract.

Details SONJ–AIOC pipe line agreement not yet finalized. Dept informed McCollum it was definitely undesirable and probably not feasible for SONJ own interest in section of pipe line located in Iran as this would require negotiation by Co with Iran Govt. McCollum said SONJ–AIOC agreement was flexible enough to allow necessary pipe lines within Iran and Kuwait to be wholly owned by AIOC and operation within these areas to be considered part of gathering function to be performed by AOIC with jointly owned pipe line beginning in Iraq. He also said that considering Dept's views arrangements would be worked out on this basis.

Undecided whether pipe line Co will be American or Brit corporation but agreement has been reached that SONJ will operate line.

Pls repeat to London as No. 426; to Baghdad as No. 25; to Cairo as No. 130.

MARSHALL

[1] Not printed.

891.6363 AIOC/1–2847 : Telegram

The Ambassador in the Soviet Union (Smith) to the Secretary of State

Moscow, January 28, 1947.

207. Highlights *Izvestia* January 26 article by V. Linetski "Agreement of British and American Companies on Oil line".

"At end of last year agreement was reached between Anglo-Iranian Oil Company and American firms Standard Oil of New Jersey and Socony Vacuum to 'explore possibility of constructing oil line' from Persian Gulf to eastern shore of Mediterranean * * *.[1]

[1] These asterisks and the others in this telegram are found in the original.

This agreement denotes new relationship of forces in struggle of British and American oil companies contesting for primacy in lands of Arabian east * * *.

American oil companies in Near East have considerably strengthened their influence and expansion of American capital seeking possession of sources of raw materials and world resources of energy has attained particular scope * * *.

Whereas US owned no oil in Near East immediately after World War One, companies controlled by American capital now own more than 40 percent of exploited oil reserves in this region * * *.

People in US like to say that 'Near Eastern game' whose prize is oil was undertaken exclusively in light of economic considerations and that American concessions in Arabia were prompted by diminishing oil reserves in America itself and by extraordinarily increased expenditure of oil during war years * * *.

British oil bulletin *Petroleum Press Service* disputing assertions concerning exhaustion of American oil reserves has indicated that * * * fear of rapid exhaustion of American oil reserves lacks any solid foundation * * *.

Real reasons at basis of US desires to strengthen and expand its position in Near East may be found elsewhere. Department of Interior head of Administration of oil and gas questions Davis [2] recently presented report to Congress stating 'our military experience has shown importance of possessing strong positions abroad and of having energetically active American capital abroad. Such position can be sustained by healthy foreign policy re oil'.

These strong positions are referred to in Herbert Feis' book *Oil and American Foreign Policy* [3] * * * Feis has established that 'basic policy task must be that our country and its armed forces be able to count in wartime on broad supply wherever these forces require it with least military risk and with minimum burdensome obligations'.

In light these statements American oil concessions in Arabia and Transarabia pipeline constitute enterprises undertaken far outside economic framework. They may be referred to as secondary enterprises of 'American world system of bases' and as American outposts expanding along British naval and air communications * * *.

Agreement for construction of oil line was concluded without consideration for wishes and interests of peoples of Arabian east * * *.

Many British papers emphasize it gives Britain definite and immediate advantages. However, certain papers indicate if its further aim is considered, agreement will rapidly strengthen US position. Thus magazine *Tribune* writes 'deal on mid-eastern oil' indicates 'beginning of new phase in world policy of force' and 'mighty American base will be created in near future somewhere in mid-east * * *'.

Struggle for Near East oil becomes increasingly acute. Immense strategic significance of oil is generally well known. Hence it is easy to

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[2] Presumably Ralph K. Davies, Acting Director of the Oils and Gas Division of the Department of the Interior.

[3] Dr. Feis' work was entitled *Petroleum and American Foreign Policy*. This pamphlet was issued by the Food Research Institute of Stanford University in March 1944.

understand that conflicts in this field have by no means economic character alone."

Repeated London as 25.

SMITH

890.6363/3–647

Memorandum of Conversation by the Assistant Chief of the Petroleum Division (Eakens)[1]

CONFIDENTIAL [WASHINGTON, undated.]

Present: Colonel Drake, Gulf Oil Corporation
Mr. Clayton, U–E
Mr. Rayner, AP
Mr. McGhee, U–E
Mr. Robertson, NEA
Mr. Eakens, PED

Colonel Drake called to inform the Department of a contract which Gulf has in process of negotiation involving the disposition of Kuwait oil to Shell.

The main features of the proposed contract are: (1) It will run for a period of ten years. (2) it will provide for Gulf supplying Shell from Gulf's share of Kuwait production 30 per cent of Shell's requirements in the Eastern Hemisphere, with the following quantities agreed to for the first four years respectively of the contract—15,000, 50,000, 85,000, and 130,000 barrels daily. The minimum quantity after the fourth year, i.e. for the remaining six years of the contract, is to be 150,000 barrels daily, with the upper limits depending upon the operation of the 30 per cent formula. There is also a provision that if Shell can show that Gulf in expanding its markets in the Eastern Hemisphere has taken business away from Shell, the quantities which Shell is obligated to take under the terms of the contract are to be reduced accordingly. (3) Notice of a desire to extend the contract beyond the ten-year period must be given by Shell three years before the expiration date of the contract.

It developed from the discussions that the proposed arrangement is essentially a partnership and profit-sharing agreement, rather than strictly a crude oil sales contract. Under the terms of the agreement, Gulf will deliver crude oil to Shell in Kuwait. Shell will arrange for transportation and refining of the crude oil, and marketing of the

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[1] The meeting covered by this memorandum was held in Mr. Clayton's office on February 3, 1947.

products, and the profits realized after deducting all costs of the operation, including Gulf's crude oil production costs, will be shared equally.

In the discussion Colonel Drake emphasized particularly that the transaction does not involve a sale of any interest in the American ownership of Kuwait oil, but is confined solely to a crude oil supply arrangement, which at the end of the contract leaves intact Gulf's one-half interest in Kuwait oil. He stated that while Gulf had been approached by American companies interested in purchasing a share of Gulf's one-half interest in Kuwait, such a sale was not possible that would leave Gulf's one-half interest wholly American owned. Under the terms of the Gulf-Anglo-Iranian partnership in Kuwait, either partner has the option to purchase any interest the other partner puts up for sale, at the price of the best outside offer, and Anglo-Iranian has indicated that it would exercise this option if Gulf decided to sell any part of its interest. He also emphasized that the contract was being drawn with the anti-trust laws fully in mind so that there could be nothing in the contract objectionable from this standpoint. He said that the agreement does not preclude Gulf from competing with Shell for markets, nor Shell from competing with Gulf in production activities. In a previous meeting he stated that Gulf did not consider there was any reason to consult with the Anti-Trust Division of Justice in regard to the transaction and had not done so.

Colonel Drake gave Mr. Clayton a penciled memorandum indicating the crude oil and marketing position of the seven large British and American companies producing and marketing in the Eastern Hemisphere. The memorandum indicated with respect to each company whether it was long or short on crude oil and markets, and pointed out that the Gulf–Shell arrangement constitutes a logical large scale commercial transaction between Gulf, which is long on crude oil and short on markets, and Shell, which is long on markets and short on crude oil. He emphasized that the deal is particularly attractive to Gulf, because the political situation in the Middle East being what it is, Gulf was not prepared to spend $300 million to $350 million that would be required to build refineries and develop markets for the crude oil involved in this arrangement. He emphasized also that it was essential that Kuwait production be developed in order to keep the Sheikh of Kuwait satisfied with the present concession arrangement, since production in surrounding areas was going forward rapidly.

Colonel Drake was questioned particularly about the operation of the part of the agreement which provides for a reduction in Gulf's sales to Shell to the extent that it can be demonstrated that Gulf has

expanded its marketing position at the expense of Shell. Mr. Clayton observed that this feature might very well operate to reduce Gulf's incentive to expand its own marketing position, but since there was no agreement or restriction on Gulf's freedom to increase its markets, this feature of the contract probably could not be considered objectionable. Colonel Drake said that Gulf intended to go forward with the expansion of its markets at the normal rate since they cannot afford at the end of the contract to be in the position of not having an outlet for the oil. Consequently, he emphasized that Gulf did not consider this aspect of the agreement as any deterrent upon their expansion of markets. Besides, he said that Gulf considered the operation of this part of the agreement academic because it was not believed that Shell could ever show that Gulf had directly taken business away from them.

In reply to a question concerning publicity relative to the transaction, Colonel Drake said that Gulf considered it simply a commercial transaction and saw no need for, and had no intention of, giving it any publicity. He said that if it was later considered that an announcement was necessary or desirable, Gulf would not make such an announcement without previously discussing the matter again with the Department.

It is not believed that Colonel Drake's discussion could accurately be construed as an inquiry of the Department as to whether it had any objection to the proposed contract. The conclusion from the discussion rather would seem to be that Gulf was going to enter into the contract discussed and wanted the Department to be fully informed about it.

891.6363 AIOC/2–347

Memorandum of Conversation, by the Assistant Chief of the Petroleum Division (Eakens)

[WASHINGTON,] February 3, 1947.

Participants: Mr. Orville Harden, Standard of New Jersey
A–T—Mr. Thorp [1]
U–E—Mr. McGhee
AP—Mr. Rayner
NEA—Mr. Robertson
IFI—Mr. Levy [2]
PED—Mr. Eakens

This discussion with Mr. Harden covered the various aspects of whether the joint pipe line to be built by Standard of New Jersey

[1] Willard L. Thorp, Assistant Secretary of State for Economic Affairs.
[2] Walter J. Levy, of the Division of International and Functional Intelligence.

and Anglo-Iranian would be an American or a British corporation. Department officials had previously taken the position in discussions of this matter with Mr. Harden that, all things being equal from a commerical standpoint, we would like to see the pipe line company an American corporation.

In reiterating this view, the reasons which were advanced were that: (1) having the pipe line company as an American corporation would enhance the prestige of the United States in the Middle East; (2) having the pipe line company an American corporation would free it from many difficulties to which it might be subject as a British corporation—among these, there might be mentioned that it is contemplated that the pipe and other equipment and materials will come from the United States, and procurement in this country would be subject to the usual difficulties, obstacles and controls with which the British corporation would have to contend; (3) as an American corporation the pipe line would be more efficiently operated; and (4) there may be some security grounds for having an American registered company. The pipe line company would be subject to American direction, could be utilized in an emergency primarily for U.S. strategic purposes, and its use could be denied to the British (who control all production in Iran and Kuwait) unless satisfactory working agreements were reached. Mr. Harden agreed that if the pipe line were American, it would definitely give the United States an important bargaining position with the British in case of an emergency.

Mr. Harden pointed out that AIOC had made concessions in connection with every commercial reason which Standard had advanced in favor of the pipe line company being American. AIOC had conceded that the operation of the pipe line would be under Standard's direction, that a Standard man would be in charge of the joint venture, and that the home office of the pipe line company would be located in the United States. Standard convinced Anglo-Iranian, which reluctantly agreed, that the pipe line company should be operated by Americans in order to take advantage of the great superiority in American pipe line technique over British technique.

British companies recognized that locating the headquarters of the company in the United States would make it easier for the company to secure the necessary American personnel. Moreover, locating the office of a British registered company in the United States would give Anglo-Iranian and Standard the advantages of the British tax laws, while at the same time would provide essentially all of the commercial advantages which would accrue to the company from being British in view of the concessions made. Mr. Harden contemplates no difficulty with British government restrictions or currency controls, and stated

that Standard will obtain the necessary assurances from AIOC and British government officials prior to concluding their arrangements with AIOC.

Mr. Harden stated that Anglo-Iranian stressed the prestige argument most of all as the reason they felt the company should be British. Anglo-Iranian pointed out that they had been operating in the Middle East for more than thirty years, and that still they did not have a pipe line in the area. AIOC also pointed out that British prestige in the Middle East had suffered in recent years, and that they felt it essential at this opportunity to bolster the British prestige. A further point which they made in connection with the prestige argument was the fact that the pipe line from Saudi Arabia would be American, and that the establishment of the Standard–AIOC pipe line as a British corporation was needed to keep in balance the prestige of the respective countries. Another argument advanced by Anglo-Iranian in favor of making the line British was the fact that the oil to be transferred is supplied by the British companies from predominantly owned British concessions, and British companies have a permanent interest in the matter whereas Standard has only a contractual interest for a period of twenty years.

Mr. Thorp mentioned that should the company be finally established as a British corporation, it would be desirable that the name of the company be as neutral as possible. Mr. Harden replied that this already had been agreed with AIOC, and that a name similar to the Near East Pipe Line Company had tentatively been agreed upon. Mr. Thorp also pointed out that there was an area of minor problems, any one of which might be serious to the company, in connection with which the Department could assist an American company but not a British company, even if the latter were one-half American owned.

Among the other matters discussed were:

(1) Ownership of the oil supplied by AIOC to Standard will pass to Standard at the point where such oil enters the jointly owned pipe line and not at the Mediterranean terminus.

(2) It is contemplated that the jointly owned pipe line would start at a point in Iraq, gathering lines being run from that point to the producing fields of Iran and Kuwait.

(3) AIOC has had for many years, and still has, a concession to build the pipe line across Iraq to transport Iranian oil, but the concession does not cover oil produced in any other country.

(4) Mr. Harden stated that he thinks a factor in a pipe line concession being granted to the joint company across Iraq will be that the company offer to transport Iraq oil to the extent of its ability to do so, and he considers that from the joint companies' standpoint, this is

good business because it is expected that a profit would be made on the operation.

(5) Mr. Harden thinks the arguments in favor of operating the pipe line on a tariff profit basis possibly are overriding, since there is a possibility that owners of Iraq, Kuwait, and Iranian oil may all desire to use the pipe line, and that in transporting oil for other than the owners of the lines the company would, of course, expect to make a profit.

Mr. Harden stated that Standard had advanced to AIOC all of the arguments that it could in favor of making the pipe line company American, and that he would like to be informed by the Department whether it considered its desires to have the pipe line company American sufficiently important for him to so inform AIOC, and then, if necessary, let the matter be decided at a government level. Mr. Thorp said that he felt such a position as this would have to be made at a higher level in the Department, and that he would, after further appropriate consideration within the Department, inform Mr. Harden of the Department's wishes on this point.

After the meeting, Mr. Thorp informed the Department officers present that it appeared necessary that the following two questions be presented for resolution at a higher level:

"(1) How strong a statement should be made to Standard of the Department's desire for American registry of the pipe line company; and

"(2) Should the Department inform the British at a government level of its desire for an American registered company."

891.6363 AIOC/2–547

The Chief of the Petroleum Division (Loftus) to the British Petroleum Attaché (Jones)

WASHINGTON, February 5, 1947.

MY DEAR MR. JONES: This letter will confirm our conversation of January 3 with reference to a possible agreement of the companies involved not to drill in the territory in dispute between Saudi Arabia and Qatar. The Arabian American Oil Company considers itself unable to adopt any course but to look to the Saudi Arabian Government for delimitation of the territory in which the company must undertake drilling operations, and to be guided by the SAG in all questions involving such delimitation of that territory. Officials of the company have, therefore, taken the position that they cannot agree to refrain from drilling in territory which might be subject to dispute with some other state, or to enter into a commitment specifically to

notify the Department in advance of beginning drilling operations in such territory. They further stated that, while it was their intention to keep the Department informed concerning their drilling programs as a matter of general policy, such information was not to be considered as being supplied for the purpose of obtaining clearance, because they felt that none was required and that any objections the Department might have on political grounds to particular drilling locations would have to be conveyed by it to the SAG.

With respect to the territorial waters of the Persian Gulf, the situation is somewhat less clear. The Arabian American Oil Company has indicated that it would be willing to delay for a reasonable time any contemplated drilling in territory that might later be subject to dispute, provided there was some prospect of a general settlement of the boundary and other questions certain to develop. They recognized that what constitutes territorial waters of the respective riparian states and what are the respective rights of those states in the sub-sea resources of the Persian Gulf beyond the limits of territorial waters are as yet undetermined; and that it would be in the interest of all concerned for these questions to be settled in advance of possible disputes. They feel, however, that if the matter is not otherwise to be settled, one method of promoting early action toward this end would be to precipitate the issue by initiation of drilling operations. The Department is not persuaded, however, that this is a desirable course and would appreciate being advised whether the British Government is prepared to reconsider the decision tentatively taken at London to resolve such matters on an *ad hoc* basis. The Department would welcome early conversations designed to disclose a feasible basis for general settlement of these questions.

Sincerely yours, JOHN A. LOFTUS

890.6363/2–1347

Memorandum of Telephone Conversation, by the Assistant Chief of the Petroleum Division (Eakens)

[WASHINGTON,] February 13, 1947.

Participants: Mr. John G. Pew, Vice President in Charge of Production, Sun Oil Company, Philadelphia
Mr. Eakens, PED

I telephoned Mr. Pew this morning to inform him about the areas open to concession in the Middle East in order that Sun might have an opportunity of bidding for concessions on these areas. I mentioned that Yemen and the one-half undivided interest of the Sheikh of Kuwait in the neutral zone between Kuwait and Saudi Arabia are not

now under concession and that we have had indications that the rulers of these countries would be receptive to interest being shown in these areas by American oil companies. In connection with the neutral zone, I informed him that a concession on the one-half undivided interest of Saudi Arabia already is held by the Arabian American Oil Company. I further informed Mr. Pew that it is our understanding that the IPC concession in Saudi Arabia along the Red Sea has been allowed to lapse and that this area is now presumably open to other companies. Finally, I said that we had indications that Transjordan also is not now under concession and that that country still offers a concession possibility.

I told him that we were informing the various companies to whom the above-mentioned concession possibilities were considered to be of possible interest and that the Sun Oil Company was in this group of companies. I said that if Sun should be interested in any of the areas mentioned, or in the Middle East generally, the Department would be glad to discuss the matter in more detail with him and/or other representatives of his company at any time.

Mr. Pew said that he would take the matter up with his company and inform us whether Sun wished to develop the matter further. Subsequently he informed the Department by letter that Sun as yet has not decided to interest itself in Middle East concessions.

Although not so indicated in the memorandum of conversation, Mr. Loftus states that he gave essentially the same information as set forth above on concession possibilities to Mr. Webb of Atlantic on January 14, 1947.

The above information subsequently was conveyed by telephone to Pan American Petroleum and Transport Company, Seaboard Oil Company, Amerada Petroleum Corporation, and Union Oil Company of California.

Sun, Atlantic, Pan American, Seaboard, Amerada, and Union increase to ten the number of companies that PED has informed of the concession possibilities in the Middle East at this time, the others being Sinclair, American Trading and Production Corporation (Baltimore), Phillips, and Superior. It is understood that Jersey and Socony know of these concession possibilities, as do Gulf, Texas, and Standard of California, and consequently PED has not discussed the matter with them.

It might also be mentioned that all the companies contacted except Sun indicated interest in possible Middle East concessions, and that Phillips, Sinclair, and American Trading have been in to discuss the matter in detail with the Department. Pan American and Union also indicated that they desire to discuss the matter further with the Department at the first opportunity.

891.6363 AIOC/2–747 : Telegram

The Secretary of State to the Embassy in Iran

SECRET WASHINGTON, February 13, 1947—8 p. m.

67. Embtel 97 Feb 7.[1] Expect Senate Foreign Relations Committee begin consideration Anglo-American Oil Agreement[2] early March. Dept hopes for prompt action by Senate after completion Committee hearings.

Unless subsequently incorporated in legislation unable state O'Mahoney Committee report[3] represents official US petroleum policy. Believe however principles in O'Mahoney report in which Iran especially interested are fully covered in Anglo-American Oil Agreement. These include respect for existing concessions and safeguarding interests of producing countries with view to their economic advancement. While promotion full development petroleum resources of world for benefit all people not specifically covered in Agreement, believe this necessarily follows from principle just referred to and from Agreement as whole. These and the other principles and objectives as set forth in the Agreement represent best available statement of US foreign oil policy. Ratification of Agreement by Senate will serve to reinforce official stature these principles. However, failure of Agreement in Senate not expected in any way prejudice them since opponents of Agreement have not attacked policy principles incorporated therein. Instead they have opposed Agreement primarily on allegation it will extend power of Federal Govt over oil by treaty and will lead to govt control of petroleum industry.

Anglo-American Oil Agreement provides that signatory Govts will formulate at early date plans for international conference of interested producing and consuming countries to negotiate multilateral petroleum agreement. Senate ratification of Agreement will give effect this provision and reasonable to assume that such a conference will be called at earliest feasible date. Disapproval of Agreement by Senate probably would render initiative by US in promoting international oil conference not feasible for indefinite future period.

Dept airmailing five copies Anglo-American Oil Agreement for Emb use and for transmission Iran Govt if considered desirable.

MARSHALL

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[1] Not printed.

[2] Of September 24, 1945; see footnote 3, p. 628.

[3] Entitled "Final Report of the Special Committee Investigating Petroleum Resources", Senate Report No. 9, 80th Cong., 1st sess. The report was submitted on January 31, 1947.

800.6363/2–2147

Memorandum by the Deputy Director of the Office of International Trade Policy (Nitze) to the Under Secretary of State for Economic Affairs (Clayton)

CONFIDENTIAL [WASHINGTON,] February 21, 1947.

Since announcement of the proposed two Middle East oil deals involving Standard of New Jersey and Socony, serious thought has been given to possible alternatives that, while not preventing the objectives of the deals to be achieved, would be free of some of their immediate and obvious, as well as possible long run, disadvantages. The most desirable alternative would seem to be for Socony to purchase the 11.875 per cent interest of Jersey in the Iraq Petroleum Company and for Socony to withdraw from the Saudi Arabian deal, and possibly also from the Jersey-Socony–Anglo-Iranian crude oil purchase agreement.

This realignment of interests would from a public policy standpoint have the following advantages over the arrangements as presently proposed: (1) It would afford a simple, clear-cut solution to the immediate problem, in contrast to the complex negotiations that have been going on between the parties in London for weeks seeking to accommodate the oil requirements of the French within the framework of the deals as presently proposed by the companies. At the same time it would presumably be an acceptable solution to the French in that no question of their rights under the Red Line Agreement would then be involved. (2) It would also have certain indirect long run advantages: (*a*) It would simplify and perhaps arrest the trend toward multiplication of the interlocking arrangements between and among the oil companies engaged in the international oil trade. Under the proposed alternative Socony would become the sole American partner in IPC, and in the Saudi Arabian deal there would be three companies instead of four. Moreover, if Socony also withdrew from the Anglo-Iranian crude oil purchase agreement, there would remain one less company involved in it. (*b*) Related to (*a*), but more specific, it would retard the growing consolidation outside the United States of the interests of the two largest American oil companies, Jersey and Socony. These companies gradually have become, and would continue under their presently proposed arrangements to be, partners in all their ventures in the Eastern Hemisphere except in their refining and marketing operations in Europe, and in their marketing in Africa. (*c*) Also related to the foregoing points is the fact that it would serve, in part, to meet criticism of the deals, such as directed against them by Senator O'Mahoney. (*d*) Finally, would perhaps go some way

toward meeting the criticism of the deals by outside American companies who feel that the petroleum resources of the Middle East are being preempted by various combinations of a very small group of large American and British companies.

It has been reported to the Department that the proposed alternative arrangement was being, or had been, considered by Jersey and Socony at the time the enemy status of France under British legislation on commerce with an enemy gave them a legal basis to go ahead with the deals as proposed by them. Therefore, it is not an entirely new arrangement devised within the Department. I believe the alternative arrangement proposed possesses sufficient merits for you to give serious consideration to inviting Mr. Harden of Jersey, and Mr. Sheets of Socony to Washington to discuss it with the Department as soon as a meeting can be arranged. This should be done promptly since negotiations have been, and still are, going on with the French in London, and the adoption by Jersey and Socony of the alternative above proposed presumably would require a substantial readjustment of their position.

Another alternative which might also be considered, and perhaps discussed with Jersey and Socony, is one that would involve the offer by Jersey of its interest in IPC to a group composed of all other American companies desiring to participate. This would essentially restore ownership to an American group similar to that which originally owned the present Jersey–Socony 23.75 per cent interest in IPC. As compared with the other alternative, this possibility might be considerably less attractive to Jersey and Socony, and would require more positive action on the part of the Department. It would afford the same kind of immediate solution to the present difficulties and possess certain of the long run advantages of the first proposal.

800.6363/3–447

Memorandum by the Assistant Chief of the Petroleum Division (Eakens) to Mr. George C. McGhee, Special Assistant to the Under Secretary of State for Economic Affairs (Clayton)

CONFIDENTIAL WASHINGTON, March 4, 1947.

This memorandum develops further the subject of the memorandum dated February 21, 1947, from Mr. Nitze to Mr. Clayton on "Proposed Alternative Solution to Difficulties with French Arising from Jersey–Socony Middle East Deals", a copy of which is attached.

Prior to negotiation of the three large Middle East oil deals, the oil resources and productive capacity of the Middle East were to a major degree held by three companies—Gulf, Anglo-Iranian, and

Arabian-American. The existing productive capacity of these companies, but primarily that of the latter two, largely had been developed during the war period to supply military requirements. Consequently, it is likely that with the dropping off of military demand there was no close relationship between the war-developed productive capacity of these companies and their peace-time market outlets. There can be no question but that this was true if the comparison were between their relatively small peace-time market position and their existing and potential production based upon a reasonable program of development. Thus, with these companies holding vast reserves pressing for market outlets, the prospects were favorable not only for increased competition for markets between them and the principal established marketers—Shell, Jersey, and Socony—but also for the development of a competitive market for crude oil in the Middle East upon which other companies might rely for supplies in entering the international oil trade.

Under the three large Middle East oil deals, a major change in the conditions favorable to competition would seem to be in prospect. Instead of undertaking to develop their own market outlets for their present and prospective production, Gulf, Anglo-Iranian, and Arabian-American have aligned themselves through long-term crude oil contracts and partnership arrangements with the three large marketing companies, thereby at least contributing toward if not in fact precluding, the development of any bona fide competition for markets between the two groups of companies. The deals are of course equally attractive to the two groups of companies, one acquiring already proven reserves and oil supplies from the lowest cost production area in the world in sufficient quantities to maintain their market position, the other obtaining an immediate outlet for oil of such magnitude as otherwise could only be acquired, if then, by tremendous investments in refineries and expansion of markets and over a period of many years.

Considering the various repercussions of the deals, as well as a frank recognition of the possible consequences of the existing narrow and interlocking ownership base, the question naturally arises as to whether some other feasible pattern of ownership of Middle East oil resources would not be in the public interest and more consistent with present United States foreign economic policy. It is believed that from these standpoints, the case is strong for doing what may be feasible toward making ownership of Middle East oil possible for a larger number of companies. It is believed that from the same standpoints the case is strong for discouraging, wherever possible, the further development of joint operations and joint interests between and among the large international oil companies.

Assuming the desirability of widening the ownership of Middle East oil resources and of arresting the trend toward consolidation of interests of existing international companies, there would seem to be three possible measures that could be initiated at this time.

One of these concerns the present unsolved difficulties with the French. This aspect of the problem was discussed in the attached memorandum, but certain other points in regard to it will be made here. Since announcement of the Jersey–Socony deals, these companies and the other IPC partners have been negotiating with Compagnie Française in London with a view to reaching an agreement with Compagnie Française in regard to what the latter hopes to achieve from the lawsuit and from the protests of the French Government. It seems from these negotiations that what Compagnie Française desires is an assured supply of oil on favorable terms, and the negotiations in London have been concerned primarily with efforts to work out a mutually satisfactory basis upon which Compagnie Française would draw from IPC a share greater than its porportionate part of the oil produced. Thus far, the negotiations have not met with success.

But in any case it would seem open to serious question whether any temporary solution on the presently projected basis, even if satisfactory to the French, would correct the underlying problem and make for amicable relations among the partners of IPC in the future. In fact, with the present American Group and Anglo-Iranian in IPC, and both with their major production interests outside IPC, as compared with Shell and Compagnie Française, whose main production interests presumably are within IPC, all the elements underlying the present disagreements would remain, together with the delicate question of the breach of the Red Line Agreement.

From the standpoint of the Governments whose nationals are involved, as well as from the self-interest of the parties, a preferable solution would seem to be one directed at the root of the difficulties. The purchase by Socony of the Jersey interest in IPC and the withdrawal of Socony from the Arabian-American deal would seem to offer such a solution. In addition to providing an immediate solution to the French lawsuit and protests through removing any question of violating the Red Line Agreement, it would leave within IPC three companies, Shell, Socony, and Compagnie Française, who presumably are short of oil and who should find it easier to agree upon future development of IPC concessions. Also, from a long range standpoint, it would have the additional advantages alluded to in the February 21, 1947 memorandum attached.

A second measure would be directed at dissuading companies who already hold greater areas under concession than they can possibly

develop within any reasonable future period, such as IPC, Arabian-American, Anglo-Iranian, and possibly Gulf, from bidding for concessions on new areas. Despite the company's aleady vast holdings of undeveloped areas in the Middle East, IPC is one of the two bidders for the undivided one-half interest of the Sheikh of Kuwait in the neutral zone between Kuwait and Saudi Arabia and presently is the sole bidder for a concession on the whole of Transjordan.

The third measure would be to persuade companies with holdings too great for them to develop in a reasonable future period to relinquish blocks either through giving up their concessions on the areas relinquished or through outright sale of their concession rights on these areas to other companies. The principle of relinquishment of acreage, after a reasonable period for exploration, is one which has been widely accepted in Latin America and other areas, and therefore represents acceptance of, rather than a departure from, general practice. There is reason to believe that some thought has been given this subject by Arabian-American with respect to its vast Saudi Arabian concession, and that this company's reaction to relinquishment of acreage will not be altogether unfavorable. Where concession areas are smaller, or held in a large number of small units, such as many of those belonging to IPC, the problem of relinquishment may be somewhat different, although not necessarily more difficult or more complex.

The foregoing is conceived as a statement of desirable long range objectives, as a program toward which petroleum policy with respect to the Middle East would be oriented in the long run when, as, and to the extent feasible. It is not envisaged as a goal to be attained within a specified time period of one or two years, nor as a policy of which the petroleum companies necessarily would be informed.

As a first step, Jersey and Socony officials might be invited to Washington to discuss the progress being made in the negotiations with Compagnie Française in London. At the same time inquiries might be made concerning alternatives that were considered before the companies decided to go ahead with their deals in reliance upon the Red Line Agreement being invalid, why if they considered the purchase by Socony of the Jersey interest in IPC, as above suggested, this was abandoned. Similar questions might be asked concerning other ramifications of the Middle East problems of these companies, including their ideas with respect to the timing IPC has in mind for developing its various concessions, and whether IPC does not have as many concessions as it can expect to develop within a reasonable future period. The same procedure might also be followed with Gulf and Arabian-American, and at some stage discussions with the British along the same lines probably would be necessary. From these exploratory dis-

cussions, the Department should obtain some indication whether the broad program suggested in this memorandum is in whole or in part desirable and feasible.

890.6363/4–3047

Memorandum of Conversation, Prepared in the Department of State [1]

[WASHINGTON, undated.]

Participants: Mr. Harden, Standard of New Jersey
Mr. Jennings, Socony-Vacuum
Mr. Darlington, Socony-Vacuum
Mr. Nitze, State (ITP)
Mr. Loftus, State (PED)
Mr. Robertson, State (NEA)
Mr. Eakens, State (PED)

Mr. Nitze explained to Messrs. Harden, Jennings, and Darlington that the Department had only acknowledged the two notes from the French Government regarding their proposed Aramco purchase and that it would soon have to make a definitive reply. For this reason the Department group were interested in a report on their negotiations with Compagnie Française and the other partners in the Iraq Petroleum Company in regard to a solution of the difficulties which the French would consider satisfactory and on the basis of which they would presumably withdraw their suit. He also explained that the Department was especially interested in learning whether the prospects for such an agreement with the French were considered to be favorable.

Mr. Harden stated that they had endeavored to keep the Department informed regarding the developments in London by supplying the Department copies of all cables exchanged with their representatives participating in the negotiations. From his discussion, it appeared that the Department had received all except the most recent exchange of cables which Mr. Harden was of the opinion had also been sent to us. He pointed out that it had been decided that he and Mr. Sheets should go to London to participate in the negotiations with the French and that they would be leaving on the *Queen Elizabeth* about March 21 for this purpose. Mr. Loftus indicated that this semed a very desirable move, since the Department had received two messages from Paris indicating that the French were particularly irked by the failure of Jersey and Socony to send top officials to London who had some authority to negotiate. A comparison of the dates on which these messages

[1] The meeting covered by this memorandum was held in Mr. Nitze's office at 2:30 p. m. on March 7.

were sent from Paris with the date the message was sent from New York stating that Messrs. Harden and Sheets were going to London indicated that the Embassy's message reflected the French attitude before announcement of the Harden-Sheets trip. Mr. Harden stated that he had received a report that the French attitude toward their coming was very favorable.

Mr. Harden pointed out that Jersey and Socony had suggested in their February 15 cable to London, as a basis for an agreement with the French, an entirely new principle which departed significantly from the basic premise under which IPC had operated to date.

This principle was that any partner desiring more oil than his pro rata share could demand that IPC make arrangements to supply him. It was reported that the reaction of the French to this suggestion of Jersey and Socony was favorable. The practical operation of this principle will require the partner desiring more than his proportionate share of the oil to negotiate with the other IPC partners a contract for specific quantities to be taken over a definite period at agreed prices. Messrs. Harden and Jennings were asked whether this would not be an even more difficult matter to negotiate than the simpler basis upon which the negotiations in London thus far had failed to produce agreement. The negotiations at first were predicated upon the assumption that the partner desiring more oil would make the investment necessary to develop it and would pay the other partners a royalty on the oil produced, but no agreement was ever reached on the royalty the French would pay the other partners. Under the principle that IPC will develop the additional oil, agreement must be reached with the overdrawing partner not only with respect to the royalty he will pay, but also with respect to depletion, depreciation, amortization, and profits. Mr. Jennings admitted that this problem was more complex, but he said that in a cable to London they had suggested price and quantity basis for such contracts which in effect set the maximum which they could expect to ask in any negotiations, and that they considered those bases eminently fair. The bases suggested were that a one-year contract might be at fair market price, a ten-year contract for 100,000,000 barrels might be at total cost plus 40 cents per barrel, and a twenty-year contract for 500,000,000 barrels might be at a total cost plus 30 cents per barrel.

In pointing out the advantages to the French of these suggested propositions, Mr. Harden stated the French would have a definite source for any oil that they might require, they would get it at least at market price and on any large contract at substantially less than market price, and as a partner in IPC the French would save their proportionate share of the profit which IPC would realize from the

contract. Mr. Harden strongly felt that neither the French nor any other partner could expect IPC to provide oil for one partner at substantially less than what might be considered the market price for the quantity and the period involved. That this was also the thinking of Mr. Jennings was indicated by the latter's statement that the price agreed upon in their purchase arrangement with Anglo-Iranian might be taken as a general yardstick for comparable quantities of oil taken over a comparable time period.

In replying to an inquiry regarding the chances that the other IPC partners would be able to reach an agreement with the French on the basis of the new principle suggested by Standard and Socony, Mr. Jennings said he thought there was a 60–40 possibility that they could do so.

Early in the discussion, Mr. Nitze pointed out that in view of the increasing commitments of the United States Government in that general area, it could not avoid being greatly interested in developments affecting the Middle East, such as the Middle East oil deals of Jersey and Socony. He mentioned that he understood that Jersey and Socony had considered at one time the possibility that Socony would buy out Jersey and thereby leave Jersey free to purchase an interest in Aramco, and the Department wondered why the companies had apparently abandoned consideration of this possibility. Mr. Harden said that in view of the Red Line Agreement they thought at one time this was the only way they would be able to go through with an Aramco purchase. He said that it had been abandoned only when it became clear that the Red Line Agreement was invalid under the English legislation on trading with the enemy. He said the only commercial reason for preferring to participate in both Aramco and IPC was that it increased their spread in ownership of Middle Eastern oil and they considered that much better than having their whole investment in one area or in one company. Another reason he gave for abandoning this possibility was that Socony would never be able to agree upon a price for the properties which its companies [*stockholders?*] could not question as being too much, whereas Jersey would be unable to reach a price agreement to Socony which its stockholders could not argue was too little.

An inquiry was also made concerning the intentions of IPC with respect to development plans for areas already under concession to IPC. Neither Mr. Harden or Mr. Jennings knew in detail what these plans are except for the drilling contemplated for Syria, Lebanon, Palestine, and Qatar, but Mr. Harden said all of the concessions had drilling obligation provisions with which IPC would comply. When Mr. Harden was questioned concerning the need of IPC for additional

concessions and whether it was in the company's interest to be bidding on new concessions when there was doubt that it could develop within a reasonable period the concessions already held, Mr. Harden's first reaction was that he saw no reason why IPC should not bid on new concessions the same as anyone else, that that was the reason the company was in business. He further stated that if IPC obtained the concessions and other people wanted oil, IPC would certainly be glad to sell it to them.

Regarding IPC's bid on the Sheikh of Kuwait's interest in the neutral zone between Kuwait and Saudi Arabia, Mr. Harden did say that the French were particularly interested in having a bid made on this area by IPC. He also said that if IPC refrained from bidding on new areas there was nothing to keep the British companies from going in and bidding and perhaps securing the concessions. He said that despite the present position of Anglo-Iranian he was certain that that company would endeavor to secure any other areas now open or that might be available for concession in the future. In an aside discussion with Mr. Loftus, Mr. Jennings' attitude toward IPC taking on new concessions seemed to be somewhat different from that of Mr. Harden since he told Mr. Loftus that he could see no reason for IPC trying to secure any additional concessions in the Middle East.

There was also some discussion of the possibility or desirability of companies such as IPC and Aramco, who have larger concession areas than they can possibly develop within a reasonable future period, giving up acreage, but the discussion of this phase of the Middle East problem was somewhat vague and inconclusive.

A telephone call from Mr. Darlington on March 10, after the meeting, indicated that the discussion at the meeting had made some impression upon the company officials participating and had given them something to think about. Mr. Darlington indicated that they were a little concerned by the general line of questioning at the meeting which seemed to indicate that the Department was giving undue weight to the situation of the French and also to American companies who, through lack of foresight, had not obtained concessions in the Middle East when the more desirable areas were open. The general attitude of Messrs. Harden, Jennings, and Darlington at the meeting, which was also confirmed by the telephone call from Mr. Darlington, was that they felt that any companies not already in the Middle East could get in the same way they are getting in, by buying an interest in an existing concession.

890F.6363/3–2147 : Airgram

The Minister in Saudi Arabia (Childs) to the Secretary of State

RESTRICTED JADDA, March 21, 1947.

A–66. Floyd Ohliger[1] informs me that the deal by Aramco with the Standard Oil Company of New Jersey and Socony-Vacuum Oil Company has been concluded. The stock is being placed in escrow pending the judicial proceedings brought by the French in London. If the French win their case the deal will be declared off and the amount paid for the stock by the two American Companies named will be treated as a loan; in the contrary case the stock will be released to the companies. Vice President Suman of the Standard Oil Company of New Jersey and Vice President Case of Socony-Vacuum Oil Company visited King Ibn Saud this week and explained the details to His Majesty.

CHILDS

[1] An Aramco official.

891.6363/4–1047

Memorandum by the British Secretary of State for Foreign Affairs (Bevin)[1]

TOP SECRET [Moscow, undated.]

On the 18th March, Mr. Bevin mentioned to Mr. Marshall the question of the projected Standard Oil–Anglo-Iranian Pipeline eastwards [*westward*] from Basra, and undertook to supply him with further details of the various projects which have been under consideration. The present position is understood to be as follows:

It is the intention of the Anglo-Iranian Oil Company that pipelines from the Koweit and Persian oilfields should be linked to a main pipeline having its terminal near Basra.

There are three main routes from Basra at present under consideration. These are:—

[1] Sent on April 8 by Mr. Bevin to Secretary of State Marshall at Moscow where they were participating in the Fourth Session of the Council of Foreign Ministers. The letter of transmittal stated in part: "I left with you on the 5th April a map on the projected Standard Oil–Anglo-Iranian Pipeline. I now enclose a memorandum which will help you to understand the map and which explains His Majesty's Government's attitude toward the various projects."

At the request of Secretary Marshall, his special assistant, Brig. Gen. Marshall S. Carter, sent the memorandum and the transmitting letter for information to Acting Secretary of State Acheson on April 10. The map in question was transmitted by Benjamin V. Cohen, the Counselor of the Department, to Mr. Henderson in a memorandum of May 8 (890.6363/5–847).

(*a*) A northern route through Syria coming out on the Syrian-Lebanese coast, shown on the attached map as route 1. A possible alternative is shown on the map as route 2.[2]

(*b*) A southern route through Saudi Arabia, Trans-Jordan and Palestine coming out at Gaza, shown on the map as route 3.

(*c*) A southern route coming out in Egypt. It would follow route 3 as far as Aqaba. The line of its extension to Egypt has not been considered, and is not shown on the map.

His Majesty's Government have carefully considered these three routes and have come to the conclusion that route (*b*) is the most desirable, despite the fact that it has certain disadvantages. These are:

(i) that its terminus would be in Palestine, the future of which is undecided, and where it may be impossible to maintain British troops to guard the refinery and pipeline, and

(ii) that it would be much more costly than route (*a*) passing as it does through waste and waterless country and having its terminus at Gaza, where port development would be expensive.

His Majesty's Government consider, however, these disadvantages are out-weighed by the following considerations, which have influenced them in reaching their decision:—

(1) From the military point of view, the defensibility and security of the pipeline, refinery and pumping stations are increased the further south the pipeline is routed and the terminus situated. This applies whether British forces can be maintained in Palestine or not.

(2) In case of need, Aqaba on the Red Sea could be developed as an alternative outlet.

(3) It would contribute to the economic development of a part of Palestine which is very little developed.

His Majesty's Government consider that the main disadvantages of route (*a*) consist in the fact that it is less defensible in time of war, and that there is no alternative outlet to the Red Sea.

In the case of route (*c*), the attitude of the Egyptian Government is most uncertain and it is possible that the Egyptian Government would levy heavy charges because they would feel that the pipeline was a competitor to the Suez Canal.[3]

His Majesty's Government have informed the Chairman of the Anglo-Iranian Oil Company, Sir William Fraser, who is believed at

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[2] The map indicates that route 1 would traverse Iraq, Syria, and Lebanon, with termini at Tripoli and/or Latakia, Syria, and that route 2 would traverse Iraq, Transjordan, and Palestine, with a terminus at Haifa, Palestine.

For Secretary Marshall's memorandum of his conversation with Mr. Bevin on April 5, dealing in part with the question of the location of the pipe line, see vol. II, p. 309.

[3] Mr. Cohen's memorandum of May 8 set forth Mr. Bevin's views that route 1 was unsafe and that the route terminating at Haifa was unwise as one pipe line already terminated there. Mr. Bevin explained that the British were inclined to the route terminating at Gaza for security reasons although this route would cost $6,000,000 or 20% more than the line to Haifa.

present to be in New York for talks with the Standard Oil Company, of their preference for route (*b*) and have instructed him to press for it despite the added costs. It is understood, however, that the Standard Oil Company are likely to be very much in favour of adopting route (*a*).

890.6363/1–447

The Acting Secretary of State to the French Ambassador (Bonnet)

CONFIDENTIAL

The Acting Secretary of State presents his compliments to his Excellency the Ambassador of France and has the honor to refer again to the Ambassador's Notes No. 8 of January 4, 1947, and No. 18 of January 13, 1947,[1] regarding certain aspects of arrangements relating to Middle East oil recently entered into by American petroleum companies. Reference also is made to the interim reply of the Department of State dated February 14, 1947.[2] The United States Government has now given careful consideration to the points which the French Ambassador discussed in his notes and, accordingly, wishes to inform the French Government of its views in regard to them.

The United States Government notes with gratification that the French Government recognizes the development of the petroleum resources of the Middle East to be in the general interest and that it views favorably arrangements designed to increase the availability of Middle East oil. The United States Government also is strongly of the opinion that prompt and orderly development of Middle East oil resources will contribute to the economic well-being of consuming nations as well as of those countries in which the oil is situated, and hopes that that development will be equitably balanced and distributed as among the various producing countries of the Middle East.

With respect to the rate at which development is likely to take place in the particular areas in which the Iraq Petroleum Company has concessions, the United States Government notes the concern of the French Government lest the recent undertakings of the American participants in the Iraq Petroleum Company have the effect of retarding the development of the petroleum resources of areas held under concession by the latter company. The United States Government strongly hopes that this result will not ensue and believes that the facts as known to it do not warrant an assumption that such a result will ensue. The United States Government is informed that the Iraq Petroleum Company will construct new pipe line facilities from the Kirkuk area of

[1] No. 18 not printed, but see footnote 8, p. 629.
[2] Not printed, but see footnote 8, p. 629.

Iraq to the Mediterranean which will at least treble the company's present pipe line capacity. The United States Government is also informed that the company plans to initiate drilling operations in 1947 and 1948 on its Mosul and Basra concessions in Iraq and on concessions which it holds in Syria, Lebanon, Palestine, and Qatar. In so far as known to the United States Government at this time, the Iraq Petroleum Company will proceed with its expansion program as planned before the American participants assumed additional obligations in the Middle East. In fact, the United States Government has received assurances from the American participants that their interest in other arrangements in the Middle East will not affect their desire to see the production of the Iraq Petroleum Company further developed. The American participants state that they believe the record of recent years substantiates these assurances, since they have consistently favored the expansion of the Iraq Petroleum Company's operations and facilities.

In any case it is the belief and hope of the United States Government that the French interest in the Iraq Petroleum Company will be able to obtain from the concessions operated by that company such quantities of oil as it may require. The United States Government understands that negotiations are now taking place in London among the participants in the Iraq Petroleum Company, a purpose of which is to work out arrangements whereunder any participant in the Iraq Petroleum Company may take quantities in excess of its basic pro rata proportion upon payment of equitable compensation to the other participants. The United States Government has urged its nationals, participants in the Iraq Petroleum Company, to facilitate the effective provision of such arrangements.

The United States Government notes, but is unable to accept the contention of the French Government that, because of the governmental negotiations which preceded and made possible the Group Agreement, it is thereby morally obligated to cause the Group Agreement to be respected. The United States Government has always considered the diplomatic negotiations involving Middle East concessions following the First World War to have been concerned with the broad question of the disposition of concessions in mandated territories on the basis of the open door principle. And upon agreement of the other governments concerned that American companies should have the opportunity to participate in petroleum concessions within the mandated territories of the old Turkish Empire, the United States Government considered, in so far as it was concerned, that the requirements of the open door principle were satisfied. Whether American companies took advantage of the opportunity thus offered, and upon

what terms, were considered by the United States Government to be commercial decisions of the interested American companies. The American companies which eventually become participants in the Iraq Petroleum Company kept the United States Government informed concerning their negotiations which culminated in the Group Agreement. Upon presentation of the matter for its consideration at the time, they were informed that the United States Government did not raise objections to acceptance by them of the terms of the Group Agreement as a condition to their participation. The United States Government did not participate in any way in the drafting of the Group Agreement nor in any negotiations among the private parties by means of which it was consummated. On the basis of these considerations, the United States Government is unable to consider the consummation of the Group Agreement to have been other than a contractual arrangement among private parties, to which it perceived no objection at the time the arrangement was negotiated.

The United States Government understands that certain considerations raised recently by some of the participants in the Iraq Petroleum Company, acting upon advice of counsel, have caused the present validity and binding force of the Group Agreement to become open to question. The United States Government takes no position with respect to whether the Group Agreement is or is not valid and considers that this is a legal question arising in a jurisdiction other than its own. Furthermore, the American participants in the Iraq Petroleum Company acted solely on their own initiative and responsibility when they recently assumed additional obligations which are discussed in the Ambassador's notes under reference. The sequence of events, however, has compelled the United States Government to examine what its position would be if the American participants in the Iraq Petroleum Company were to present to their government for its consideration at this time a new or a reaffirmed Group Agreement containing the so-called restrictive clauses or self-denying ordinances. The United States Government feels constrained to inform the French Government that it considers these restrictive clauses of the Group Agreement of 1928 and any comparable covenants in restraint of competition to be incompatible with the economic foreign policy which it espouses and which it hopes that nations generally will adopt; and it would be compelled so to advise its nationals.

The United States Government has not lost sight of the importance to France of having available adequate supplies of petroleum to enable rehabilitation and reconstruction of the French economy to go forward rapidly and on a sound basis. Nor has it lost sight of the good will shown by France in the negotiations by means of which the open

door principle was implemented through American participation in the Iraq Petroleum Company. In addition, the United States Government believes that the continuance of mutual cooperation and good will among the participants in the Iraq Petroleum Company is in the interest not only of the private parties, but also of the Governments whose nationals are concerned.

Accordingly, the United States Government in the aforementioned discussions which it has had with American participants in the Iraq Petroleum Company, emphasized the desirability of the early establishment of a basis of intercompany relations which will harmonize and satisfy to the extent possible the desires and needs of the various parties at interest, and which in particular will permit the French or any other interest in the Iraq Petroleum Company to take more than its pro rata share upon payment of equitable compensation to its partners. The United States Government hopes that the French Government shares with it the desire that the negotiations which are now in progress in London in regard to this matter will have an early and favorable outcome.

WASHINGTON, April 10, 1947.

891.6363 AIOC/7–947

The British Embassy to the Department of State

TOP SECRET

Ref: No. G6/ /47

AIDE-MÉMOIRE

PROPOSAL BY THE ANGLO-IRANIAN OIL COMPANY, IN PARTNERSHIP WITH THE STANDARD OIL COMPANY, TO CONSTRUCT AN OIL PIPELINE FROM THE PERSIAN GULF TO THE MEDITERRANEAN

The representatives of the British Chiefs of Staff submitted a memorandum to the Combined Chiefs of Staff on March 8th 1947 . . . on the strategic aspect of the routes under consideration by the Anglo-Iranian Oil Company for the construction of an oil pipeline from the Persian Gulf (near Basra) to the Mediterranean. The memorandum expressed the hope that the United States Chiefs of Staff would be prepared, for strategic reasons, to support, with the Standard Oil Company (the American partners of the A.I.O.C.) the proposal that the pipeline should be constructed on a southern route terminating at Gaza, as indicated in the memorandum.

The United States Chiefs of Staff advised, in their reply, that, due to the commercial and political aspects involved, the problem should

be referred to the Foreign Office and the State Department for consideration.

During the last meeting of the Council of Foreign Ministers in Moscow, the British Foreign Secretary spoke on this subject to the United States Secretary of State, giving him a memorandum and map indicating the alternative routes for the pipeline. It was stated in the memorandum that the British Government had told Sir William Fraser, Chairman of the A.I.O.C. and at that time in New York for talks on this subject with the Standard Oil Company, that they preferred the southern route terminating at Gaza. The memorandum added that the British Government had asked Sir William to press for this route with the Standard Oil Company despite the added cost involved.

Sir William Fraser has now reported on the talks which he has had with the Standard Oil Company. He states that, as a result of the survey made early this year by a party of British and American experts, Standard are very strongly in favour of the northern route and terminal, and have based all their estimates and planning on this route. It is thought that, while the Standard may have been in touch with the State Department, it is unlikely that the United States Government's views on the strategic aspect have been conveyed to them.

The technical and economic findings of the survey party, which may be taken as representing the joint views of the British and American partners in the pipeline project, are strongly in favour of the northern route. The following is a brief summary of the party's conclusions:

(*a*) There is no suitable terminal for the pipeline on the coast south of Haifa and difficulties of building a protected harbour would be very extensive. Survey party advised strongly against Gaza in particular as being situated in a desert where neither supplies of fresh water, foodstuffs nor any facilities for the subsistence of a large number of refinery staff are available.

(*b*) The laying of a pipeline south of the Dead Sea would be technically feasible but would present problems of unprecedented difficulty and magnitude. Survey party advised unanimously against this route, not only because of its greater length, but also because of its rises and falls which would involve construction of an additional pumping station. They were also impressed by the fact that this route would have to cross a large tract of little explored territory amongst the hottest and most broken and desolate on the earth's surface.

(*c*) The capital cost of constructing a pipeline on the southern route would be more than seven million pounds higher than for the northern route, and operating costs would also be higher by over a million pounds a year. The survey party gave first preference to a terminal at Hamra Bay in the Lebanon with Tartous in Syria as their second preference, and the Bay of Acre (i.e. the Haifa area) as their third preference.

It will be seen from this that the technical and commercial considerations, which are strongly in favour of the northern route, are in direct opposition to the strategic considerations, which require that the route and the terminal on the Mediterranean should be situated as far to the south as possible. It is in fact evident that the pipeline and the refinery will be less vulnerable and more defensible the further south they are located. The chief factor applicable to the Middle East on the outbreak of a war is the absolute necessity for gaining time to prepare our defences as far north as possible, and the further south that the oil pipeline is situated the greater will be the possibility of conducting a successful defence. The denial of our access to the Tripoli (Syria) [*sic*] terminal of the Iraq Petroleum Company oil line is a direct illustration from the last war. But on the other hand the need for striving for the greater security of the pipeline and Mediterranean terminal must to some extent be related to the possibility of providing for the security of the sources from which the oil is drawn. The possibility of providing for the safety of these oil fields cannot be assessed at the present time.

The British Foreign Secretary has asked the British Embassy to have an urgent and secret exchange of views with the State Department on this whole question. The problem, as it appears to His Majesty's Government, is whether the strategic advantages of the southern route are so great as to outweigh the commercial advantages of the northern route, and justify our two Governments in requiring the oil companies concerned to undertake the added cost and difficulties of construction, bearing in mind the essential need, in the event of war, of safeguarding oil supplies.[1]

WASHINGTON, 9 July, 1947.

[1] For further documentation on the choice of the pipe line route, see the statement by the United States and United Kingdom Groups, p. 613.

890F.6363/7–947 : Telegram

The Minister in Saudi Arabia (Childs) to the Secretary of State

RESTRICTED JIDDA, July 9, 1947—4 p. m.

272. Tapline negotiations Jidda successfully concluded. Signature agreement expected to be signed tomorrow Riyadh by Lenahan [1] and Finance Minister.

Tapline whose corporate structure identical with that Aramco is sister company and not subsidiary latter. Agreement negotiated by Tapline with SAG grants former all advantages Aramco concession-

[1] William J. Lenahan, Middle East representative of Tapline.

ary agreements deemed necessary by Tapline for construction, maintenance and operation pipe line. No transit fees are payable for 15 years at which time they will be not less than those paid in by [*paid to?*] other neighboring countries. No fixed annual obligation is assumed for underwriting SAG security expenses in protection pipe line. Instead Tapline assumes fair and reasonable costs such security protection as well as expenses, providing water, schools, hospital facilities and other amenities for each of six settlements where six pumping stations will be situated. It is contemplated personnel at each of oil pumping stations will include 10 Americans, 75 Arab workmen and 50 Saudi soldiers. Facilities offered by Tapline will be made available not only to these but also to Arabs not directly engaged in project living within reasonable distance pumping stations. Lenahan estimates Tapline thereby assumes immediate total annual financial obligation to SAG of between 500,000 and $1,000,000.

In negotiation agreement he has taken farsighted view in the opinion that it is far better for company to err on side of generosity than to be made to appear as having no regard for social responsibilities to Moslem Saudi Arabia. He believes agreement with which Saudi Arabian Govt appears much pleased will pay intangible dividends of good-will in contrast to IPC pipe line agreements which have engendered much ill-will.[2]

Sent Dept, Baghdad at 22, Tehran as 21.

Copies by pouch to Arab capitals.

CHILDS

[2] The Convention was signed on July 11, 1947, by Abdullah Sulaiman, the Saudi Arabian Minister of Finance and by Mr. Lenahan. A copy was transmitted to the Department by Beirut in despatch 142, August 19 (890E.6363/8–1947).

891.6363 AIOC/7–947

The Secretary of State to the British Ambassador (Inverchapel)

TOP SECRET

AIDE-MÉMOIRE

The Secretary of State refers to the British Embassy's *Aide-Mémoire* of July 9, 1947, entitled "Proposal by the Anglo-Iranian Oil Company, in partnership with the Standard Oil Company, to construct an oil pipeline from the Persian Gulf to the Mediterranean." The Embassy requested that there be an urgent exchange of views with a view to ascertaining whether the strategic advantages of the southern route are so great as to outweigh the commercial advantages of the northern route, and justify our two Governments in requiring the oil companies concerned to undertake the added cost and difficulties of

construction, bearing in mind the essential need, in the event of war, of safeguarding oil supplies.

The question has received the most careful attention of this Government. It is desired to inform the British Embassy that the study of the matter, both economic and strategic, has resulted in the conclusion that the arguments advanced for the southern route are not sufficient to justify this Government in changing its established policy that the selection of a pipeline route is properly a commercial decision to be determined by the company concerned.[1]

WASHINGTON, August 6, 1947.

[1] The Department's draft reply to the British Embassy's *aide-mémoire* was submitted to the State–War–Navy Coordinating Committee and was made part of SWNCC 372/2, dated July 25, 1947. The SWNCC paper, which supported the Department's position, was sent to the Joint Chiefs of Staff for comment. The Joint Chiefs, in noting their agreement with the proposed reply, stated: "It is desirable from the military point of view that pipe lines through the Middle East area be located as far to the southward as is compatible with the other considerations involved. However, regardless of the route selected for these lines, the locations of the oil fields, refineries, pipe line terminals and port facilities are not subject to major change. Taking into account the strategic factors involved and particularly the relatively short distance between the proposed southern and northern routes, the Joint Chiefs of Staff perceive no overriding military consideration justifying exception to established State Department policy in this instance." The State–War–Navy Coordinating Committee approved SWNCC 372/2 by informal action on August 6. (890F.6363/8–647)

Editorial Note

Negotiations between the Syrian Government and Tapline regarding pipe line rights were protracted. Among demands made by the Syrian Government was, according to telegram 74, March 7, a requirement that the terminus of the pipe line be located on the Syrian coast or at a port jointly controlled by Syria and Lebanon. Tapline refused to grant the demands. Telegram 255 reported that on August 21, Mr. Lenahan addressed a letter to the Syrian Prime Minister which stated that if, by August 30, the Syrian Government did not sign a convention basically the same as that signed by the Lebanese Government on August 10, 1946 (see bracketed note, *Foreign Relations*, 1946, volume VII, page 29), the company would withdraw its request for transit privileges.

At this point, acording to telegram 262, August 27, the Syrian Government called in its "old and trusted friend", Ambassador George Wadsworth, Minister to Syria and Lebanon until January 1947, who was then vacationing in Lebanon. Despatch 754, September 2, reported that Ambassador Wadsworth suggested to the President and the Prime Minister of Syria that if the Government was in fact prepared to sign the convention and that if the only impediment was its unwillingness

to proceed on the basis of the statements in the company's letter, a solution might be found if the Prime Minister redrafted the passages of the letter to which he took exception and obtained company acceptance of the changes. According to airgram 339, September 10, Ibn Saud, annoyed with the company for presenting its letter and with the Syrians for endangering the chances for an all-Arab pipe line, utilized his powerful position and proved to be the needed catalyst. Mr. Lenahan withdrew his letter, and he and the Prime Minister signed the convention at Damascus on September 1; the text was transmitted to the Department the following day in despatch 755.

Under Article IV of the convention, the company was to pay to the Syrian Government 1.5/1000 of one pound sterling for each ton of oil passing across Syria in the company pipe line, with a minimum annual payment of 20,000 pounds sterling. According to telegram 274, September 2, the company, in separate letters, pledged various concessions beyond the terms of the convention, including the provision to Syria of up to 200,000 tons of crude oil annually at fair and reasonable prices, paying all fees in U.S. dollars rather than pounds sterling should the Syrian Government so elect, and giving certain preferences to Syrian labor and to Syrian-produced supplies if competitively priced.

Note: All the above cited communications were sent to the Department by Damascus; they are filed under 890D.00, 890D.6363, and 890E.6363.

890.6363/8–2847

The Acting Secretary of State to the Secretary of Commerce (Harriman)

SECRET WASHINGTON, September 8, 1947.

MY DEAR MR. SECRETARY: It is my understanding that action has been postponed on the request of the Trans-Arabian Pipeline Company for export licenses for 335,000 tons of steel to be shipped to the Eastern Mediterranean during the next two years for the construction of a 30-inch oil pipeline from Saudi Arabia to a terminus in Lebanon. It is the considered opinion of the Department of State that the national interest would best be served by the immediate construction of this pipeline.

The Middle East is today the only oil producing area in the world where there is a large reserve of productive capacity. It is necessary to make this productive capacity available at increasing rates if growing United States and world requirements are to be met. In order to transport the necessary amount of oil, large diameter pipelines in the Middle

East must be constructed as well as all the tankers now projected for completion by 1950 in the United States and abroad.

As Middle East oil becomes increasingly available, the general economy of the Near and Middle East areas can be expected to rise and thus render them less vulnerable to outside pressures. Delay in the construction of the line might result in serious economic and political repercussions in the area,[1] with an extremely adverse effect upon the United States' position there. Furthermore, additional Middle East oil will be needed for the reconstruction of the European countries that are cooperating with the United States in the implementation of the Marshall Plan.

In view of the foregoing it is urged than [*that*] an export license be issued without delay for the materials necessary to construct the Trans-Arabian Pipeline.[2]

Faithfully yours, ROBERT A. LOVETT

[1] In a memorandum of September 24 to Mr. Lovett, Mr. Henderson reviewed the question of granting an export license to Tapline. He noted that "The entire Arab world is exercised over the trend of American policy on the Palestine question, and they regard the development of our Palestine policy with alarm. In view of the publicity which the projected pipeline has received in the Near East, a decision having the effect of preventing or delaying its construction would be regarded by the Arab States as being linked with our 'unfriendly' Palestine policy. A beneficent economic policy in the Near East is one of the few means we have of offsetting, in some degree, the effects of our Palestine policy." (690F.119/9–2447)

[2] Mr. Henderson's memorandum of September 24 also stated that on September 17 and September 22 meetings were held at the Department of Commerce at which representatives of about a dozen government agencies expressed their views on the issuance of the license. Officers of the Department attended both meetings and strongly supported issuance on economic and political grounds. At the close of the meeting on September 22, Assistant Secretary of Commerce David K. E. Bruce, announced that the Department of Commerce would support the granting of the license but that the matter would be referred to the Cabinet for final decision.

The Department of Commerce announced on September 26 that it had approved issuance of a license authorizing Tapline to ship 20,000 tons of steel to Saudi Arabia for the fourth quarter of 1947 on the ground that the "strategical, political and economic interests of the United States made such action desirable." (890F.6363/10–2747)

891.6363/10–1047 : Telegram

The Acting Secretary of State to the Embassy in the United Kingdom

SECRET WASHINGTON, October 10, 1947—7 p. m.

4389. For ur confid info Wm. Keck, Jr. representing Superior Oil Co of Calif and Max Thornburg representing Central Mining and Investment Corp (a Brit Corp) came in separately [1] to inform Dept regarding plans of these companies undertake negotiations jointly for oil concessions covering neutral zone Kuwait and Saudi Arabian

[1] On October 8.

territory,[2] including territorial and extra-territorial waters. Superior reps stated their interest territorial and extra-territorial waters relates primarily to Persian Gulf. However, they denied in this connection any intention conducting oil exploration in Persian Gulf except by virtue concession contract granted by Govt claiming mineral resources. Dept indicated any action by Superior at this time which would give rise dispute in Persian Gulf regarding territorial or extra-territorial waters would be regarded as contrary to US interest.[3]

While effect this plan on Aramco concession was not discussed with Superior reps latter [*former*?] covers all of eastern Saudi Arabia, including territorial waters and islands. Presumably Superior has in mind obtaining concession for those mineral rights which SAG may claim in Persian Gulf beyond its territorial waters and by virtue of SAG adopting continental shelf principle previously proclaimed by USA.[4] (See Depcir desp Oct 17, 1945 [5] re continental shelf.)

Thornburg informed Dept he has been employed as advisor for Central Mining, also corroborated Superior statement that Hugh Weightman representing Central Mining would consult King Ibn Saud and that other company rep would consult FonOff re foregoing proposal. Thornburg of opinion FonOff will discourage Central Mining from seeking concession involving territorial or extra-territorial waters in Persian Gulf because of many unresolved questions and possibility of disputes resulting therefrom.

Pls do not discuss this matter with FonOff or other Govt reps, but report promptly any info coming ur attention, particularly, regarding scope conversation between Central Mining and FonOff reps.[6]

LOVETT

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[2] According to a memorandum of conversation by Richard H. Sanger of the Division of Near Eastern Affairs, dated October 9, Mr. Keck announced interest in the section of western Saudi Arabia not included in the Aramco concession. (890.6363/10–947)

[3] Mr. Henderson also informed Mr. Keck that the Department had no objections to American oil companies obtaining concessions in the Kuwait neutral zone and those portions of Saudi Arabia not previously committed. (890.6363/10–947)

[4] For documentation on the policy of the United States Government in connection with this principle, see *Foreign Relations*, 1945, vol. II, pp. 1481 ff.

[5] Not printed.

[6] This telegram was repeated to Jidda, Cairo, and Basra.

890F.6363/12–2647

Memorandum of Conversation, by Mr. Richard H. Sanger of the Division of Near Eastern Affairs

SECRET [WASHINGTON,] December 26, 1947.

During the course of a conversation Mr. Philip Kidd [1] expressed grave concern over the future of the American oil interests in Saudi Arabia. In this connection he brought out the following points:

1. The officials of Aramco are giving serious thought to abandoning plans to construct the pipeline from the oilfields of Saudi Arabia to the Mediterranean. Although work has started on this project, and its abandonment would cost Aramco about $25 million, nevertheless the officials of the Oil Company feel that in view of the feeling against the United States in Syria, which makes unlikely the ratification of the pipeline agreement by the Syrian legislature, and in view of the lack of security for American pipeline workers in Arab countries,[2] the completion of this pipeline may be impossible. A directors' meeting is to be held on January 19, at which time it is expected a final decision on this will be made.

2. Various Saudi Arabian officials have asked officials of Aramco in that country whether the Oil Company was giving thought to the possibility of changing its citizenship and incorporating under Canadian, Panamanian, or other country laws. Mr. Kidd said that the feeling among Aramco officials in this country was at present strongly against making any such move, but he admitted that the matter was being given consideration.

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[1] Director of the Washington office of the Arabian American Oil Company.

[2] In airgram 624, December 11, the Embassy in Cairo, noting the continuing violent reactions throughout the Arab world as a result of the vote by the U.N. General Assembly to partition Palestine, reported that Tapline operations had been suspended. All Tapline personnel had been flown out of Transjordan where the Tapline camp was reported razed and the local Government was unable to guarantee protection. (890.6363/12–1147) Earlier, on December 3, Mr. Kidd had telephoned Mr. Sanger to say that because of disturbances, two field parties of Americans working on the pipe line in Syria had been flown to Beirut. (890D.6363/12–347)

INTEREST OF THE UNITED STATES IN COMMUNIST AND NATIONALIST ACTIVITIES IN NORTH AFRICA[1]

881.00/1–1347

The Diplomatic Agent at Tangier (Alling) to the Secretary of State

SECRET — TANGIER, January 13, 1947.

No. 488

SIR: I have the honor to refer to my despatch No. 421 of October 10, 1946,[2] transmitting comments on the Department's "Moroccan Policy Statement" and to submit herewith some additional remarks concerning the present and future status of Morocco.

The Department is aware, from reports from the Consular offices in Casablanca and Rabat, that Communist activities in the French Protectorate continue and may even be on the increase. In the International Zone Communist activities are limited and although an organization exists it does not appear for the time being to have any great influence or importance. Other services of the Legation are watching the situation closely, however, and any increase in activities will be reported. In the Spanish Zone the Communists, as would be expected, have been dispersed or gone underground. For the time being at any rate they are inactive publicly.

On the other hand, Nationalist activities in all three Zones are on the increase and seem likely to continue that trend. Nationalist endeavors are growing in the International Zone and during the past few months practically all of the prominent leaders have visited Tangier where the increasing freedom of the press gives them a better opportunity to air their views than they have in either the French or Spanish Zones. Also there is reason to believe that some of the Nationalist Leaders are in touch with the Arab League. For example, Sherif Ahmed Ben Sadek, Chief of the Derkawa Sect, with residence in Tangier, left recently for Cairo where he expects to spend two months. As the Department is aware, the Derkawa Sect is spread over a considerable area of North Africa and the Sherif exercises a large influence among his followers. It seems altogether likely that he will

[1] Continued from *Foreign Relations*, 1946, vol. VII, pp. 51–63.
[2] Not printed.

take advantage of his presence in Cairo to spread his views on Moroccan self-government among the members of the Arab League.

Here in Morocco there is no doubt that Nationalists have followed with close attention British negotiations in Egypt and India which give those countries practically complete independence. Leaders here cannot avoid making unfavorable comparisons between British policy in the East with what they call the "colonial imperialism" of France in North Africa and Indo-China. Sooner or later the situation in Morocco must be altered. Either the Communists or the Nationalists will gain the upper hand. If the Communists gain control and if later they should, through the fomentation of a civil war in Spain, take over the government of that country, the Straits of Gibraltar theoretically could be effectively sealed by them at almost any time. The Nationalists are quite well aware that they (the Moors) lack education, training and administrative experience to govern Morocco. This may not be their fault, but it is a fact. What many of the leaders would prefer is to have their country placed temporarily under a United Nations Trusteeship with the understanding that Morocco would be given self-government as soon as the inhabitants had been prepared to assume the responsibilities to manage their own affairs. In the meantime Moors could gradually be integrated into the administrative corps of the Shereefian Government.

Naturally any such solution, which seems to me the most logical arrangement in the light of current developments, depends upon an accommodation with France. I realize that our own safety and security depend to a considerable extent on a strong republican France. I question, however, whether France can become strong and remain strong in the face of opposition from Indo-Chinese, Tunisians, Algerians and Moroccans. The day is past, I assume, when the French could face the world with another large-scale bombardment of Damascus (or substitute for that city, Fez, Meknes or Tunis). Would it not, therefore, be in France's own interest, and consequently ours, as long as France maintains a republican form of government, to come to some arrangement with Morocco and perhaps later with Tunisia and Algeria, by which these peoples would gradually be given a measure of self-government? An old song goes "Fifty Million Frenchmen Can't Be Wrong". Perhaps fifty million Arabic-speaking peoples stretching from Casablanca to Basra and Dharan also may be right!

In any case I cannot imagine that the situation in North Africa will remain static. I consider it inconceivable that France can continue for any extended period to govern these people unless, of course, France becomes under outright Communist control. In that case North Africa may also go in that direction or, and more likely perhaps,

French officials here, both civilian and Army, might break with the Metropole and set up a separate régime. There is nothing from our experience in the last war which would definitely indicate such a movement but I still consider it a possibility. Even in that case, however, I should suppose French leaders here would have to come to some agreement with the local populations.

I regret to say that I have no ideal solution for this problem. If I may be permitted, however, I should like to cast my vote in favor of exploring with the French and other interested Powers a proposal gradually to bring the Tangier Zone under the U.N.O., later all of Morocco, and finally to grant outright self-government first to Morocco and later to Tunisia and perhaps Algeria.

One last thought. In numerous discussions which I have had with military experts, American, British and French, during the past year and a half, all seem to be in agreement that Gibraltar is no longer of any important strategic value. At the same time practically all of these experts feel that highly adequate airfields could be developed in the Spanish Zone of Morocco. In this connection I should mention that in a moment of confidence a few weeks ago my Spanish colleague remarked that his government would be glad to accord airfield facilities in the Spanish Zone to the United Nations. I do not know whether he expressed his government's views or his own wishes. In any case I suppose that the present Spanish Government would now probably be unwilling to grant such facilities to the United Nations. However, Senor Castillo, who has served as Under-secretary in the Spanish Ministry of Foreign Affairs, is probably in the confidence of his government and his statement may contain the germ of an idea which may at some time be of interest to the United Nations Security Council.

Very respectfully yours, PAUL H. ALLING

851s.00/1–1447

Memorandum of Conversation, by the Deputy Director of the Office of Near Eastern and African Affairs (Villard)

CONFIDENTIAL [WASHINGTON,] January 14, 1947.

Habib Bourghiba [1] called at his request and spent about an hour reviewing the cause of Tunisian independence. He said he wished to underline particularly two points in the history of this matter:

1. That after the first world war, when the mandate system was created, certain ex-enemy territories, such as Syria and Lebanon, were placed under the administration of France and, in accordance with the

[1] Leader of Tunisian Nationalist Party.

terms of the mandates, launched along the road to eventual independence. Tunisia had the bad luck not to be part of enemy territory, and therefore did not share in the progressive régime established for less advanced territories.

2. That a second piece of bad luck for Tunisia was that France and not some other imperialist power had taken over the territory, the unfortunate result being that Tunisia under French administration had been steadily forced backwards on the path toward independence, contrary to current world-wide developments.

Bourghiba advised a close study of the Treaty of Bardo to show the tenuous nature of France's relationship with Tunisia. He said that he had shown a copy of this treaty to Faris El Khoury, Syrian representative on the Security Council, who had expressed astonishment at the flimsy legal foundation of France's present hold over Tunisian territory.

I asked Bourghiba if an international trusteeship under the United Nations would be acceptable to Tunisia as a first step in the emancipation of the territory. I said that I spoke, of course, entirely unofficially and personally, but that the thought had crossed my mind since we had advocated international trusteeship for Libya. Bourghiba replied that Tunisia was much further developed than Libya and such an arrangement would scarcely be appropriate. When I suggested that some proviso might be made for re-examination of the situation after a term of five years or so, Bourghiba said he thought well of the idea. He said that on second thought an international trusteeship, directed toward eventual self-government or independence in accordance with the terms of the United Nations Charter, might be an orderly and constructive approach to the problem of Tunisia's future.

I told Bourghiba that certain rumors had reached us to the effect that he had written a letter while in the United States to Selah Ben Youssef,[2] which had been receiving widespread circulation in Tunisian Nationalist circles. This letter purported to declare that Bourghiba had enlisted the support of the United States Government in the Tunisian cause and that the question was actually under consideration by the "Mandates Commission" of the United Nations. Bourghiba denied categorically sending any such letter. He said the only communication he had addressed to Ben Youssef referred to (*a*) the friendly reception he had received in the United States and (*b*) the full-hearted cooperation of the Arab delegations to the United Nations.

I asked Bourghiba what he envisaged for the future. He replied that the first move would be to have the case thoroughly documented and prepared for presentation, probably by Egypt, at the UN General

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[2] Secretary-General of the "New Destour" Party in Tunisia; this represented Nationalists who followed Bourguiba.

Assembly next September. Ultimately he hoped to see some sort of Arab federation, league or union in all of North Africa, including Morocco, Algeria, Tunisia and Libya.[3]

[3] In a memorandum of conversation of January 28, Mr. Villard reported he had explained the American attitude to the French Minister (Lacoste) who was concerned lest Arab nationalists misunderstand American interest. "I told Mr. Lacoste that our desire was to see an orderly evolution among the peoples of North Africa, along lines that would preserve peace in the area and deny an opportunity to the Communists to capitalize on the situation . . . . If we could ever be of assistance in seeking to bring together the French and Arab points of view, I felt sure that the French Government had only to suggest it and it would receive a favorable reaction." (851s.00/1–2847)

851r.00B/1–3047 : Telegram

The Diplomatic Agent at Tangier (Alling) to the Secretary of State

SECRET TANGIER, January 30, 1947—8 p. m.

27. During my brief visit to Algiers and Tunis I formed following impressions:

1. In all three North African countries under French control one observes same pattern of Communist penetration through attempts to flirt with and give apparent support to local nationalist groups. This support takes form of advocating in Communist-controlled press and by other means independence and self-government.

2. Communism is naturally repugnant to practicing Moslems, but I have no doubt that some Nationalists have been taken in by apparent Communist support. On other hand some Nationalist leaders are willing accept such support on theory that once having obtained independence, they can disembarrass themselves of Communist connection. By far greatest number of Nationalists, however, reject any association with Communism.

3. Some French and native officials believe that Communist influence in North Africa is waning, and this view is shared by some American officials. For example, the Grand Vizir of Tunisia, who recently returned from pilgrimage to Mecca, told me that many Moslems had been shocked by what they had heard from Soviet pilgrims in regard to treatment of Islam in USSR. Governor General of Algeria had heard similar reports from returning pilgrims. Apparently this news is being spread in Islamic circles and is having an effect.

4. I asked both the Acting Resident of Tunisia and the Governor General of Algeria what they would expect happen North Africa in event Communist Government in France. Both replied that they need not consider such a contingency since it would never happen.

This may be wishful thinking but they are apparently sincere and it is on this basis that they are administering their territories.

5. I was surprised to learn relatively small staff Soviet Consulate Algiers. Governor General stated, however, that he was not fully informed their activities. On the surface they appear do little.

6. In general my impressions are that best means of preventing Communism North Africa are for French accelerate tempo by which they are liberalizing various régimes this area. Although Arabs here are naturally friendly our country, I do not entirely discount possibility that if French hold them in check too tightly or too long, nationalists may reluctantly accept aid from Communist sources in mistaken idea that course would give them real freedom. In my opinion it is in interest France and US that progress toward self-government be quickened.

Repeated to Paris as 3.

ALLING

890b.00/3–1347

The Diplomatic Agent at Tangier (Alling) to the Secretary of State

No. 536 TANGIER, March 13, 1947.

SIR: I have the honor to report that a Nationalist French-language weekly sheet (reported to be affiliated with the Istiqlal party) made its appearance in Rabat on March 8, 1947 under the title *L'Opinion du Peuple*. The paper was devoted largely to news of the Arab League and independent Arab states of the Near East and prominently reported proceedings of the first Congress in Cairo of representatives of North African Arab countries which took place during the second half of February 1947. The term "Moghreb Arabe" was used to embrace Morocco, Algeria and Tunisia whose aggregate populations are estimated at 25 millions.

The paper stated that Abderrahman Azzam Pasha, Secretary-General of the Arab League, assumed the post of Honorary President of the Congress and in a speech opening the meeting expressed the sympathy of the Arab League for the Nationalist aspirations of the North African Arabs. Noteworthy portions of the speech as reported follow in translation:

". . . .[1] The League, which is the weapon of the Arabs in their struggle for liberty, is not only at the service of independent nations, but it is chiefly at the service of those peoples still under domination and imperialism . . . . We have made representations to Spain and France, first as objective advisers, then as interested partisans in the cause of North African independence, and the latest decision of the Arab League was embodied in a statement I have just addressed to France, recalling to her the rights of the Moghreb Arabs and advising

[1] Omissions as indicated in the source text.

her not to remain attached, in this age of enlightenment and liberty, to ideas which characterize the Middle Ages. I asked her to reconsider the North African question in the light of new ideas which govern the world . . . ."

The newspaper report stated that the Congress set for itself the following goals:

1. To study the Moghreb problem and attempt to arrive at a solution.
2. Permit all interested parties to express their views as regards their peculiar problems and attempt to put an end to lying propaganda designed to maintain the *status quo*.

It appears that the principal result of the Congress was the assimilation of the efforts of the several North African independence groups represented at Cairo into a new agency called the "Bureau du Moghreb Arabe". The parties subscribing to this new office are stated to be:

The Committee of Defense of Morocco in Cairo (Istiqlal party representative)
The Khalifian (Spanish Moroccan) Delegation near the Arab League
The Section of the Party of the Algerian People in Cairo
The Section of the Destourian Party in Cairo.

Respectfully yours, PAUL H. ALLING

851s.00B/3–1847

The Consul General at Tunis (Fuller) to the Secretary of State

CONFIDENTIAL TUNIS, March 18, 1947.
No. 208

SIR: I have the honor to transmit herewith, for such unclassified distribution as the Department may desire, a copy of a manifest [1] published by the Central Committee of the "Tunisian Communist Party" (i.e., the Tunisian Section of the French Communist Party) following its adoption at meetings held on March 1 and 2, 1947. This proclamation appeared in *L'Avenir de la Tunisie*, the Communist weekly, as a display announcement covering much of one page, with the usual indications of the parts censored. It was reprinted in the Socialist press as a news item with no indication that it had been censored. The only difference between the two texts is the omission from the Socialist press of any mention of the Old Destour Party, with the result that the article in that press calls for the recognition of the Neo-Destour Party only.

[1] Not printed.

One word invariably censored was "National". Before censoring the article would have called for the election of a "National" Assembly, and for union in a "National" front.

The government permitted wide publicity to this declaration because it calls for unity with France within the French Union. The meetings of the Central Committee which adopted the proclamation may have been called in order to take such action as a move to counter the Destourians' agitation for independence. This is another indication of the divergent paths now being followed by the Communists and Nationalists.

Respectfully yours, GEORGE G. FULLER

890b.00/3–2747

The Consul at Rabat (Pasquet) to the Secretary of State

CONFIDENTIAL RABAT, March 27, 1947.
No. 128

SIR: I have the honor to refer to paragraph 3 of my secret despatch no. 118 of February 24, 1947 [1] entitled, "Young Men's Moslem Association and Moslem Brotherhood" and to report on some of the decisions of the "Conference de l'Occident Arabe" which was held at Cairo from February 15 to 20, 1947 at Cairo:

1. The Protectorate treaties covering Tunisia and Morocco are to be considered as having terminated and the non-recognition of the rights of France over Algeria is to be made effective.

2. Request the Nationalists of the three North African countries to proclaim the independence of Morocco, Tunisia, and Algeria (which has already been done publicly by the first two).

3. Demand of evacuation of the territories occupied by foreign forces.

4. Refuse to accept entry into the French Union in any manner whatever.

5. Consider as mourning days in North Africa

(*a*) June 5, the day of occupation of Algeria on June 5, 1830.
(*b*) March 30, the day of the Fez (Morocco) protectorate treaty of March 30, 1912.
(*c*) May 12, the day of the Tunisian protectorate treaty of May 12, 1881.

6. Collaboration within and without the three North African countries in the fight to make their independence effective as well as the evacuation of their territories.

[1] Not printed.

7. The conference decided to hand to one of the States member of the Arab League, after designation by the League, a memoir citing facts showing that France and Spain have not followed, by their colonialist attitude, the decisions of the United Nations guaranteeing the right of nations to dispose of themselves and asking that the question be raised at the next meeting of the United Nations.

8. Reports are to be prepared by the Nationalist parties of the three North African countries listing their complaints against the occupying powers.

9. Request the Arab League to cancel recognition by the League of the existing protectorate and conquest treaties and accept as members of the League representatives of these countries.

10. Request Arab League to support demands of North African countries at United Nations Assembly.

11. Demand that League send professors to North African countries and accept students from these countries.

12. Request League to send inquiry commission to North African countries.

13. Request that League arrange for the exchange of consular representatives between Arab countries.

14. The three Nationalist parties of Istiqlal, P.P.A., and Destour must form a Federation (probably with its seat in Paris) in order to present a common front for the defense of North Africa and adopt the following:

(*a*) The three parties must have common goals i.e., evacuation and independence;

(*b*) Organize a permanent committee representing the three Nationalist parties in order to agree on a common line of action;

(*c*) Group in one single unit all labor unions of the three countries, uniformity of educational programs and economic plans;

(*d*) Rise as a single unit when one of the countries is threatened.

15. The grouping in a single organization (Bureau du Maghreb Arabe), to have its seat in Cairo, Egypt, of representatives of the Istiqlal, P.P.A., and Destour parties, North African League and of the representatives of Spanish Morocco at the Arab League.

Anniversary of Arab League

The second anniversary of the Arab League was celebrated privately and in a dignified manner in Rabat on March 22, 1947 by the Istiqlal Party and the organizers decorated the premises with the flags of all nations members of the League. There are reliably reported to have been about 5,000 persons present many of whom listened from the street and women from the terraces to speeches and recitations which were broadcast through loudspeakers so that all could hear. Similar

celebrations were held in the principal cities of Morocco. The protectorate authorities undoubtedly knew of the plans beforehand and troups paraded in Rabat and Fez as a gentle reminder against possible disturbances of which there were none. The Resident General who was visiting officially Souk el Arba on that day took the opportunity to include in his speech a gentle reminder that France intended to remain everywhere where she was and he ended his speech as follows:

"If it should happen that the rights of France be contested, that one should pretend to disturb order, France's reply is as firm as is her fraternal resolution. Witness the events of Indo-China. There, at the other end of the world, France furnishes proof that in the service of its resolution her sons, as always, are ready to sacrifice their lives. It will be the same all over and all the more firmly that the strength of France, whatever the superficial vicissitudes of political life, reconstitutes rapidly its cohesion, its means and its power."

The warning was of course not lost on the organizing members of the Istiqlal Party and while they had not planned any disturbances they redoubled their efforts that none should occur during the celebrations.

Respectfully yours, MAURICE PASQUET

851r.00/4–1447

Memorandum of Conversation, by the Deputy Director of the Office of Near Eastern and African Affairs (Villard)

CONFIDENTIAL [WASHINGTON,] April 14, 1947.

Mr. Allen [1] said that on instructions from his Government he would like to give us the present British thinking in regard to the situation in French North Africa. He said that a conference had recently been held in London of the principal British consular officers in Morocco, Algeria and Tunisia, with a view to taking stock of the rising tide of nationalism and its general implications in the Mediterranean area. The Foreign Office had carefully considered the results of this conference and would be interested in our reaction to them.

The general conclusion reached by the consular officers was that nationalism in French North Africa was a growing force which had to be reckoned with, but while the situation was serious it constituted no immediate threat to the security and stability of the region. The principal danger point was in Algeria, where trouble was anticipated in the near future. In Morocco the Nationalists were also active and disorders were expected, although not on the scale which one might find in Algeria. The problem in Tunisia was not so acute as in Algeria and Morocco.

[1] William Denis Allen, Counselor of the British Embassy.

The first tendency of the Foreign Office was to regard the matter as sufficiently serious to call for active steps by the British Government. A tentative decision had been reached to approach the French Government and point out the dangers of a nationalist uprising with the consequent instability along the strategic North African coastline. The British were concerned for two reasons: (1) the possibility of general chaos, which might be exploited by the communists, and (2) the possible emergence of weak Arab states in place of the French controlled territories of today.

On careful reconsideration, however, the British Government had concluded that it would be better not to take up this matter with the French at this time and to let them pursue their present policies in the area. The reason for this was that the French would probably be able to control the situation successfully, however much one might disagree with their methods, and no other means of assuring stability in the region were at present discernible. Any attempt by the United Nations to intervene in the picture, or to turn the territories into trust areas, would bring in the Soviet Government with all the resulting complications.

The British did not feel that French policy in North Africa could be regarded with approval; France was mistaken if she thought she could bind her empire more closely by repressive measures. Nationalist impulses were increasing and it was inevitable that sooner or later the French Government would have to take them into account more fully. Nevertheless, it was the opinion of the British Government that it would be undesirable to attempt to discuss this matter with the French until or unless there were better prospects for a solution of the problem.

Mr. Allen asked whether we had any views on the situation. He said that his Government was satisfied that our consular officers in North Africa were pursuing the same policy as the British officers, namely, to give no encouragement to nationalist leaders. At the same time he felt that an exchange of views on the matter would be useful.

I said that we warmly welcomed this expression of views on the part of the British Government. In the main, our thinking was very similar. We too had given consideration to approaching the French, but we had not reached the same negative conclusion as had the British. We were still considering the matter and had in mind the possibility of approaching the nationalists at the same time, urging them not to adopt extreme measures and to beware of the dangers of allying themselves with the communists. I said that we had thought of making a simultaneous approach to both the French and the nationalists, informing each side of what we were doing, but that no decision had yet been taken.

333-774—72——44

Mr. Allen said that his Government would be interested in discussing this matter further with us and exchanging views from time to time. He said he would report our conversation to London and that we might look for a further suggestion to go over the matter again informally. I said we would be glad to consider the matter at any time, since our policies seemed to coincide, and that we might give further thought to the possibilities of making our views known to the French.

881.00/4–2547 : Telegram

The Ambassador in France (Caffery) to the Secretary of State

SECRET PARIS, April 25, 1947—5 p. m.

1722. Discussing the situation in French North Africa which has given the French considerable concern recently, Chauvel [1] tells me in confidence that he feels somewhat more relieved on the basis of his most recent information of developments there. He said that the Foreign Ministry, in conjunction with the Ministry of Colonies, has prepared for the Government's approval a line of action which he thinks will be helpful. In general, it calls for a solemn reaffirmation by the French Government of various social, economic and political reforms for North Africa. In so far as Morocco is concerned, he said that the Foreign Ministry has proposed for the Government's approval a program calling for further democratic reforms. Although he did not specifically so state, I gather that the object is to take the initiative and place the Sultan in a position where he must either come out in favor of such reforms (which the French do not believe he favors at heart) or place himself on record against them, which will of course not help them with the Moroccan masses.[2]

Sent Department as 1722, repeated to London as 339.

CAFFERY

[1] Jean Chauvel, Secretary General of the French Foreign Office.

[2] In telegram 1559, April 29, 6 p. m., to Paris, the Department asked to be kept informed of the French Government's decision in respect to the reform program which seemed, to the Department, to be a hopeful sign (881.00/4–2547).

881.00B/5–757 : Airgram

The Consul at Rabat (Pasquet) to the Secretary of State

[Extract]

SECRET RABAT, May 7, 1947—2 p. m.

A–30. Communist Activities—North Africa. Reference Department's secret instruction A. F. of July 11, 1946 [1] (File No. 851R.00).

[1] See *Foreign Relations*, 1946, vol. VII, p. 51.

Reference is made to my secret despatch no. 138 of May 3, 1947 [2] entitled "Growing Communist Activity in Morocco" and particularly to first two paragraphs describing offer of France–USSR to Istiqlal Party to form a Maroc–USSR, to have ten members of Party visit U.S.S.R. and to raise the question of Morocco before UN meeting in September by Soviet Russia.

I am pleased to report that Istiqlal has turned down all three offers based on suggestion from Arab League that the September meeting of UN could not possibly add the Moroccan problem to its agenda. League further suggested that Morocco remain in second stage (which began with demand for independence in January 1944) i.e., continue to have Istiqlal Party negotiate with France to the exclusion of any other foreign power at this time.

The Sultan having heard of 12,000 of his subjects in the Doukkala tribe who had taken out Communist Party membership cards and knowing our concern (through members of Istiqlal with whom I have contact) made it known to tribe that he disapproved. This indication plus success of Sultan's trip to Tangier resulted in most of 12,000 returning their cards en masse as announced a few days ago by the Chamberlain of His Majesty to mutual friends. The Director of Public Security for Morocco to whom I mentioned apparent freedom of press, meeting and propaganda allowed to Communists and severe repression of Nationalist activities replied that this was only true in cities but that in country districts both Caids, Pashas and French police obstructed as much as possible activities of Communists but he did not deny repression of Nationalist activities.

. . . . . .

PASQUET

[2] Not printed.

880.00/6–1647

Memorandum by Mr. Ridgway B. Knight, of the Embassy in France, to the Ambassador in France (Caffery) [1]

SECRET

Notwithstanding my best efforts to render the briefest report possible concerning the North African situation, I find myself obliged to submit a rather voluminous paper,[2] as it is impossible to view the

[1] Copy transmitted to the Department in covering despatch 8985, June 16, from Paris; received June 25. Mr. Knight made a trip to Algeria, Morocco, and Tunis, April 14–May 7.

[2] Not printed.

present political crisis without considering the important economic, social and psychological factors which form its components.

While the situation throughout French North Africa did not impress me as being desperate, I have returned with the feeling that on the whole it is serious and calls for the prompt application by France of long-term evolution programs imbued equally with two directives: an equitable recognition of native aspirations, and firmness in the application of such programs in order to prevent the development of chaotic situations in countries still far from ready for western democratic ways.

The spirit of genuine nationalism, which is extensive, gives the impression of being even greater than it is in view of the general loss of confidence in France's strength as well as in her intentions, which has resulted in timorousness on the part of the pro-French native elements doubtful of the value of French protection and therefore unwilling to run the risk of incurring the wrath of the apparently victorious Nationalists.

On the whole, for reasons exposed at length in the attached report, the impression was derived that fundamentally the worst situation exists in Algeria where there does not exist a homogeneous or well-rounded native social structure, and where the extent of French land ownership and economic penetration makes it difficult to imagine a satisfactory *modus vivendi.* In Algeria unreasoning and bitter antagonism is the most widespread. In considering the two Protectorates, the situation in Morocco seemed more dangerous because of the youth and inexperience of the fast developing Nationalist movement allied to the more manly and warlike characteristics of the Moroccan natives. Fortunately, however, the Sultan, who has with shrewd mastery achieved great influence and prestige during the past few years, could exert a salutary restraining influence if he saw fit. In Tunisia, where a relatively larger Nationalist movement exists, it was felt there was less tension because of the greater sophistication and more realistic approach of the Nationalists, allied to the gentler traits of the softer Tunisian masses.

However, the above opinions are essentially based on long-term developments as, with the extent of Nationalist agitation throughout North Africa, . . . combined with the resolve to vigorously repress any outbreaks detected among French Army officers, not to speak of the fear of the military rank and file, making a certain "trigger happiness" all too likely, a bloody incident of the Casablanca type[3] could

[3] The Consul General at Casablanca (Lewis) reported in despatch 599, April 10, that disorders broke out in Casablanca on April 7 between Senegalese troops stationed there and Moroccan civilians, causing heavy casualties.

easily occur in any one of the three French North African geographical units.

Referring to the French Army, the official line stressed by the Commanding Generals at Algiers, Rabat and Tunis was that "the Army is ready for anything": effectives at full strength and morale excellent. However, a very close friend with whom I worked during the war in Morocco, in Italy and in France, and who now is in command of the Moroccan Goums, said that Nationalist agitation had already begun to have some effect among his men. When one bears in mind that the Goums are nearly entirely recruited in the Berber mountain districts of Morocco, that they are officered by top native specialists unusually close to their men, this admission appears sufficient reason to accept the "official line" with some scepticism.

Last but not least, I was disappointed and definitely concerned to find a wide misunderstanding of what I conceive to be Communist strategy in North Africa. All too often I heard the confident assertion that the Communists were "on the run" and that "it is impossible to make a good Marxist out of a good Moslem." Few people seem to realize that the Communists are the first to recognize this state of affairs and are not attempting to convert the Moslem masses to doctrinaire Marxism. Nearly everyone gloated over the fact that the Nationalist parties in North Africa were steadfastly refusing Communist offers of "union" and were blind to the significance of Communist support of these same movements, regardless of their aloofness. No official and only a few civilians realized what to us seems the obvious Communist progress: support the Nationalists at all costs, achieve the "Nationalist-bourgeois revolution" and shake off the solid French administrative and police armatures of the various units. This result achieved, using the protective catch-words of "democracy" and "liberty", as well as some rigged "Constituent Assembly" or another such "mass instrument", they would purge anti-Communist Nationalist elements and, notwithstanding the smallness of the real Communist core, achieve control.

This type of thinking was all too often listened to indulgently as coming from someone who had "Communism on the brain."

Many French officials are so far from realizing our real concern in the matter that a number of them—and in important positions—expressed the fear that the United States, thinking that France was on the run in North Africa, and wishing to select the lesser of two evils, was ready to back the Nationalists "in order to avoid Communist domination of strategically placed French North Africa."

RIDGWAY B. KNIGHT

PARIS, May 14, 1947.

881.00/5–1747 : Telegram

The Ambassador in France (Caffery) to the Secretary of State

SECRET PRIORITY PARIS, May 17, 1947—1 p. m.

1985. A friendly Foreign Office official discussed with us in confidence the background of Labonne's replacement as Resident General of Morocco by Juin.[1] He said that Labonne was sent to Morocco in 1945 to replace Puaux [2] because latter was on worst possible terms with practically all Moroccans, including the Sultan.[3] Labonne's mission was to conciliate the Sultan and improve atmosphere thus making possible real French-Moroccan cooperation. In his effort to improve atmosphere, during the first six months of his incumbency Labonne did everything he could to placate the Sultan and let him have largely his own way on most matters. After some months the French proposed certain reforms (including a revision of Moroccan penal code which is unjust and almost feudal in aspect, provisions for municipal elections based on a restricted electorate, elections for membership on Moroccan Grand Council rather than appointment, educational reforms, etc.). The Sultan, however, at first refused to approve these reforms and using a variety of pretexts for months kept putting Labonne off and finally took the position that the reforms were not far reaching enough. My source said that what he demanded were in fact reforms which would make Morocco to all intents and purposes independent. Labonne was relieved of his post largely because he could not persuade the Sultan to approve any of the reforms and in fact became progressively less able to do anything with him.

The French feel strongly that not only are the Moroccans not yet prepared for independence (which French have no intention of granting) but that in view of the obsolete views of the Sultan on absolute rule by "divine right" an independent Morocco under him would be so backward that an eventual explosion would occur which would be encouraged and capitalized on by Communists. On the other hand the French readily admit the Moroccan people have the right to an increasing voice in their own destiny. They believe this can be achieved by educating the native population towards progressive self-government. (Dept's 1559, April 29.[4])

Juin, my informant said, is being sent to Morocco to tell the Sultan that the French realize that the old concept of colonial empire is no longer valid; that the Moroccans must have a progressively greater voice in their own destiny; that the reforms proposed by the French

[1] Gen. Alphonse Pierre Juin, former Chief of the French General Staff, arrived in Morocco on May 27, succeeding Eirik Labonne who resigned on May 14.
[2] Gabriel Puaux.
[3] Sidi Mohammed Ben Youssev.
[4] See footnote 2, p. 680.

are designed to begin this process of education and that further reforms granting greater responsibility will be accorded as the process of evolution occurs and that with this in mind the Sultan is expected to approve the proposed reforms at once so the educational process can begin. Juin plans to leave Paris about May 24 and will approach the Sultan in the foregoing sense immediately after his arrival there.

There is no doubt that the French intend to be firm with the Sultan and will insist on putting these reforms into execution. While they realize that the reforms which they are proposing are but the beginning, enlightened French officials sincerely believe that since the great mass of the Moroccan population is utterly incapable—through ignorance and lack of experience—in making advanced democratic institutions work, the educational process will take some time with "little steps for little feet". They also believe that while the Sultan objects to many of the reforms of [*on*] the grounds they do not go far enough, in reality he opposes them because they would destroy his arguments with Moroccans to effect that it is hopeless to expect any real reforms from French and therefore immediate independence is only practical solution.[5]

CAFFERY

[5] In telegrams 2055, May 23, 1 p. m., and 2080, May 24, 3 p. m., from Paris, Ambassador Caffery reported conversations with General Juin and French Foreign Minister Georges Bidault who agreed that democratic reforms would be pressed in Morocco. (881.00/5–2347, 5–2447)

881.00/5–1947 : Telegram

The Diplomatic Agent at Tangier (Alling) to the Secretary of State

CONFIDENTIAL TANGIER, May 19, 1947—4 p. m.

121. Several recent developments appear indicate France intends take stronger line Morocco: (1) Appointment General Juin as Resident General; (2) present maneuvers French fleet off Moroccan coast; (3) French insistence suspension Tangier nationalist publication *Voix du Maroc*; (4) growing criticism French metropolitan press of attitude of Sultan. These measures may have desired result of reducing nationalist sentiments and activities. It seems more likely, however, that they will tend strengthen Nationalist movement and even lead to outbreaks from which Morocco has been remarkably free to present.

Consul Pasquet, Rabat, reports Juin will take firmer attitude toward communists and nationalists. Latter dislike appointment military man and fear return iron hand policy. If such policy is applied, Pasquet expects trouble. He adds that French appear ready, able, and almost anxious put down any disturbance so as to "raise their prestige".

Consulate continues counsel nationalists be patient and apparently Arab League has also advised them wait somewhat longer before raising Moroccan question before UN. Pasquet suggests time may have come discuss question between Washington and Paris (see also Legtel 120, May 15).[1]

ALLING

[1] Not printed.

881.00/6–1047 : Telegram

The Diplomatic Agent at Tangier (Alling) to the Secretary of State

SECRET TANGIER, June 10, 1947—1 p. m.

143. ReDeptel 123.[1] Juin has consistently proclaimed from day his arrival his aim "to work within the framework and in the spirit of the Franco-Moroccan treaty" as stated his speech Marrakesh June 9th. Legal concept of French Union is irreconcilable with Protectorate system and so far Juin has not mentioned French Union in any speech. It is impossible state whether Sultan is justified in conclusion he has apparently reached, but in addition to foregoing points, which are public information, Sultan may have received private assurances from Juin.

Sent Department as 143, repeated Paris as 37.

ALLING

[1] June 9, 6 p. m., not printed; it asked why the Sultan was reported to have concluded that the Juin appointment signified abandonment of the policy to assimilate Morocco into the French Union (881.00/6–747).

880.00/6–1047 : Telegram

The Secretary of State to the Embassy in France

TOP SECRET WASHINGTON, June 10, 1947—3 p. m.

2082. Repeated Tangier as 124. We are greatly interested nature of long-range plans French are now contemplating for North Africa and hope you will keep us informed as to details as well as method and time table for putting them into effect.

Our present thinking leads us to believe that no peaceful solution North African problem which will ensure political stability and redound to best interests of France, North Africa and US is possible unless leading North Africans are approached with some plan guaranteeing evolution toward self-government while concurrently safeguarding economic development of country and legitimate French interests in area by integration into French Union. In this regard

reforms proposed by Mast [1] for Tunisia and those which Juin intends to institute in Morocco though progressive do not appear constitute alone firm basis for integration these countries into French Union. Piecemeal application of reforms seems to have succeeded only in whetting appetite of North Africans with result that best intentioned measures appear in effect "too little and too late". Furthermore present French political dealings with Sultan do not appear transcend short range conception.

We feel solution this problem is a matter of urgency lest situation in North Africa develop into one comparable to that now existing Indo-China, and because possibility case being brought up UN in Sept.

In view of above Dept considering line of action outlined below. We would appreciate your frank comments and consider it would be most helpful if this telegram were included agenda North African meeting (Deptel 2023 [2]) in order we may profit views all interested offices. Please feel free also recommend any alternate course which you consider would be more successful than following:

Begin summary. Suggested approach would be to Bidault and/or Ramadier [3] orally along these lines: We are vitally interested peaceful solution North African problem and we are seriously concerned with manner in which situation now developing. As they must be fully aware we are most anxious to see rapid regrowth of strong democratic France and are in accord with their belief that France's strength depends in no small measure on peaceful integration into French Union of this important area. We believe this can be accomplished however only on voluntary basis and therefore that French approach to Arabs and manner of presentation of French plans for Union are even more important than substance of current reforms if future faith in and cooperation with French are to be achieved. Conversely, if French do not regain faith and cooperation of Arabs we believe situation will continue to deteriorate to benefit of no one except Communists. Longer Communists have fertile ground for stirring unrest and Arab League has excuse promote independence less likely become chances French and Arabs establishing type relationship on which long term *modus vivendi* must be based. Furthermore, continued tension may lead to violence with result relations would probably be irreparably affected despite ability France suppress outbreaks. Finally, with or without violence case may be brought before General Assembly UN in Sept and it is obvious that in such eventuality our interests will suffer as well as those of France. It is in light of these considerations that our approach is made. In order to do everything possible avoid

[1] Gen. Charles Mast, French Resident General of Tunisia until January 1947.
[2] June 4, not printed.
[3] Paul Ramadier, President of the French Council of Ministers since January 21.

situation in North Africa comparable to one now facing France in Indo-China could not French approach leading Nationalist elements with constructive, concrete and long-range plan which will guarantee gradual but sure evolution toward something comparable to Dominion status within French Union? France could also grant to Arabs freedoms of speech, press, and assembly and legal recognition of political parties at least to same extent that these are presently enjoyed by Communists in North Africa. We envisage that on such basis North African states can under France's benevolent tutelage develop into friendly partners which will be bulwarks of a strong France, rather than weak and unwilling vassals who will only cause France trouble and cost her men and money.

You may add that if in opinion of French it would be helpful for us to do so we would do our part in endeavoring to persuade Arabs to accept France's offers in same spirit of cooperation in which they are made. While explaining why we consider our assistance would be helpful you may make it clear that in injecting ourselves into such delicate situation our only thought is to bring French and Arabs closer together and we fully understand that any other result would defeat very purpose which we are endeavoring achieve. As French know North Africans have for some time evidenced desire for closer political relations with U.S. We believe most responsible French officials are convinced we have not encouraged this tendency and we wish to emphasize to French, and are prepared to emphasize to Arabs, that this country does not contemplate now or in the future playing dominant role either economically or politically in French North Africa. It must be obvious to all political observers of US that trend is in opposite direction. Should be sufficient to mention Philippines.

For your info—

If French should indicate desire for us to approach Arabs and if we are satified that French will implement a program which we can support vis-à-vis Arabs our idea would be to talk to latter somewhat as follows: Our attitude toward dependent peoples is well known. We believe that they should be educated and given a chance to govern themselves. By our own experience in self-government however we know very well problems involved and amount time and patience required to achieve satisfactory results. In our opinion they are not yet ready for independence. They have neither personnel nor technical knowledge to run their countries without outside help. They have no means of maintaining their national security. Nation in best position to aid them in maintaining stable and effective government is France. France is now showing sincere desire to assist North Africans evolve toward self-government within French Union. In view above it should be clear why we do not consider break with France in best interest of Arabs. More than that we envisage North African countries devel-

oping into prosperous self-governing "associated states" with French assistance in such manner as to achieve true goal of Arabs.
End summary.

MARSHALL

890b.00/6–1747

Memorandum of Conversation, by the Secretary General of the Arab League (Azzam)[1]

[WASHINGTON,] June 17, 1947.

The following is a condensation of a memorandum prepared by Abdel Rahman Azzam Pasha following his conference with the Secretary of State on June 17, 1947:

In an hour's interview with the Secretary, at which Mr. Loy Henderson was present, Azzam Pasha outlined the constitution of the League of Arab States, explaining the functions of the Council, which represents the seven independent Arab States and the Secretariat, which is the link between the Council and different organizations. Treaties, agreements and recommendations are forwarded for approval to the Council by the Secretariat.

The League works with the various government organizations of the member states in maintaining peace and increasing social and cultural progress. Because the Arab League was started at the end of World War II, a large part of its activities has been devoted to politics.

The League, by uniting all the Arab people, tends to stabilize the Middle East and Mediterranean area. Azzam Pasha believes that it is to the best interest of the Western democracies that the organization of the Arabs succeed to the point of avoiding war. Otherwise, a burden would fall on the democracies, particularly the United States.

General Marshall expressed interest in this explanation of the Arab League situation and asked Azzam Pasha to tell him about the individual problems of Palestine, Egypt, Tripoli and North Africa.

In discussing the North African problem, Azzam said that a strong France is necessary for the peace which the Arab League is working for. He stated, however, that France maintains a reactionary colonial administration, employing methods sometimes bordering on serfdom, in a section of the Arab world. The Arabs are torn between their friendship for France and their loyalty to the principles of freedom for their people in North Africa.

[1] Described as accurate by Loy W. Henderson, Director of the Office of Near Eastern and African Affairs; memorandum condensed by David LeBreton of the Division of Near Eastern Affairs.

Turning to Morocco, Azzam Pasha said that Morocco had maintained its independence for more than a thousand years until it became a French colony thirty years ago. The Sultan of Morocco is now trying to regain for his country some of their rights, and, as a result is being persecuted. Azzam Pasha appealed to General Marshall for justice for the Sultan.

The Secretary asked about conditions in Tunisia and Algeria. Azzam replied that although the Arabs in Algeria are represented in the French National Assembly, the Arabs have none of the rights of citizenship. During a demonstration for freedom in Setif in the Province of Constantine in May 1945, some thirty thousand Arabs were killed.

Tunisia is a protectorate, whose ruler, Moncef Bey, was unjustly dethroned. It is poverty stricken and all demonstrations for freedom have been ruthlessly crushed. Azzam has advised the people that nothing can be gained by violence.

The Arab League is opposed to Communism, but since what little encouragement it has thus far received has been given by the French Communists, there has been a split in the Nationalist parties on this issue.

In speaking of the Libyan problem, Azzam Pasha said that the Arabs fought Italian imperialism and Fascism. The Secretary asked what solution Azzam would propose in settling the future of Cyrenaica and Tripolitania, to which he replied, "Unity and independence".

Azzam told the Secretary that the United States should not confuse the humanitarian appeal of displaced European Jews with the political aspirations of the Zionists. The Arab League is prepared to cooperate to the fullest in finding a solution to the refugee problem, but it is unalterably opposed to militant political Zionism.

A satisfactory agreement, he said, should be reached between Egypt and Great Britain for the settlement of their outstanding problems. These two countries are largely dependent on each other for security.

Azzam Pasha thanked General Marshall for his interest and patience, and the Secretary told him that the talk had been useful and instructive.

880.00/6–2047

The Ambassador in France (Caffery) to the Secretary of State

TOP SECRET PARIS, June 20, 1947.

No. 9033

SIR: I have the honor to forward herewith a report [1] of the North African Conference, held at this Embassy on June 16, 17, 18 and 19,

[1] Enclosures not printed except for recommendations printed *infra*.

1947, pursuant to the Department's instructions. This Conference was attended by representatives of our Missions in Morocco, Algeria, Tunisia, Egypt and France, as well as by observers from the Department. It was my privilege to preside at the opening session, after which Mr. Paul H. Alling, Diplomatic Agent at Tangier, acted as Chairman. Mr. Ridgway B. Knight, of this Embassy, served as head of the Drafting Committee. A full list of the officers in attendance is also enclosed.

All sections of the enclosed report—findings, policy statements and recommendations—were unanimously approved. In connection with the recommendations of the Conference, in which I concur, I wish to refer to my Top Secret telegram No. 2442 of June 20, 1947.[2]

I feel that this Conference was exceptionally useful in that it permitted an exchange of valuable information and personal views; consequently, and perhaps more important, it was possible to consider the over-all Franco-North African problem with a broader and common perspective.

Respectfully yours, JEFFERSON CAFFERY

[Enclosure]

RECOMMENDATIONS IN REPORT OF NORTH AFRICAN CONFERENCE AT PARIS

TOP SECRET

On the basis of the Department's top secret telegram of June 10, 1947 as well as on the basis of the agreed findings as to the present situation in North Africa which preceded, the North African Conference recommends that the French Government be approached at the highest level in the immediate future along the following lines:

I

1) As the French Government must be well aware, from the many concrete measures of assistance adopted by the United States in France's favor since her Liberation, the American Government is deeply anxious to aid in the rebirth of a strong, democratic France as a healthy, beneficial and important influence in the world of today.

2) The United States believes that France's strength depends in a large measure on the establishment of peaceful, friendly and solid ties between France and her North African territories. We envisage that the North African entities should, under France's benevolent leadership, develop into friendly and profitable partners contributing to

[2] Not printed; it summarized the recommendations. (880.00/6–2047)

France's strength and influence, rather than into weak and unwilling vassals costing France money and perhaps men.

3) At the present time the United States is seriously concerned with the manner in which the situation is now developing in North Africa, and believes that constructive and lasting solutions can only be based on voluntary agreements between France and the various North African parties.

4) In interesting itself in such a delicate situation the American Government's only thought is to bring France and the Moslem populations of French North Africa closer together, and it fully understands that any other result would defeat the very purpose which it is endeavoring to achieve. As a matter of fact, as the French Government is doubtless fully aware, the United States over the last several years has consistently offered a "fin de non-recevoir" to the frequent approaches made by the various Nationalist parties in order to enlist American political and economic assistance.

Therefore with the sole desire of assisting in the transformation of a volatile and unstable situation into a stable partnership, and with the idea of avoiding the eventual development of the North African problem into one comparable to the apparent Indochinese impasse, the United States Government suggests that France approach the leading elements in Morocco and Tunisia with constructive, concrete and long-range proposals which will guarantee a gradual but sure evolution towards something comparable to dominion status.

5) In order to achieve the full benefit of such an initiative, the United States believes it essential that the French approach to the Arabs be voluntary. Furthermore, in view of the susceptibilities involved, and in view of the artificially stimulated but nevertheless widespread irritation now prevalent throughout North Africa, the United States is of the opinion that the manner of presentation of such French plans is perhaps as important as the detailed substance thereof, as first of all Moslem confidence in France's good faith must be regained among certain elements and consolidated among others.

6) Conversely, should the present situation continue to deteriorate, the United States believes that benefit will only accrue to extremists of all kinds, be they Nationalists or Communists. The longer the Communists have fertile ground for fomenting unrest and the Arab League has excuse to agitate for immediate independence, the less likely become the chances of the French and the North African Moslems establishing the type of relationship on which a sound long-term *modus vivendi* can be established and thrive.

It is believed that the French Government realizes that continued tension is likely to lead to violence, with the result that relations would

probably be irreparably affected, despite the ability of the French to suppress local outbreaks.

7) The United States is also concerned over the possibility that the Tunisian or Moroccan case may be introduced before the United Nations General Assembly in the not too distant future. It is obvious that if the French Government is in a position to refer to such long-range. progressive plans as mentioned above, it would be far easier for the United States to espouse the cause of France. Thus our interests, indissolubly bound with mutual good and peaceful solutions of international difficulties, would be protected.

8) It is in the light of these considerations that the United States now approaches the French Government and suggests, in the utmost confidence, that the French Government take the initiative in suggesting long-range plans to guide both North African Protectorates toward dominion status. While the United States believes that of course the details of such a plan should be prepared by the French Government, it wishes to mention a certain number of factors which it believes essential in order to gain the support of the Moslem populations and in order to permit American support of France's position:

A) It is felt the plan should provide for a definite time limit for the achievement of something comparable to "dominion status". Any reasonable period which would be deemed necessary to train a new generation, would appear to be the answer. Experience in other areas (Irak, the Philippines) has proved the great usefulness of presenting dependent peoples with concrete dates for the various steps of their evolutionary process.

B) Such a precise time table would permit both parties to prepare periodically a balance sheet and thus be witness to the other's good faith.

C) Bearing in mind the necessity of establishing without delay a solid basis of mutual trust and of convincing Moroccans and Tunisians of France's sincerity, it is thought particularly important that a number of reforms be provided for in the immediate future, such as freedom of the press, freedom of assembly, rapid amplification of the school program, administrative reforms, initiation to democratic ways through municipal elections, etc.

Should the French ask what the United States may have in mind, the following may be mentioned:

a) Freedom of the press. This should offer no major obstacle as this reform is already granted in Tunisia and as furthermore local Moroccan Communist publications and Communist material from Metropolitan France publish the objectionable material and yet enjoy virtually free circulation in Morocco as well as in Tunisia.

b) Freedom of assembly. At the present time the French prohibition has interfered little with the growth of the Moroccan Nationalist movement and has been obviously violated in Tunisia through the use of the UGTT as a political vehicle.

c) The admittance in 1947–48 of some specified number of Moroccans and Tunisians to the French National School of Administration or to other such training institutions, these numbers to be increased as the simultaneous program of public education develops.

d) The immediate training of teachers and the adoption of a school program, including professional schools. A time table is felt to be specially important in this case with a definite accent on punctual fulfillment of the first installment within such a very brief period as one or two years.

e) Speeding up and implementing the French plan for administrative reforms; immediate introduction of educated Moslems in as many posts as practicable.

f) As planned now by the French, the inauguration of political education with the initiation of Moslems to democracy through municipal elections.

N.B. Based on its experience in the Philippines, the United States believes that a liberal and farsighted policy will lead to Morocco and Tunisia seeking voluntarily French guidance in many fields at the end of the period of evolution.

II

Realizing the importance of the well-being and of the economic advancement of the local populations in the achievement of such a political program, and furthermore fully conscious of France's present limited industrial potential, due to the vast amount of destruction incurred both as a valiant Ally and as a battlefield during the War, the Embassy would be willing to study and support economic programs for Morocco, Algeria and Tunisia, destined to:

a) Increase North Africa's productivity both agriculturally and industrially.
b) Facilitate reconstruction of war-torn Tunisia.
c) Relieve more immediate and acute distress.

It is believed that such programs might well be integrated into any French plan prepared under the "Marshall proposals",[3] but for the purpose of supplying a feeling of stability in North Africa as well as to prove again France's sincere interest, it is thought it would be advantageous to prepare independent and definite plans for each Territory.

III

ALGERIA

It is recommended that in the approach to the French Government the subject of Algeria be treated separately for reasons to be found in the agreed findings, and that the French be told:

[3] It is anticipated that this documentation will be published in volume III.

1) In the preceding remarks it will be noted that the American Government has mentioned only the North African situation as evident in Morocco and Tunisia, for it recognizes the different situation existing in Algeria, resulting from many factors:

a) Over 100 years of French presence.
b) The considerably greater extent of French settlement and participation in all phases of local life.
c) The more acute economic situation resulting from the greater tapping of all available natural resources.
d) The importance of the French population element.
e) The tenser relations between Moslems and "colons", based on the above and other reasons.
f) The greater class consciousness of the Algerian Nationalist leaders.

2) The American Government also recognizes the French Government's sincere attempt to improve the political situation through the Algerian Statute now being prepared.

3) At the same time and in order to create the best atmosphere for its success, it is believed that the Statute might well be implemented by:

a) Further social and educational advancement of the Moslem population, France's past accomplishments, specially in the field of hygiene, being fully appreciated.
b) Inclusion of as many Moslems in the administration as possible, and training of Moslems for such posts, etc.
c) Elaboration of an economic program with special emphasis on the creation of new industries to relieve the demographic pressure now becoming specially acute in Algeria where further agricultural possibilities are far less promising than in Morocco for several reasons.

In order to facilitate the realization of the above policy, the United States, should the French think it helpful, would do its part in an endeavor to persuade the Arabs to accept France's offers in the same spirit of loyal cooperation in which they would be made.

In particular, the French would be told that the United States would point out to the Nationalists that it does not contemplate playing a dominant rôle, either economically or politically, in French North Africa, and that the United States could only look with genuine regret on the rejection by the Arabs of the French proposals (which would, of course, have to meet with American approval).

N.B. It is recommended that these political and economic proposals should first be made to the French Government at the top Government level. It is feared that should simultaneous approaches be made to the local senior French authorities:

a) Unavoidable discrepancies in reporting oral communications would confuse and unsettle the French Government at Paris; and

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b) These multiple approaches would tend to give the French the impression that we are attempting to impose a program rather than to lead them amicably towards policies which we genuinely feel to be in the best interests of France.

It is proposed that once the Embassy at Paris has made its proposals and ascertained French reactions, the Department authorize its representatives in North Africa to discuss the proposals if approached by the local French authorities.

IV

Should the French accept the above over-all suggestions and should they present detailed plans meeting American approval, it is then proposed that local Moroccan and Tunisian leaders be approached by our local representatives as follows:

1) The attitude of the United States towards dependent peoples is well known and has been proved by actions.

2) The United States believes that such peoples should be educated and led towards self-government, and that as they display capacity for self-government they be gradually entrusted with correspondingly increased responsibilities.

3) By our own experience in self-government and in leading other peoples towards this goal, we know full well the problems involved, the amount of time and the patience required to achieve a satisfactory result.

4) At the present time, and based on impartial and independent study, the United States does not believe that either Morocco or Tunisia is yet ready for self-rule. They have neither the personnel nor technical knowledge to administer and run their countries without outside help. They have inadequate means of maintaining their national security.

5) Premature and hasty achievement of theoretical independence under present-day world conditions, instead of achieving true sovereignty, could well lead to new and sterner forms of bondage.

6) Consequently the United States believes that the nation in the best position to aid them in maintaining sound state organizations and effective governments as well as to lead them towards the realization of their deep aspirations, is France.

7) France is now showing a sincere desire (based on the approved programs) to assist North Africa to evolve towards self-government.

8) In view of the above it should be clear to our Arab friends why we do not consider a break with France in their own best interests.

V

1) It is further recommended that at approximately the same time as American representatives approach Nationalist leaders in North

Africa, the Embassy at Cairo approach the leaders of the Arab League and seek to convince them that it is to the best interests of the Arab world to permit the new experiment in the Moghreb to proceed in the most favorable atmosphere possible, an atmosphere not embittered by Arab League agitation for immediate independence.

2) The United States has studied the French proposals for North Africa and is of the opinion that they represent the most practical and realistic method of advancing at this time toward the ideals set forth by the Arab League.

3) The United States believes that it would be of the utmost importance if the Arab League could use its influence to enlist the support of the North African elements in Cairo and their active participation as well as that of their friends in the Moghreb in these evolution programs.

4) The above approach is only recommended on the assumption that the relations between the United States and the Arab League have not deteriorated as a result of the Palestine and Egyptian questions.

VI

In addition to making the recommendations which precede, which apply to the North African situation as it now presents itself, the Conference further believes that possible future developments should also be considered and tentative American policies be studied accordingly.

a) United States policy in case of a successful general Arab revolt.

b) United States policy in case of protracted warfare such as in Indochina.

c) United States policy in case of a Communist Government coming to power in France by legitimate means or by a "Coup d'Etat:"

1) With no reaction occurring in North Africa.

2) With a subsequent revolt against the Paris Government by the local French united with the Nationalists.

3) With a subsequent revolt by the local French, complicated by fighting between them and the Nationalists.

Because of the possible combined military and political aspects of the preceding hypothetical problems, it is suggested that they be referred to the S.W.N.C.C.

Furthermore it is recommended that the Department prepare for increases in the staffs of the various French North African posts in case of urgent need. It is also believed that under any of the preceding hypotheses the United States, aside from military decisions, should be ready to exert maximum diplomatic influence immediately with a view to neutralizing Communist manoeuvers, encouraging local elements

towards truly liberal and democratic solutions and, generally speaking, bringing American influence to bear with a minimum of delay.

880.00/6–2047 : Telegram

The Secretary of State to the Embassy in France

TOP SECRET WASHINGTON, July 11, 1947—5 p. m.

2556. We have carefully studied and are in full accord with both findings and recommendations contained urtel 2442 [1] and urdesp 9033 June 20.

We believe present time is propitious and therefore you should make recommended oral approach at highest level. If you have any strong reasons for not acting immediately please inform Dept.

MARSHALL

[1] See footnote 2, p. 691.

880.00/7–1547 : Telegram

The Ambassador in France (Caffery) to the Secretary of State

TOP SECRET PARIS, July 15, 1947—1 p. m.

2799. Further to Deptel 2556, July 11, and my 2781, July 12,[1] I have received informal indication from very high FonOff source that a recommendation may shortly be made to Bidault that the French take the initiative in asking us for our views and our help in solving problems in North Africa and Indochina. I can not at present forecast how Bidault will react to the suggestion, but tactically it would be so much better if the initiative were to come from the French that I feel strongly we should hold off for the moment. I should know the answer within a week or ten days.

CAFFERY

[1] Latter not printed; it advised waiting until the end of the Conference of European Economic Cooperation, then in session, as Foreign Minister Bidault was engrossed in it (880.00/7–1247).

880.00/7–1547 : Telegram

The Secretary of State to the Embassy in France

TOP SECRET WASHINGTON, July 16, 1947—noon.

US URGENT

2607. Urtel 2799, Jul 15. While we appreciate tactical reasons for wishing French to take initiative we do not believe you should delay

approach more than a week because situation demands action urgently. You may wish convey urgency to FonOff source indicating you will have to take initiative unless Bidault does so. In this connection recent info indicates that although one of members of Arab League may not be inclined to present case for North African independence to General Assembly in Sept North African Nationalist are determined to attempt to have case introduced, and will sound out Philippine Delegation. On Jul 14 there was extensive press coverage of letter to Secretary General UN [1] from North African Nationalists Committee in US notifying him of intention bring up issue Moroccan independence at UN GA.

MARSHALL

[1] Trygve Lie, of Norway.

851s.00/7–2147 : Telegram

The Consul General at Tunis (Fuller) to the Secretary of State

RESTRICTED TUNIS, July 21, 1947—8 a. m.

72. Mons [1] unsuccessful obtaining support of political parties now proceeding with program. Bey [2] dismissed Cabinet of four Ministers July 20 and appointed as Prime Minister Mustafa Kaak respected Moslem lawyer without political background, instructing him to appoint Cabinet of twelve or more, half Tunisian, half French. Now seeking honest trusted men outside parties. Thereafter Mons will reform administration, municipal affairs, etc.

Leaders of both Destours offered positions in Cabinet but prefer to continue in opposition demanding Moncef and independence. Communist Party not participating. As organized parties not participating, new government will be under constant attack particularly by neo-Destour but Mons hopeful he can quickly win support of masses and weaken opposition by democratic reforms approved by new Cabinet of respected Moslems and Europeans and by improvement of living conditions. Situation delicate and will require constant observation.

Despatch follows.[3]

Repeated Paris as 14.

FULLER

[1] Jean Mons, French Resident General of Tunisia; he succeeded Gen. Charles Mast.

[2] Sidi Lamine Pasha.

[3] Not printed. In airgram 1295, August 5, from Paris, the Embassy reported a press interview there with Resident General Mons who emphasized the importance of recent reforms in Tunisia and said the powers and duties of the Prime Minister and Cabinet would be greater than previously (851s.00/8–547).

880.00/7–2447 : Telegram

The Ambassador in France (Caffery) to the Secretary of State

TOP SECRET PARIS, July 24, 1947—5 p. m.

2942. Department's 2607, July 16. I talked about the North African situation with Chauvel and he agreed that something "positive" and not "negative" must be done very soon. He said that furthermore he understands our point of view. He remarked that he has been having conversations during the past few days with Juin and other French officials from North Africa. He will prepare a summary of the French position at an early date and I will have another talk with him, and with Bidault too. (Chauvel handles the North African business for the French government.)

CAFFERY

880.00/7–2447 : Telegram

The Secretary of State to the Embassy in France

TOP SECRET WASHINGTON, July 25, 1947—8 p. m.

2759. North African nationalists here have already approached Romulo, Philippine UN Delegate, requesting his intercession their behalf forthcoming General Assembly. Before Romulo had given definite answer he was informed of Dept's view that no good would result from airing this subject in UN at present and that probably only Communists would benefit. Romulo expressed understanding and stated that when next approached by nationalists he would decline accede their request. Dept also telegraphing Emb Manila [1] so that identical views may be presented President Roxas if necessary.

Thus in spite of absence of an overall French plan for North Africa which Dept and you have considered necessary we are already lending tangible and valuable, although secret, support to French in anticipation of action on their part which will not only substantiate our reasons for doing so but enable us to continue support more openly. As this cannot be continued indefinitely and as secrecy of our support will become increasingly difficult as further steps may be required urgency of approach to Bidault or Ramadier and tangible evidence of their intention to do something "positive" and not "negative" as stated by Chauvel (urtel 2942 Jul 24) is reemphasized.

If you believe Bidault will keep info in strictest confidence it might be helpful to inform him of support already given emphasizing that it has been done in anticipation of French action along lines contained

[1] Telegram 844, July 25, 8 p. m., not printed.

in recommended approach urtel 2442 [2] and desp 9033.[3] It would be necessary also to point out very clearly that open support and even continuation of secret support will depend upon nature of French plans and indications of early implementation.[4]

MARSHALL

[2] See footnote 2, p. 691.
[3] June 20, p. 690.
[4] In telegram 2971, August 11, 6 p. m., to Paris, the Department informed the Embassy it should discuss with Foreign Minister Bidault personally the Department's policy toward North Africa even if promised French papers were not yet ready (880.00/7–2947).

881.00/7–3047 : Telegram

The Chargé in Egypt (Patterson) to the Secretary of State

SECRET CAIRO, July 30, 1947—10 a. m.

907. Information received by Ireland [1] through discreet conversations with Bourguiba indicates (1) Bourguiba and Abd El Karim [2] continue dominate local North African nationalists; (2) they agree North Africans will not move toward opening Maghreb office America or appealing UN until return Azzam Pasha here; (3) Bourguiba holds presentations NA case to UN not probable until 1948; (4) Abd El Karim does not intend visit US soon (Deptel 1055, July 17, Embtel 899, July 28 [3]); (5) Bourguiba will visit America only in accordance advice Azzam Pasha but privately wishes visit October; (6) plans Torres and Al Fassi [4] visit US cancelled (Embtel 889, July 25 [5]); (7) arrival Moncef Bey [6] in Egypt cannot be ruled out. Memo conversations by pouch.[7]

Repeated Paris and Tangier.

PATTERSON

[1] Philip W. Ireland, First Secretary of Embassy in Egypt.
[2] Mohammed Ben Emir Abd-el Krim, Moroccan Rif leader who escaped at Port Said from long-time exile while en route from Réunion to France in early June.
[3] Neither printed.
[4] Abdul Khalek Torres, president of the Spanish Moroccan Reform Party, and Si Allal El Fassi, leader of Moroccan Istiqlal Party.
[5] Not printed.
[6] Moncef had been deposed in May 1943 and interned in France.
[7] None printed.

880.00/8–1147 : Telegram

The Ambassador in France (Caffery) to the Secretary of State

SECRET PARIS, August 11, 1947—3 p. m.

3203. I had a brief conversation with Bidault on Saturday [1] along

[1] August 9.

the lines of my telegram No. 2442, June 20.[2] He said he fully appreciates our sympathetic interest and is in agreement that the peoples of Morocco and Tunisia should be approached by the French with constructive, concrete proposals for democratic reforms, and in that connection referred to recent changes in that direction in Morocco and Tunisia. He referred also to the proposed Algerian statute which is now before the National Assembly.

He added that he would have a "dossier" for me on the subject at an early date.

CAFFERY

[2] See footnote 2, p. 691.

881.00/9–447 : Airgram

The Ambassador in France (Caffery) to the Secretary of State

TOP SECRET PARIS, September 4, 1947.

A–1385. Reference is made to restricted airgram No. 1381 of September 3, 1947,[1] reporting the private interview recently granted by Resident General Juin to Mr. Jean Eparvier, special correspondent of the *Figaro*, which published his article on the above date.

It is felt that it may be of some interest to consider General Juin's declarations in connection with the recommendations of the North African meeting pertaining to Morocco, which were transmitted in this Embassy's despatch No. 9033 of June 20, 1947.

There seems to be no difference of opinion concerning the ultimate objective of any Moroccan program. The North African Conference felt that full "autonomy" should be ultimately granted and purposely used the terms: "something comparable to full dominion status." General Juin is quoted as recognizing the legitimacy of the Nationalists' claim for a change in the relationship between France and Morocco and as having said: "The Treaty of 1912 obliges us to carry this evolution through." The Resident General specifically declared that at the end of the period of evolution Morocco should have "its own Government" and that the only tie with France would be an association based on "common interests and common security." Eparvier further reports Juin as anxious to "hasten" this evolution. In another part of the interview Juin is further reported as having said that his Government is intent on "bringing reforms into being which shall lead Morocco towards the destinies which it cherishes."

[1] Not printed.

Thus, without wishing to place undue emphasis on public statements before they are substantiated by concrete measures, it would seem that the Nationalists' oft repeated allegation that real French policy is a desire to perpetuate the *status quo* with merely superficial changes, seems to be refuted. A change of policy at Paris could, of course, reverse the present trend; but this, as matters now stand, appears to be improbable.

General Juin, referring to any selfish "colonialist spirit" which might exist in certain French circles in Morocco, has now pledged himself to fight it.

In the same way, the Resident General has now publicly admitted that the French administration has become overstaffed and cumbersome and would be reorganized.

Concerning the economic well-being of Morocco and the natives, General Juin would appear to have expressed suitable and adequate interest; and in this connection it may be of interest to note that in the current drastic reduction of dollar imports by Metropolitan France, announced on August 29, 1947, in view of France's acute dollar shortage, the French Government has purposely refrained from a corresponding scaling down of dollar imports into the Protectorates of France as well as into her Colonies.

If the recommendations of the North African Conference are now examined, we find three major subjects which were not touched upon in the interview under consideration:

(*a*) school program;
(*b*) gradual democratic education of the Moroccan people;
(*c*) time table for institution of these reforms, to permit the periodic drawing up of a balance sheet to bear witness to both parties' good faith.

With respect to (*a*), the school program, reports have been received in Paris that General Juin has recognized on several occasions the necessity for its immediate implementation. It is believed that the omission of this subject has little significance.

With regard to (*b*), the democratic education of the Moroccan people, certain references to this subject have also been made by General Juin since his arrival in Morocco, though these statements may not yet have gone so far as the North African Conference's views on the subject. . . .

With regard to (*c*), a time table for the reform program, the omission of General Juin is felt to be considerably more important as, in full accord with the findings of the North African meeting, this Embassy is of the opinion that such a time table for the various reforms as well as setting a date limit for the granting of full local autonomy,

is essential in order to dispel the suspicions of the Moroccan Nationalists relative to France's good faith. At the same time it is obvious that such a far-reaching step as the elaboration and the announcement of such a time table cannot well be taken by General Juin on his own initiative but must result from a decision of the French Government itself.

With this last major comment, it is felt, from information available in Paris, that on the whole, Resident General Juin is earnestly bent on solving the Moroccan problem in a constructive fashion not incompatible with the recommendations of the North African meeting held in Paris, June 16–19, 1947.

CAFFERY

851s.00/9–847

The Consul General at Tunis (Fuller) to the Secretary of State

RESTRICTED TUNIS, September 8, 1947.
No. 285

SIR: I have the honor to transmit herewith as an enclosure a clipping from the August 23, 1947, issue of *La Presse*.[1] The interview which Lawyer Ben Youssef granted to the press was probably the first he has ever held, or at any rate, the first that a leader of a Tunisian Nationalist party has held for ten years. Ben Youssef talked with the Resident General, M. Mons, about two weeks before he called this conference with the press, and asked M. Mons if he had any objection to his doing so. The Resident General undoubtedly had a good many objections, but is reported to have told Ben Youssef that he certainly had the right to call the members of the press together and give them any statement he wanted to give them. The press statement is significant, not so much for what it says (comment on which is given below), but for the significant fact that in Tunisia today freedom of the press does exist, is a reality. This fact should augur well for the sane and healthy political atmosphere in this country, and appears, significantly enough, just a year following the public demonstration in Tunis when an all-Destourian Congress of some 400 members was held (August 23) and issued a manifesto calling for immediate independence. The Department will recall that this meeting was broken up and the Resident General arrested and placed in jail 48 leading Nationalist figures.

It is not without significance to point out that while on the one hand both the Arab and French press now give wide publicity to statements of Destourian leaders like Ben Youssef, Salah Farhat, and Bourguiba,

[1] Not printed.

on the other hand there is presently a strained relation between the Residency and the Nationalist-backed labor union. Despite this situation, which has definitely worsened, the fact that both the Nationalists and the union which they sponsor have free access to the press is a sign which should harbour well for the future.

The statements made by Ben Youssef during this interview are the official statements of the Neo-Destour Party, and are not to be confused with the personal observations which Ben Youssef has made upon more than one occasion (reference despatch No. 279 dated September 3, 1947 [2]), but are milder in tone. The most important statement undoubtedly is that one in which Ben Youssef says that while there are two means of arriving at independence (revolution with resort to force, and negotiation), "the doctrine of the Neo-Destour disapproves of violence and we believe that we can achieve our independence in cooperation with France who, signatory of the Atlantic Charter, cannot remain unmoved by our argument".

His next most important statement is revealing: "Independence will be a series of steps which we shall be obliged to take." In other words, the leader of the Neo-Destour announces publicly that his party realizes that independence cannot come in a day, but can only be achieved gradually over a period of time. However, he goes on to say that the transitional period which constitutes the first step towards independence, and which must create the desired "choc psychologique", is a government having the confidence of the mass of the Tunisian people; that is, a government formed under Destourian leadership. "This government," he goes on, "will have as its mission to treat with the representative of the French Republic, the only qualified person, as to the modalities to be determined in arriving at independence."

He goes on to offer the Destour's criticism concerning the recent government reforms. He points out how the reorganized Council of Ministers, in the opinion of the Party, constitutes no reform and no special prerogatives for the Tunisian Prime Minister. He furthermore criticizes the Cabinet Council by saying that the coordinating role devolving upon the Prime Minister is strictly limited to matters submitted to the Prime Minister by the various bureau chiefs, who alone have the power to make decisions concerning matters for which they have initial responsibility. It is to be noted that he does not speak of the new post of "Adviser" to each Minister, or of the power which the decree of August 9 grants to this official.

At this press conference occurred the tiff between Lawyer Ben Youssef and a reporter of the Communist Arabic weekly, *El Taalia*. The Communist reporter had asked Ben Youssef what position political parties would take in the event a Destourian ministry was formed.

[2] Not printed.

Ben Youssef replied that there were no parties in Tunisia, there were only Tunisians. Whereupon the reporter asked "And our Party?" Ben Youssef turned to the reporter and abruptly replied, "Your Party is not Tunisian". This conversation is not reported in the attached clipping, but appeared in *Le Petit Matin* and *Tunis Socialiste*. Various other comments made more or less off the record appeared in other newspapers. The chief of these was an observation made by Ben Youssef to the effect that M. Mons from time to time made decisions which "shocked" the Tunisian people. By and large, however, the Destourian leader's references to the Government are correct and mild in tone.

In separate despatches I am reporting public statements made during this month by Bourguiba, President of the Neo-Destour and now living in exile in Cairo, Salah Farhat, former Minister of Justice under Moncef Bey and Secretary General of the Old Destour Party.

Respectfully yours, GEORGE G. FULLER

851s.00B/9–1747 : Airgram

The Consul General at Tunis (Fuller) to the Secretary of State

SECRET TUNIS, September 17, 1947—9 a. m.

A–117. Communist activities—North Africa: The important meeting of the Central Committee of the Communist Party of August 30–31 (referred to in my secret A–114 of September 3, 1947 [1]), gave birth to a prodigious offspring—the draft of a new Franco-Tunisian treaty to supplant the treaty of 1881 (of Karsar Said, or Le Bardo) and the Convention of 1883 (La Marsa) which established the Protectorate. The draft, which is brief and comprises but eleven articles, is being transmitted to the Department under cover of despatch. The proposed treaty was presented to the Resident General by a delegation of Party leaders on September 2, and the September 6 issue of the Communist weekly *L'Avenir de la Tunisie* declares that the Resident promised that he would transmit the proposed draft to the French Government (and the Consulate General's inquiries seem to confirm this claim; see my confidential A–116 dated September 15, 1947 [1]). Such gratuitous act on M. Mons' part though not surprising is significant enough to warrant, in our view, a more serious attention given to this new Communist stratagem than would normally be the case. The average Frenchman in Tunis is inclined to ridicule any serious consideration of the proposal, and the conservative French press (*La Presse*, *La Dépêche*, and *La Tunisie-France*) has only briefly deigned to offer a few ironic observations on the draft. The Socialists (*Tunis Socialiste*), perhaps

[1] Not printed.

somewhat taken aback at having been gone one better by the Communists in espousing the Nationalist cause, have refrained from comment. However, the Arab dailies *Ez Zohra* and *Al Nir'ate* have published the draft *in toto*, though without adding any observations. The Nationalists presumably will refrain from going so far as to give public endorsement to the proposal, conceivably viewing it as to their best interest for the moment to wait and see how they can use this Communist maneuver to their own advantage—to make the most out of a situation involving the interplay of their forces with those of the Communists, the Socialists, and the Residency.

Publication at this time of a proposed treaty to replace the Protectorate régime marks another characteristically relentless Communist tactic of being the "advance guard" for the liberation and independence of Tunisia, of continuing to outdo the Nationalists, the Residency, and the Socialists in thinking one step ahead of anyone else. As Djerad [2] writes triumphantly in the last issue of the Communist organ, *L'Avenir*. "We are the first to point out the path".

The proposed treaty comprises but 11 articles, and is noteworthy for its brevity and simplicity. Summarized, it provides: (Art. 1) that the French Government will recognize Tunisia as a Free and Sovereign State having its own Government and Parliament, its own money and finance, and "forming part of the French Union as an associated state"; (Art. 2) for the abrogation of the treaties of 1881 and 1883 and in a general manner all of the agreements, laws and decrees heretofore determining the relations between the "high contracting parties"; (Art. 3) that the position of Resident General give way to that of a representative of the French Republic having the rank of Ambassador to the Tunisian Government, and that in conformance with Article 62 of the French Constitution regarding the defense of the French Union, the French Government will assume the defense of Tunisia; (Art. 4) that France renounces all interference in the "internal affairs" of the country; (Art. 5) that the corps of civil controllers is suppressed, as well as that of Native Affairs officers stationed in the military territories of southern Tunisia; (Art. 6) for the abrogation of French naturalization laws in Tunisia and assumption by all Tunisian subjects of Tunisian nationality and the enjoyment of the rights and liberties of all citizens of the French Union guaranteed by the Constitution of the French Republic; (Art. 7) that all French officials and agents will be placed at the disposition of Tunisia by France and are to come under the authority of the competent Minister of the Tunisian Government, the Tunisian Government to assure them of the application of French laws regarding Govern-

[2] Ali Djerad, secretary general of the Communist Party in Tunisia.

ment positions; (Art. 8) the guarantees of the "legitimate economic and cultural interests" of French citizens residing in Tunisia; (Art. 9) for special Franco-Tunisian conventions to determine the status of French-teaching schools as well as the "temporary régime of French courts in Tunisia" for French subjects; (Art. 10) for a separate convention to determine the future customs relations between Tunisia and France and between Tunisia and other members of the French Union; (Art. 11) for the hypothetic date when the treaty will go into effect.

Despite the fact that during the past month the Communist leaders have engaged in verbal combat with such Destourian figures as the Neo-Destour leader Salah Ben Youssef, behind the scenes the Communists have, in their typically consistent fashion, made contact with Salah Farhat, leader of the far less numerous and more conservative Old Destour Nationalist Party, conscious of the reported rift which recently occurred between him and Ben Youssef (see my restricted despatch No. 289 of September 15, 1947 [3]). It was Maurice Nisard and Mohamed Ennafaa who called upon Farhat. In their conversation with him they endeavored to convince Farhat of the political wisdom of the Old Destour coming out openly in favor of the new treaty. The Consulate General's source revealed that Farhat listened with patience, but that he finally dispatched the delegation, politely but firmly pointing out that his party could not subscribe to the Communist proposal, the reported excuse being that the condition of entering the French Union, so sacrosanct to the Communists, was anathema to all Nationalists.

For the period under report, the propaganda regarding the new proposed treaty is of perhaps principal importance. Of hardly less significance is the increasing number of articles appearing in the last two issues of *L'Avenir* devoted to a mounting crescendo and tempo of criticism against the United States, thus revealing perhaps a real concern on the part of the Communists in Tunisia that it is to the United States, if not the UN, that the Nationalists look to for their help. *L'Avenir* reverts again to the Egyptian case which was rejected from the purview of the Security Council, thanks to the machinations of the United States, and devotes a front-page article in the September 6 number joyfully narrating the violent anti-Anglo-Saxon manifestations of the Egyptian students in Cairo. This number also berates the United States for allegedly granting priority for the recovery of German economy over that of other countries, condemns America's political and economic (dollar diplomacy) designs on Turkey; and endorses the Russian economist Lanetsky's article "Africa and the

[3] Not printed.

Truman Doctrine", which tells how both militarily and economically the United States has a *mainmise* on Morocco, Tunisia, Libya, and Egypt.

. . . . . .

FULLER

881.00/9–1947

The Ambassador in France (Caffery) to the Secretary of State

TOP SECRET PARIS, September 19, 1947.[1]
No. 9644 [Received October 11.]

SIR: I have the honor to refer to my top secret telegram No. 4118 of September 23, 1947,[2] and to my top secret despatch No. 9658 of the same date, concerning the Foreign Office policy memorandum and the twenty-five appendices thereto, concerning French North Africa, which M. Jean Chauvel, Secretary General of the Foreign Office, gave me recently. I now have the honor to forward a full translation of the policy statement and an extensive and comprehensive summary of the appendices.[3]

Should the recommendations made in my despatch referred to above, meet with the Department's approval, and should the French definitely accept the suggestion of a time table for Morocco and Tunisia, it would then seem highly advisable that consideration be given to the second aspect of the recommendations made by the North African meeting held at Paris, June 16–19, 1947, namely: United States approach to Moslem Nationalist leaders and United States approach to the Arab League.

Now that French policy appears to be evolving materially and favorably according to our views, it would be especially unfortunate should outbreaks of violence occur and cause perhaps irreparable damage just when, and for the first time, it appears possible to hope for a democratic evolution of Morocco and Tunisia along common-sense lines not only in the best true interests of the populations involved but also in the best interests of American security and of stability in this strategic area.

While always delicate to approach, it would seem that Tunisian and Moroccan Nationalist leaders could well be informed of our position in accordance with Part IV of the North African meeting recommendations (I refer to the Embassy's despatch No. 9033 of June 20, 1947). It

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[1] Telegram 4285, October 3, 1 p. m., from Paris, explained that this despatch was then being sent by courier. Apparently it was not ready earlier.
[2] *Infra.*
[3] Enclosures not printed.

might also be possible for our representatives to stress the strong belief that they would best serve the interests of their people should they cooperate sincerely with the French along the path of orderly and progressive evolution rather than by maintaining their present negative attitude of insisting on "all or nothing" immediately.

Respectfully yours, JEFFERSON CAFFERY

880.00/9–2347 : Telegram

The Ambassador in France (Caffery) to the Secretary of State

TOP SECRET PARIS, September 23, 1947—noon.

4118. With reference to my several telegrams concerning my talks with the French on subject of North African situation I have now received from Chauvel a complete Foreign Office folder (including memorandum and 25 detailed appendices) on French policy concerning Moroccan and Tunisian protectorates.

I consider that the information contained in these papers is on the whole most encouraging and generally in line with the recommendations of North African meeting held Paris June 16–19, 1947.

Detailed analysis going forward by airmail despatch [1] within 4 hours and full report [2] as soon as possible thereafter.

Sent Department 4118, repeated Tangier 38, Rabat 19, Tunis 23, Algiers 71.

CAFFERY

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[1] *Infra.*

[2] See despatch 9644, September 19, *supra.*

881.00/9–2347

The Ambassador in France (Caffery) to the Secretary of State

TOP SECRET PARIS, September 23, 1947.

No. 9658

SIR: I have the honor to refer to my Top Secret telegram No. 4118 of September 23, 1947, informing the Department that following my talks with the French concerning North Africa, Ambassador Jean Chauvel, Secretary General of the French Foreign Office, had now turned over to me a policy memorandum and twenty-five detailed appendices concerning Morocco and Tunisia. While these papers will be fully reported as soon as possible,[1] it is felt that the Department would wish to be informed of their contents without delay.

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[1] See despatch 9644, September 19, received October 11, p. 709.

Summary and Analysis

The French Government admits that prior to 1940 it was derelict in leading Morocco and Tunisia toward self-government, that direct administration was exercised in fact if not in theory, and that for a variety of reasons France's efforts were mainly directed towards the modern equipment and development of these countries and towards physical well-being of its inhabitants. The above is no longer sufficient and the French Government is now resolved to discharge this further responsibility of a protecting power and lead both countries towards self-government. The essentials of French policy in North Africa at the present time can be briefly summarized: a resolution to force a way out of the present dilemma which has been imposed by Nationalist leaders for some time: immediate and unconditional independence, on the one hand, or blocking reforms and enforcing a stalemate, on the other (i.e., the policy of "all or nothing").

The French Government has now decided to break its way out of this impasse by imposing, if necessary, democratic reforms on the Sultan of Morocco; and by refusing to recall Moncef Bey in Tunisia (identified locally with Destourian extremists) where France counts on the cooperation of Lamine Bey and of Prime Minister Kaak who will receive the credit for the new reforms. The memorandum also points out that the advanced Moslem elements professing an intransigent nationalism are fundamentally opposed to democratic measures. They fear these would endanger the prerogatives which they would seek to strengthen in the case of premature independence and which "they naively think they could perpetuate."

The French Government does not delude itself as to the severity of the opposition which will have to be overcome in Nationalist circles because of their "all or nothing" policy resulting from their realization that real democratic reforms might well cut the ground out from under their feet. Because these leaders need foreign support, particularly American and British, to achieve their ends, the French Government is specially grateful to the Washington and London Governments for the assurances which they have recently given.

Notwithstanding these major internal difficulties, France is confident that she will be able to succeed and win over the overwhelming majority of the people in all social categories if given time to implement her policies of gradually developing native administrative talent and of progressively turning the administrations of both countries over to native officials as these are trained. Consequently the French Government places special importance on the two-fold educational task which must be accomplished: general modern instruction to break the "Moslem mold" and thus lay the foundations for a truly modern and

333-774—72——46

democratic state, and specialized instruction to prepare Moslem administrators. Administrative schools are now being established in Tunis and Rabat. Furthermore, Moroccans and Tunisians will be admitted to the National School of Administration in Paris on two different bases; they will either comply with the same entrance qualifications as French candidates and will have the same job opportunities upon graduation; or else they will be admitted on a special and more lenient Moroccan or Tunisian basis, in which case they will be solely destined to the Moroccan or Tunisian administrations. The latter provision seems to rebut the Nationalist accusation leveled against the French, that Tunisians and Moroccans, being intellectually handicapped in competing with Frenchmen, would not be able in fact to have access to higher administrative posts.

The French reform program is presented as an operation to be accomplished in two broad stages:

(1) Immediate progressive program of evolution within the framework of the Protectorate Treaties, to prepare the two countries for self-government.

(2) Negotiation of new Treaties granting full self-government "within the French community." The only ties with France would be those dictated by "mutual security and the cohabitation of French and Moslem populations on the same territory." In this field the goal is stated as being "something akin to the relations between the French and English elements of Canada."

The immediate reform program can be presented and summarized as follows:

TUNISIA

(*A*) *1945*

First modern Ministry is entrusted to a Tunisian (Social Welfare).

Grand Council was reorganized democratically (election of Tunisians: one-half of membership).

Powers of Council were increased:

Council of Ministers started to participate in the preparation of future reforms.

The City of Tunis endowed with an elected municipal government.

(*B*) *1947*

Considerably greater powers granted to the Tunisian Prime Minister. Furthermore, as President of the Privy Council, he is now vital working cog in the Government. He has been given real responsibility and latitude in the selection of his Ministers.

Parity has been established between number of Tunisian and French Cabinet Ministers.

The Tunisians have obtained four modern Ministries with real powers (Commerce and Crafts, Public Health, Labor and Social Welfare, Agriculture).

New Ministers are not ex-public servants (i.e., French stooges), as heretofore.

(*C*) *Further immediate reforms.*

Over-all municipal reform—46 Tunisian cities and towns will be administered by elected bodies.

Reorganization of justice; separation of the executive from the judicial branches; protection of native Tunisians against arbitrary Tunisian justice.

Administrative reform: streamlining of administration which at the same time "will open its doors wide to the Tunisian élites". This will result in heavy dismissals of French officials.

MOROCCO

(*A*) *1947*

Reorganization of the Makhzen.

Creation of the Council of Vizirs and Directors—appointment of a Moslem delegate of the Grand Vizir to work directly with each French Director.

Relaxation of press censorship.

Right granted to Moroccans to join trade unions.

(*B*) *In immediate future.*

Judicial reform; separation of the executive from the judicial branches.

Municipal reforms; towns and cities will be administered by elected municipal authorities to initiate Moroccans to democratic processes.

Moroccan representatives on the Government Council will be elected instead of designated "by the central authorities as heretofore."

The French program for improving native agricultural methods, resettlement of fellahs on the land, model native and cooperative farms, public hygiene, housing, craft schools, etc., is purposefully omitted from this summary despatch.

. . . .[2]

While political education and training of administrative cadres may appear to be only basic educational aspects adequately covered by the French policy memorandum and the general public instruction angle appears to be neglected, the special appendix dealing with public education in Morocco sheds interesting light on the Nationalist charge that the French are purposefully seeking to maintain illiteracy of the Moroccan masses.

According to figures submitted, native Moslem school attendance has increased from 3,623 in 1920 to 84,064 in 1946. In addition, there were 22,600 native Jews in school (making a grand total of 106,664

[2] Omission indicated in original.

native children in school). During the same year, French school attendance was 49,086.

The school program elaborated by Resident General Puaux now in full effect, provides for a ten-year plan calling for 10,000 additional Moslem pupils yearly, involving the creation of 200 new classes a year and the recruitment of 300 new teachers a year. It is stated that this plan has been followed and continues to be implemented according to schedule.

Meanwhile, the all-important French Baccalaureate examination, a "must" for all French Government schools, has been revised to permit substitution of Arabic for Latin in the curriculum.

The appropriations for scholarships for native Moroccans have been increased from 68,000 francs in 1920 to 20,000,000 in 1946 and 29,675,000 in 1947.

The appropriations for free lunch canteens have been increased from 3,000,000 francs a year in 1944 to over 36,000,000 in 1947 for native Moslem students. This sum does not include 5,102,000 francs for Jewish students.

Over-all appropriations for public instruction in the Moroccan budget have increased from 12,362,000 francs in 1920 to 1,529,280,000 in 1947. This represents an increase from 6.82% of the Moroccan budget to 14.27%.

Thus, while no new program over and above the one initiated by Resident General Puaux has been announced, the work accomplished in this field would appear to add solidity to the conviction, frequently expressed in the policy folder, that further development of public instruction is the essential basis of any future Moroccan democracy.

While the same details are not furnished in connection with Tunisia, the same policy objective is expressed. Furthermore, the more advanced state of general education in that Protectorate may explain this comparative lack of emphasis.

Comment

The essential weakness of the French program is of course the lack of "time tables." There is little doubt that such schedules specifically detailing reform measures to be adopted by given dates, are essential to rally not only the inchoate Moslem masses but the considerably more important upper classes in these still essentially feudal countries (particularly Morocco).

The papers carefully avoid the use of the words "French Union." Of course the limitations to full sovereignty in the second and final phase of evolution when the present Treaties are to be rewritten (conditions of "security and cohabitation"), mean, in fact, participation in the French Union in the "Associated States" category. However, it would

seem that the ultimate objective of France's new policy as now expressed is entirely compatible with the recommendation made by the North African meeting in Paris, that France lead these countries to "something approaching dominion status."

While Algeria is occasionally mentioned in the statistics nowhere does its name appear in the policy papers. Doubtless this is due to the fact that Algeria is dependent on the Ministry of the Interior and that the French Government considers Algeria as a separate and distinct situation. Doubtless, also, the French Government would refuse, for a number of reasons, to consider at this time a program leading towards virtual independence of this region, not only administratively a part of France but furthermore inhabited by well over a million Frenchmen.

It is believed possible to leave the Algerian problem aside at the present time. Less capable economically and socially to exist as a separate native unit, Algeria finds itself now far ahead of both Protectorates in the field of democratic evolution. As a matter of fact, it is felt that democratic and civic rights granted to the Moslems of Algeria have temporarily outstripped their educational qualifications to exercise them.

While even elected municipal government is still in its infancy in Tunisia and yet to be born in Morocco, Algerian Moslems have the following political rights: (*a*) they elect fifteen Deputies to the French National Assembly and eight Councillors of the Republic, in their second college; (*b*) furthermore, about 100,000 Moslems participate in first college elections, thus granting the Moslems majority participation in all Algerian elections; (*c*) all elected bodies in Algeria now include 50% of Moslems.

However, it might be useful to stress the importance of implementing the native Algerians' political rights by integrating more and more Moslems in local administrations, thereby giving them practical experience in governmental work and responsibilities. It might also be advisable to stress the importance of developing public instruction and increasing social welfare (in this field a number of measures have either just been adopted or are being planned). Finally, for the reasons explained at length in preceding despatches, the particularly sharp demographic pressure in Algeria, in addition to the importance of the French elements, make this area a particularly delicate one to make definite plans for under current conditions.

In view of the above, it is felt that current French policy is well in line with the recommendations of the North African meeting in Paris of June 16–19, 1947, and it is recommended that we limit ourselves to urging at the present time:

(1) The establishment and announcement of time tables, in the case of Morocco and Tunisia.

(2) Continue stressing the importance of obtaining the full cooperation of French minor officials in the Protectorates so that policies adopted by Paris and earnestly supported by Residents General Juin and Mons be actually translated into facts at the working level.

(3) That in the case of Algeria, a special effort be made for the economic and social rehabilitation of the Moslem masses, the political problem to be reserved for a later date.

Respectfully yours, JEFFERSON CAFFERY

501/10–347

The Consul at Rabat (Pasquet) to the Secretary of State

CONFIDENTIAL RABAT, October 3, 1947.

No. 178

SIR: I have the honor to transmit herewith a Memoir [1] issued by the Istiqlal Party on September 15, 1947, signed by the Secretary General, Hadj Ahmed Balafrej. This Memoir has been transmitted to the Secretary General of the United Nations who must have received it about September 29, 1947 because some radio listeners have already heard that this document had been received by the United Nations.

The following comments are made on each section of the Memoir as of possible interest to the Department:

A. *Political Domination*

There is no doubt that direct French Administration has substituted itself completely for Moroccan administration although the latter has been kept as an empty shell which it is convenient to use on occasion. Little effort has been made to train Moroccans to govern themselves. It is often rightly mentioned that the reason for Morocco holding together is the continued existence of the framework of native Moroccan administration while in Algeria the native form of government has been completely dissolved.

B. *Economic Domination*

While there is a certain amount of truth in the statements made in this section, the Nationalists are too willing to intentionally ignore the building of roads, railroads, communication facilities, dams, irrigation projects which are naturally beneficial to the French themselves but to the Moroccans also. There is no doubt that if all these utilities were suddenly left to the Moroccans none, except possibly the irrigation projects, would be operating within one year.

[1] In French, not printed.

C. *Cultural Domination*

There is no doubt that it is in the educational field that the French failed most since the establishment of the Protectorate. It is only since 1945 and only under very strong popular pressure to which the Sultan added his full weight that new private and official schools have been built and are continuing to be built. The French population is adequately cared for in the schooling of its children and it is quite true that education for this group is largely paid for from the Moroccan budget. The French no doubt would have liked to have all teaching in French because they regard Arabic as an ancient tongue, not appropriate for this scientific age, but now that so little effort has been made to arrive at this result the awakening of a nationalist spirit in Morocco faces them with demands for instruction in the native tongue with French as a foreign language on the same basis as English, or Spanish, or German.

D. *Judicial Domination*

The criticism in this section is only partially justified and even the Party admits that at the time the Protectorate Treaty came into being there were "imperfections and deficiencies". There is at present a proposal of codification of the laws of Morocco so that the same offenses will result in uniform sentences throughout the country which is far from being the case at present. While this has been under study for many years there is good reason to believe that the text will come out soon. Moroccans as a rule have a respect for justice when it is well rendered but at the same time, more especially in the lower Moroccan courts, they cannot help, by force of custom, to make presents to the judge who is almost always influenced by the importance of the present. French officials, sitting beside the local Moroccan judges, often correct "errors" in judgment but unfortunately some of the former are also influenced by bribes.

E. *Demographic Domination*

This section of the Memoir is true as far as it goes although the influx of French residents in Morocco is due more to a desire to avoid difficult living conditions in France and the high taxation prevailing in that country than to a policy of the Government to "colonize" Morocco. However, Ambassador Labonne's (Resident General preceding General Juin) policy to industralize and develop Morocco has been responsible for quite a few French industrialists coming to this country at a time when they were looking for investment opportunities in a country with much lower taxation than exists in metropolitan France.

In all fairness it must be stated that while the Protectorate authorities could have done much more than they have toward increasing

hospital facilities and medical treatment, practically no Moroccans have taken up medicine because those who have the means to continue their studies take up business and law rather than professions such as medicine, pharmacy, teaching, and engineering without which they will have to depend on foreigners for many years to come.

The increase in Moroccan population from six million in 1936 to over eight million at present speaks well for the results attained by the protecting power in spite of a very heavy death rate from hunger during the 1945 year of drought.

Respectfully yours, MAURICE PASQUET

881.00/10–747 : Airgram

The Ambassador in France (Caffery) to the Secretary of State

SECRET PARIS, October 7, 1947.

A–1491. Chauvel asked me today for luncheon with General Juin who is here on a brief trip from Morocco. They both reiterated that the French Government intends to proceed with democratic reform in Morocco. They both insisted that the main obstacle in the way of these reforms is the Sultan of Morocco who objects at every step to anything approaching democratic reform. They both agreed that a time limit must be set for the establishing of self-government in that country.

General Juin plans to return to Morocco within eight days.

[CAFFERY]

881.00/10–1047

The Ambassador in France (Caffery) to the Secretary of State

SECRET PARIS, October 10, 1947.

No. 9752

SIR: I have the honor to refer despatch No. 719 from the Legation at Tangier, dated October 2, 1947,[1] pertaining to the "alleged French Proposals for reform of Central and Municipal Governments in French Morocco", and to Mr. Abdellatif Sbihi's version of the Sultan's reaction.

This Embassy concurs with the despatch's concluding paragraph that Mr. Sbihi's account does not entirely reflect what may have actually transpired between the French and the Sultan.

Furthermore, while recognizing the backwardness of many local

[1] Not printed.

French officials who seem reluctant or unable to grasp the fact that the old colonial order as they knew it is gone forever, I am convinced that the majority of French leaders at the policy-making level are, like General Juin, bent on following their publicly stated policy "the sense of which may be interpreted as being more in line with the establishment of democratic reforms, in preparation for ultimate autonomy, than with the perpetuation or tightening of French control by the whittling down of Sherifian authority".

The reforms to which the Sultan, according to Mr. Sbihi, took such violent exception, the creation of municipal elected bodies and the re-organization of the Government Council, constitute a part of the French Government's present policy towards North Africa and were reported in this Embassy's despatches No. 9644 of September 19, 1947 and No. 9658 of September 23, 1947.

On one point, Mr. Sbihi and the Sultan would appear to be on sound legal and constitutional grounds: The election by Frenchmen, alone among the European colony in Morocco, of French Municipal Councils. It will be recalled that the French Government recognized its "faux pas" on an earlier similar occasion when members of the National Constituent Assembly were elected by the French colony in Morocco. Nevertheless, it would seem that this legal objection would be no longer valid should municipal elections be instituted in Morocco, in which all Europeans would participate, and which would serve to designate European rather than French members of Municipal Councils.

It is also recognized that these municipal elections, as presently announced by the French, constitute but a first and limited step forward. The indirect election of the Moslem members, the influence of the French Civil Comptrollers over the Pachas in the ultimate selection of the Moslem counselors, the veto right for the present of the representative of the French administration in such important matters as the local budget are also fully recognized. The limited aspects of the proposed reform in the Council of Government are also appreciated, though native Moroccan participation is increased and the real influence of the Council as a whole can but be greater.

Notwithstanding the above, and as pointed out in despatch No. 719 from Tangier, there seems no valid reason to question the good faith of the French Government in seeking to undertake these necessarily limited first steps towards the introduction of real democracy in Morocco.

On the contrary and particularly viewed from Paris, where French Governmental policy is being formulated (although admittedly it is too often inadequately implemented in the field), Mr. Sbihi's memorandum appears to fit in with the oft-referred-to "all or nothing" policy

of the Sultan and of the other extremist North African Nationalists and coincides with the recent statements made to me by General Juin (I refer to my airgrams No. 1491 [2] and No. 1497 of October 8th [3]). The line taken by Mr. Sbihi, as well as the actions and statements of certain other Nationalist leaders throughout North Africa, would tend to give some substance to the view that the Sultan and certain other North African Nationalist leaders are primarily bent on exploiting the North African countries to their own advantage and for their personal profit, and that a sincere progressive desire for real reforms is perhaps a secondary motivating factor.

Respectfully yours, JEFFERSON CAFFERY

[2] *Supra.*
[3] Not printed.

851s.00/10–1547

The Vice Consul at Tunis (Dumont) to the Secretary of State

TOP SECRET TUNIS, October 15, 1947.
No. 316

SIR: I have the honor to refer to the Embassy at Paris' top secret despatch No. 9658,[1] transmitting a summary and analysis of the French Foreign Office Policy Folder concerning the Protectorates of Morocco and Tunisia, in submitting certain comments thereon that this Consulate General would like to make, as well as observations with regard to the recommendations made by the Embassy at the end of its despatch.

The first statement which it is thought justifies an observation is that given on Page 1 of the Embassy's despatch, wherein it is stated that the French Government has now decided to break its way out of the impasse created in Morocco and Tunisia, to impose if necessary democratic reforms on the Sultan of Morocco, and to refuse to recall the deposed Moncef Bey to Tunis. The statement further adds that Moncef Bey is "identified locally with Destourian extremists". Moncef Bey is, as a matter of fact, identified with every Destourian, Old and New, and is tremendously popular with the Moslem masses throughout Tunisia. While it is true that the popularity of Moncef has been built up to a large extent and is due very little to the personal appeal and personality of the exiled Bey (he was on the throne for less than twelve months), it cannot be fairly said that his return is demanded by extremists. As a matter of fact, the Old Destour Nationalist group is much more insistent upon his return than the New. For further

[1] September 23, p. 710.

reference in this connection please refer to the Consulate General's restricted despatches No. 285 and 286, of September 8 and 9,[2] respectively.

On Page 2 of the Embassy's despatch, the statement is made that France is confident that she will be able to win over the overwhelming majority of the people in all social categories if she is given the time to implement her policies, etc., etc. To the reporting officer, this statement rings a familiar bell, for it recalls statements which he has heard now for five years from responsible French officials, both in Morocco and in Tunisia. "If given time" is a phrase which, when uttered by French officials in North Africa, should give pause for thought and reflection. The unhappy record shows that France has had time to carry out a good many substantial reforms in both Morocco and Tunisia. Since for example 1943 (when the Nationalist agitation in Morocco first took on serious proportions), she has accomplished little except to make pronouncements and to name commissions. A few lines further on Page 2, the statement is made that administrative schools are now being established in Tunis and Rabat, and that Moroccans and Tunisians will be admitted to the National School of Administration in Paris. General Mast announced in September, 1946, as a result of an important meeting of the North African Committee, that the National School of Administration in Paris would be open to Tunisians. Little if anything has been done on this score.

At the bottom of Page 2, the French reform program is described as an operation to be accomplished in two stages, first an immediate progressive program in order to prepare the two countries for self-government, and secondly the negotiation of new treaties to grant the two countries self-government within the French Union. Subsequently in the despatch details are given regarding the "immediate" program, but no further reference is made to French plans for the negotiation of new treaties. In this connection it is significant to point out that the Communists in this country and liberal newspaper elements believe that the time is ripe now for the negotiation of a new Franco-Tunisian treaty to replace the Protectorate Treaty.

On Page 3 the Policy Folder reveals that in 1945 the Council of Ministers began to participate in the preparation of further reforms. This statement is believed to be highly exaggerated. In 1945 there were four Tunisian Ministries—the Prime Minister, the Ministry of the Pen, the Ministry of Justice, and the newly created Ministry of Health and Social Welfare. What, if any, participation these Ministries effected was very small. The Prime Minister himself, Salah Eddine Baccouche, a personal friend of the reporting officer, did little

[2] Despatch 286 not printed.

or nothing. Even when proposed drafts of decrees were presented to him before submission to the Bey for sealing, the Prime Minister never really gave his opinion. He was a supernumerary, as were all of the other Ministers except perhaps for M'Zali, the Minister of Health and Social Welfare.

As for the reforms instituted in 1947, it is thought that there is much that is moot in the assertions made by the Foreign Office. On Page 3 the statement is made that the Prime Minister "has been given real responsibility and latitude in the selection of his Ministers". The Tunis press, at the time of Mr. Kaak's appointment, made a similar statement, but actually Mr. Kaak chose those Ministers who were satisfactory to the Secretary General [3] and the Resident General. As for responsibility, his three-month incumbency thus far would indicate that he is directly responsible to the French, though by statute this responsibility is to His Highness the Bey. The Policy Folder also contains the statement that the Tunisians in 1947 have obtained four modern Ministries with "real" powers. It remains to be seen of course whether these powers are real or not. While it is true that the new Ministers do participate in discussions through constant meetings of the Cabinet Council, the Consulate General has learned that the Ministries are still directed and operated by the French Advisers, whose powers are so carefully prescribed by decree as to render them in effect the heads of the Ministries concerned. Reference in this connection is made to the Consulate General's restricted despatches Nos. 273, 274, and 302, of August 26 and September 29.[4] As reported to the Department, the increase in the number of Ministers, the reorganization of the Council of Ministers, and the establishment of a Cabinet Council, may prove to be reforms only if the personal equation is happily solved. In other words, only if the new Ministers and their Advisers can agree to work together compatibly will these reforms prove to be anything more than reforms on paper.

Also on Page 3 of the despatch the statement is made that the new Ministers are not French stooges as they have been heretofore. This observation likewise calls for some comment. The Consulate General's view at this time is that these new Ministers are indeed stooges, and that they were finally chosen after a frantic period of search and consultation daily and hourly between Mr. Kaak and the Bey, the Secretary General and Pierre Chatenet, Director of the Resident's Cabinet, only because other more capable persons could not be found. It was, of course, extremely difficult for the Residency General to select even conservative Destourian leaders such as Salah Farhat, because these persons were adamant in insisting upon the return of Moncef Bey

[3] Rene Brouillet.
[4] None printed.

before they would accept any portfolio. The Residency's problems were and still are understood by this office, but the fact remains that the Ministers chosen were chosen because it was known that they would work with the French and would behave themselves as far as political activities were concerned.

It is considered extremely doubtful that the Destourian parties in Tunisia are prepared at this time to resort to the use of force in showing their displeasure over the new Kaak Ministry and the reforms recently effected in Tunisia. They will probably choose for the present peaceful means to register their complete opposition to the reforms thus effected. In asking for independence such persons as Salah Farhat and Salah Ben Youssef are asking for the moon of course, and they knew very well three months ago when they were in constant consultation with Resident General Mons on the subject of the new government, that they would not gain independence for a long time to come. They were prepared for this. But they did think that more thoroughgoing reforms would be carried out.

It is the view of this office that what Mr. Mons has accomplished is little more than to carry out reforms that were promised by General Mast. However, Jean Mons, who is a capable public official and a person for whom the reporting officer has indeed a personal fondness, is not the man for the immense task lying ahead in Tunisia. Either that or the Quai d'Orsay is so far out of touch with world changes that it cannot see the necessity of instituting a more radical program of reform in Tunisia. By and large liberal elements in this country, quite apart from Neo-Destour circles, believe that Mr. Mons made a great mistake in announcing publicly that his program of reforms would be far-reaching. Thus far what has actually happened is that three of the four Ministers have been thrown out of office, one of them kept, and two new Ministries formed. No prerogatives and no effective powers have been vested in these Ministers. The Secretary General remains the most powerful figure in the Tunisian Government, and his decision can be overruled only by the Resident General. People who like Mr. Mons and believe in his sincerity feel sorry for him, because he was sent to Tunis to do a small job and obliged to do a great deal of ballyhooing over it.

The reporting officer is convinced that the Foreign Office will never win over "the masses" to its program of reforms as carried out during this present calendar year and as envisaged in the immediate future, but, more important, it will not win over either the conservative Old Destour group or the Neo-Destours. It may not be necessary to do this, and the inability to do so need not necessarily call up the specter of revolt and riots in this country. Tunisia is by and large a country not too difficult to keep under peaceful control, ... It is certainly true

that opposition to lawful authority could break out much more rapidly and prove a much greater menace to French control in Morocco than it could in this country, where the present military contingent is 12,000 troops and considered adequate to insure peace and security. But in this year 1947 the Nationalist elements have another weapon which they have learned how to use, and that is a labor group of growing proportions which is completely under their control. The bloody incidents occurring at Sfax August 5, 1947, bear ample evidence of the power of the Nationalists in Tunisia to completely halt the normal economic activity of this country and to disturb the peace. It is conceivable, then, that if the Nationalist elements in the future were to arrive at the conclusion that France had no intention of carrying out *real* reforms, they would resort to indirect measures which would have no other effect than to disturb the peace and perhaps result in death to a good many Europeans, with further resultant characteristic French measures of reprisal.

This office has one suggestion to make in connection with the recent North African Conference of American diplomatic and consular officers, and the Department's proposal that the Embassy make overtures to the French Government whereby if the French presented a satisfactory reform program the United States would stand by it, and if necessary tell Nationalist circles in Morocco, Algeria, and Tunisia that we were behind it. It is hard to see how the United States Government could endorse the present and future program of reform for Tunisia (and this is quite apart from the question of establishing time tables) in view of its announced policy with regard to the necessity of preparing peoples throughout the world for self-government, for if we back up this program for Tunisia in particular, we can expect nothing else but to be accused, and with justice, of having deserted some of the fundamental principles for which we fought this last war. In making such an observation the reporting officer is not a whit unmindful of the fact that the Department of State has more than the North African problem per se considered, when it reaches some important conclusion regarding the three countries of Morocco, Algeria, and Tunisia. The growing power of Communism and the possibility that it may sweep over France is obviously the fundamental element which must enter into any decision regarding American policy in North Africa. On the other hand, the North African problem is not unrelated to the Communist problem either. The French of course are aware of our concern regarding the growth of Communism in North Africa, and undoubtedly they will not fail to take advantage of this knowledge in pointing out how the most effective way of checking Communism in North Africa is to insure the peace and security of

this area. The French theory runs along the line that the more is offered to the Arabs the more is asked for, and if they are given an inch they will want an ell, until finally the point is reached where they want everything; that the Arabs mistake concessions for weakness (and here, of course, unfortunately, they are right). The only way to be sure that peace reigns in North Africa is to keep a strong hold over the Arabs. The demonstration of force alone, in the French view, can insure stability in North Africa, and if too many reforms are offered the invitation is thereby given, if not to revolt, at least to try to. . . . The only effective reform which will enable the Tunisian people to prepare for self-government must lie in a broad program of education. We learned this in the Philippines when, immediately upon their pacification, we sent two or three thousand school teachers to the Islands and began to pour money into the Islands to teach the natives from Bontok to Jolo the conceptions of democracy as we conceived it in America. We were fortunate because we had the money (which was spent in ever increasing sums from 1930 on to 1939) and we therefore had a great advantage over the French, who today lack the money to buy the land for schools, to erect the necessary buildings with modern facilities, to buy textbooks, and to pay for competent teachers. The French are thus handicapped, but it is thought that they will never be able to win over the Arab populations of North Africa to a feeling of friendship as we were able to in the Philippines—and as was so eloquently demonstrated by the fine patriotism shown by Filipinos during this last war—until they embark upon a sincere far-reaching program of education. This program is a program of immediacy. It requires money, or to be more specific, it requires dollars.

It is the recommendation of this officer that more stress be laid on the necessity of a wider extension of the educational reforms in Tunisia at any rate, and that if the American Government is to assume the role of *custos morum* in North Africa, if it is to back up a French program of reforms, such program should be drastically revised and include as one of its prime immediate objectives the establishment of a real program of education. The earmarking of any dollars allocated to Tunisia it is thought should be for the purpose of Moslem education.

The role of honest broker is a thankless role, and insult and injury as well as high praise may all be heaped upon our shoulders for whatever policy we embark upon with regard to the Moslems in North Africa and French policy in this area. Despite our deep concern lest Communism gain control of France, it is not thought that we should permit this immediate problem to cause us to shut our eyes to the far-reaching consequences which could result from the endorsement of a French program in Tunisia that now appears to be so limited in

scope as to be irreconcilable to the democratic principles for which we stand.[5]

Respectfully yours, DONALD A. DUMONT

[5] Despatch 321, October 27, from Tunis, amplified the comment in despatch 316 (851s.00/10–2747).

881.00/9–1947 : Telegram

The Acting Secretary of State to the Embassy in France

TOP SECRET WASHINGTON, October 23, 1947—1 p. m.

4028. Urdesp 9644, Sep 19. French North African plans undergoing careful study Dept but several questions have arisen which require clarification. We agree with you that "time table" for successive evolutionary steps is essential and must be included in plans if we are to support them. Of even more importance, however, is lack any indication French plans for making known their long-range program to North Africans. Until this done and in manner best designed appeal to latter we have no grounds for approach to Nationalist leaders contemplated by North African Paris meeting. We would welcome Emb's views whether French plans could most effectively be made known to Arabs through public announcement or through more private meeting between high French officials and Nationalist leaders, bearing in mind that several important leaders reside Cairo. Has FonOff indicated approval US approach to Nationalists?

In this connection not clear Dept exactly what French envisage as eventual political connection between Metropole and Tunisia and Morocco because although self-govt is mentioned on page 5, par 3 same page makes reference "*modus vivendi* similar to that which has been achieved by the French and British in Canada." We assume this does not mean French envisage Tunisia and Morocco as becoming "Quebecs" but rather refers only to relationship between French and Moslem peoples living in North Africa.

To what specifically does FonOff refer on page 8 wherein mentioned "great value placed by French Govt on formal assurances which have recently been given to it by London and Washington Govts?"

We would welcome Emb's preliminary estimate effect on relations between France and Empire in general and North Africa in particular of possible accession to power in France of De Gaulle.[1]

LOVETT

[1] Gen. Charles de Gaulle, former President of the Provisional French Government, head of the political party called RPF (Rassemblement du peuple français).

881.00/10–2947

The Diplomatic Agent at Tangier (Plitt) to the Secretary of State

TOP SECRET TANGIER, October 29, 1947.

No. 748

SIR: I have the honor to refer to the French Foreign Office policy memorandum concerning reforms in North Africa transmitted with the Paris Embassy's top secret despatch No. 9644 of September 19, 1947 and to offer the following comment on that portion of proposed French policy regarding the French Protectorate in Morocco.

While the appendices to the memorandum relating to Morocco supply an historical note and summaries of past and planned reforms, it may nevertheless be helpful before setting down the Legation's observations on this subject to touch briefly on the background of the political situation and the problem which has developed therefrom in this area.

After pacification of the country by the force of arms and settling portions of it with the intent to transform Morocco into a modernly equipped country with adequate port facilities, construction of roads, bridges, railways, factories, the reclaiming of arid lands, and the extraction of mineral resources which brought a certain amount of wealth to the French who established themselves here, very little effort was made to instruct the native population with a view to bettering their living conditions and preparing them for active participation in the Government of the country. It is true that because of the general anarchy which is said to have reigned in Morocco at the time, priority had to be given to military action in order to establish order in the country without which the other plans could not be materialized. With the establishment of order and in the face of growing Moroccan demands for participation in Government and eventual autonomy, the French are now finding themselves in a situation which requires the initiation of drastic reforms to appease native aspirations and hampered by an uneducated population which, because of French neglect in fostering their social and civic development, is as yet unfit to assume large responsibilities. The French admit dereliction in this respect. Now, so much will have to be done in such little time that the French may encounter considerable difficulties in attempting to extricate themselves from their dilemma.

The existing problem in Morocco, which has recently assumed great importance as a result of the promulgation of the Atlantic Charter and subsequent contact with the democratic armed forces of the West which, in using Morocco as a springboard for the liberation of Europe, indirectly fostered Moroccan aspirations for autonomy, is how to satisfy the natives' desires for liberty in the face on the one hand of the

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feudal conception of independence still cherished in upper class Moroccan circles, and on the other by French determination to protect their investments in blood, brawn and capital in this vast territory of still unexplored riches. Moroccan nationalists want nothing less than complete freedom which France is not ready to provide.

The Foreign Office policy memorandum referred to, when examined in the light of the foregoing, while indicating that the French Government is cognizant of its shortcomings and seemingly ready to apply a new régime in the Protectorate, can be criticized on general grounds as likely to fail to accomplish sufficient to meet a situation which is, to say the least, potentially critical.

In the Paris Embassy's despatch under reference and in its despatch No. 9658 of September 23 a scholarly exposition of the proposed plan of the French Government has been made. The Legation agrees with much that the Embassy sets forth but cannot subscribe entirely to optimistic views that the already enacted reforms and those contemplated for application can be expected to solve the problem sufficiently well to lead to the orderly and progressive evolution of French Morocco. It is believed that this would be true even if "time tables" were given. The French policy statement might be specifically criticized on the following grounds:

1. In describing the functions of the Council of (Moroccan) Vizirs and (French) Directors, Appendix XV of the policy statement is very vague. There is no mention of powers or responsibilities of this body other than the meaningless statement that it will "study all governmental problems with an appeal to the Sovereign and to the Resident General only in the most important cases". If indeed intelligent and enterprising Moroccan vizirs and delegates are to work side by side with French administrative directors, it is very likely that the former will learn something of the arts of government and administration. However, it is doubtful if much progress in this direction can be made unless these Moroccan officials are endowed with a specific grant of power and commensurate responsibility.

2. It would seem that in putting into effect the reform of the *maghzen*, referred to in the preceding paragraph, the French have foisted a number of undesired Morocan delegates upon the Sultan. It seems natural therefore that the Sultan should refuse to delegate any part of his sovereign authority to such a body, which he has reason to believe may act simply as a mouthpiece of the French who have as yet failed to give concrete evidence of their desire to bring about *democratic* reforms at an early date. (It will be recalled that last winter the Sultan attempted to effect a change in the method of selection of Moslem members of Tangier's Legislative Assembly whereby they would be elected by various groups comprising the local Moslem community instead of being appointed by the Mendoub, on French orders, as at present. Owing to French intervention the plan failed completely. (See Legation's despatches Nos. 471 and 477 of Decem-

ber 19 and 28, 1946.[1]) At the present time the Sultan is the only effective check against unlimited French encroachment upon Moroccan sovereignty. If the Sultan is to give up his remaining power—the right of veto—it seems reasonable that he should do so in favor of an executive body responsible to some type of electorate rather than to the French Resident General. (See in this connection page 2 of Consul Pasquet's despatch No. 159 of June 30, 1947 [2] in which the Sultan is alleged to have made such a proposal).

3. The proposed constitution of the Council of Government—65 French members, 65 native Moslems and 5 native Jews—gives the French an advantage out of all proportion to the relatively small number of French residents in Morocco. Considering that the Council is to be merely consultative, and not deliberative, in character, it would not seem unreasonable to expect the Moroccan element in it to be clearly predominant. The Council, composed as suggested in the French reform proposal, will seem to most Moroccan Moslems to be predominantly French, as the Jewish members may be expected to follow their traditional policy of making every effort to please the French. Thus the French could generally count upon a clear majority in the Council of Government.

4. Appendix XIX of the statement, entitled "Public Liberties", makes it clear that in fact few public liberties are respected in Morocco. It is believed that if the French hope to gain the respect and confidence of Moroccans and some degree of cooperation in a reform program, the present strict control of the press must be relaxed and there must be liberalization of the present restrictions regarding public meetings. If freedom of the press and the right to assemble are denied Moroccans (they are not denied to French Communists in Morocco) there can be little progress toward democracy and independence.

5. Statistics regarding public instruction (see Appendix XX of the statement) are somewhat misleading and paint a rosy picture not justified by the facts. Almost half (30,000 out of a total of 84,064) the Moslem Moroccans stated to be attending schools are attending the "temporary country schools". These schools (*écoles foraines*) are run on a purely voluntary basis by French colons or minor officials who endeavor, in a rather haphazard manner, to teach the bare rudiments of reading. As serious institutions of public education they can be almost entirely disregarded. Thus, according to French figures, a year ago just over 50,000 young Moslem Moroccans were attending serious schools in a country having a Moslem population of some 7,000,000. This is hardly a record of which the French, after 35 years in Morocco, should be proud. It is hoped that substantial progress will be made under the new school program as the political progress of Morocco depends fundamentally upon broadening the scope of education.

While in theory the statement in Appendix XX regarding equality of opportunity to enter French *lycées* is true, it is believed that in practice obstacles are placed before Moroccans desiring to attend such schools.

No mention is made in the policy statement regarding study of Moroccans abroad. Unless the French change their present policy,

[1] Neither printed.
[2] Not printed.

which virtually precludes the study of Moroccans in the United States even when such students do not draw upon French sources of dollar exchange, it will be difficult for objective observers to believe that the French are genuinely interested in educational progress in Morocco.

The position recently taken by the United States in regard to the situation in Palestine[3] has not endeared Americans to Moroccans. Moscow, following its adherence to the recommendations of the majority of the United Nations Special Committee on Palestine, inherited an equal amount of censure. It was deplored in the Arabic press of Morocco (see Legation's telegrams 257 and 259 of October 13 and 15[4]) that on the rare occasions when the United States and Russia agreed on an important issue in the United Nations deliberations such agreement should prejudice Arab interests.

Until feeling in regard to this situation has subsided and a clearer picture can be seen of the extent to which the new French policy will actually evolve in favor of a better understanding with the Moroccans, I question the wisdom of initiating any approach by us to Moslem nationalist leaders and the Arab League in the sense of the recommendations made by the North African meeting in Paris last June. Rather than endorse a French reform program, whose acceptance by the Moroccans is uncertain and whose efficacy in achieving a successful democratic evolution of Morocco remains to be tested, may it not be more expedient to defer, at least for the moment, our proposed approach to Moroccan leaders?

Respectfully yours, EDWIN A. PLITT

[3] For documentation on this subject, see pp. 999 ff.
[4] Neither printed.

880.00/12–147

The Ambassador in France (Caffery) to the Secretary of State

TOP SECRET PARIS, December 1, 1947.
No. 9969

SIR: I have the honor to refer to the Department's Top Secret telegram No. 4028 of October 23, 1 p. m., raising various points in connection with the French Foreign Office's North African policy folder.

When I first spoke to M. Chauvel about the significance of the "formal American assurances", which the Foreign Office had referred to in its memorandum on North Africa, he answered that he was not sure but would look into the matter.

Subsequently, M. Bonneau, Chief of the Africa Near East Division at the Foreign Office, informed a member of my staff: "I'm afraid we were mistaken about the 'formal assurances'. In making this state-

ment, we thought we had correctly interpreted the expressions of friendship and understanding in connection with the North African situation which have been forthcoming from various American sources during the past few months."

M. Bonneau was, of course, informed that the Foreign Office had been correct in believing that the American Government had not only "understanding" but furthermore a desire to assist in the constructive solution of the thorny North African problem. However, it was clearly pointed out that the latter could not be unconditional, that it would have to depend on the scope and content of the policies which the French Government may pursue in Morocco and Tunisia, and that there was a definite difference between our "understanding" and "formal assurances".

With reference to the "timetable", M. Bonneau was definitely pessimistic about the possibility of preparing one at the present time. He said that it would be impossible to obtain a commitment from North African Nationalist leaders "just as long as they think that war may be imminent or that a radically different French Government may come into office practically overnight". He added, however, that this would not prevent France from continuing to implement basic reforms and in particular public education. In this connection he stated that the new Moroccan budget would include 800,000,000 francs for the building of new schools in Morocco and that 500 Tunisian students were in Paris this winter. However, he indicated that the French Government had "regretfully" come to the conclusion that it was impossible at the present time to have far-reaching general talks with the Nationalist leaders and to announce a timetable in view of general political conditions throughout the world as well as in France.

It is obvious that General de Gaulle's eventual return to power, which is accepted as practically a certainty in most political circles, is having the effect of making otherwise liberal high French officials fearful of initiating measures or programs which they feel sure the General would view as "abdicating French sovereignty and squandering France's inheritance".

Respectfully yours, JEFFERSON CAFFERY

881.00/12–947

The Consul at Rabat (Pasquet) to the Secretary of State

TOP SECRET RABAT, December 9, 1947.
No. 192

SIR: I have the honor to refer to my Secret despatches No. 176 of September 16, 1947, entitled "Test of Power between Resident General

and the Sultan", and No. 185 of November 14, 1947, entitled "Continued Tension between Sultan and French",[1] and to report to the Department that Mr. Abdelatif Sbihi came to me on behalf of His Majesty the Sultan. He started as an introduction to repeat more or less in the same words the reasons previously reported for the indefinite postponement of the cornerstone laying for a school at Marrakech and inauguration of a school in Rabat by the Sultan. The Resident General requested particularly from His Majesty that the name of the Istiqlal party be banned from all ceremonies, including those mentioned above. The Sultan replied that he could not guarantee such a thing and that he would make an appeal to his people; whereupon the Resident allegedly replied that he could not count on the support of more than one-fifth of his people, but that in any case he himself had the support of the Army. The Sultan regretted having said that he would appeal to his people, because he soon realized that such an act would forcibly result in disturbances which might very well result in an uprising of no mean proportions.

A few days after this interview took place, the Sultan drafted a memorandum, which he had already planned to send some time ago but deferred at the Resident's request, and sent it to the Resident, both in the Arabic and French languages, by the person of his Grand Vizir. The main points made in the memorandum, a copy of which was sent to the Sherifien Councilor for transmission to the Quai d'Orsay at Paris for information, were the following, as reported to me by Sbihi:

1. Recapitulation of the shortcomings of France in respecting and applying the terms of the Protectorate Treaty.
2. Intrusion of French political activity into Morocco and complaint against protection which communism enjoys in this country.
3. Detailed mention of instances of direct administration by French authorities in Morocco.

a. Suspension or direct appointment of Pashas, Caids, and Khalifats by French authorities without approval or against wishes of Sultan.

4. Sovereign has called the attention of the Resident to the elections of French citizens to the Council of Government and left full responsibility to him. This mention was probably meant only as a reminder and having reference to the Sultan's opposition to French elections being held in Morocco should the Council of Government become deliberative instead of consultative as at present. There is a pending proposal of reform making the Council deliberative, but the Sultan is objecting on the grounds that Frenchmen are foreigners and cannot vote in the proposed capacity in Morocco.

[1] Neither printed.

5. Being the Sovereign of Morocco and not having the benefit of a deliberative assembly (as opposed to the present Council of Government which is consultative only), which would reflect the will of the people and while waiting for this reform which the people demand, I am obliged to defend and to safeguard the rights of the Moroccan people. This is the wording as reported to me which was used by the Sultan in his memorandum under discussion.

6. The Sultan reminds the Resident General that the presence of France in Morocco is by virtue of international accords (Treaty of Fez), and that he would be unworthy of his country if he accepted that the spirit of the accords be violated.

7. The Sultan insists on the loyal application of the provisions of the Protectorate Treaty, pointing out that of the eight Residents General who were assigned to Morocco, it is only General Juin who has received the mission of making Morocco into a colony.

8. His Majesty then points out that France has made the solemn promise to respect the religious sphere but is at present attempting to interfere in religious matters.

There were three or four more points taken up in the memorandum, but my informant only recalled them as of minor importance.

Upon receipt of this memorandum, the Resident General allegedly asked the Grand Vizir if His Majesty was disposed to receive him, whereupon the Grand Vizir replied that tradition required that his visit should be arranged through the Director of Protocol. The interview was arranged and took place on December 2, 1947, according to my informant who described it as follows:

RESIDENT GENERAL: "I shall transmit your memorandum, but I can assure your Majesty here and now that I have blanket authority from my Government, and that your memo will change nothing in the policies which I am following."

SULTAN: "I am awaiting nothing from Paris, but I desire that the French Government be informed that its mission in this country is beyond its scope." (Protectorate mission being rapidly replaced by direct administration methods).

RESIDENT GENERAL: "I desire to warn your Majesty that the United States are behind us."

SULTAN: "I do not doubt it for a moment, but not for what you think but only so that communism does not become a cause of trouble in this country. I find that there are two trouble factors in Morocco: 1. Communism, which you protect; and 2. The new spirit of your policies which is contrary to the Atlantic Charter and to the spirit of San Francisco."

RESIDENT GENERAL: "I am only a soldier; I have orders, and I apply them."

The interview reportedly ended as above described, and His Majesty reflected for a few days as to what action he should take next. His decision was twofold:

1. Either apply to the United States Government to ask it to act as mediator, or
2. Present his case to the Security Council.

To explore the first of these alternatives, the Sultan asked my informant to ascertain if the United States Government would authorize me to receive from his hand copies of all the documents which had already been given to the Provisional Government of General de Gaulle and to the Government of the Fourth Republic. I replied that I would, of course, have to refer this problem to my Government, but that if informal copies reached me, I would examine them. This latter informal method was apparently not desired, because my informant replied that if my Government's reply was negative, that the Sultan would approach the Security Council, and that in this way the American Government would have to make a decision at that time.

I am not in a position to ascertain what the Department's decision will be in this matter, but if a favorable reply were made, there is no doubt that we would be placed in an extremely embarrassing position vis-à-vis France. It is not impossible that these documents could be obtained on an informal basis, which might give us the benefit of the definite complaints which the Sultan formulates against France, and possibly then discuss them on the Paris or Washington level with the French, if we found it so desirable. In accepting the documents from the intermediary, it could be made known to the Sultan that we would give them the most careful consideration, inasmuch as we should like to see the difficulties which have arisen between him and the French satisfactorily resolved. If our reply is completely negative, then there is no doubt that the Sultan would see to it that his complaints will be presented to the Security Council, where we would be called upon to make a public decision.

It would be appreciated if the Department would instruct me in the action to be taken with the least possible delay.

Respectfully yours, MAURICE PASQUET

881.00/12–1647

The Diplomatic Agent at Tangier (Plitt) to the Secretary of State

TOP SECRET TANGIER, December 16, 1947.

No. 793

SIR: I have the honor to refer to Consul Pasquet's top secret despatch no. 192 of December 9, 1947, on the subject: "Request of His Majesty the Sultan and Continued Tension with Resident General," with specific reference to its last paragraph on page three in which

General Juin is quoted as saying to the Sultan: "I desire to warn your Majesty that the United States are behind us."

This is a surprising remark for the Resident General allegedly to have made unless he has learned of the recommendations contained in the report to the Department covering the meeting held in Paris last June. Insofar as I know, nothing has ever been said to him by any Foreign Service Officer in Morocco which could have prompted him to make such a statement. If it was made, the Sultan could very well believe that information on which General Juin based his retort stems either from Mr. Pasquet or me. If this be his guess, it would be difficult and infeasible to deny it.

General Juin could perhaps have learned from his superiors during his recent visit to Paris that our thinking is along lines of his alleged remarks to the Sultan. There is no way of course, whereby any observations on the subject can be made to the Quai d'Orsay without disclosing our knowledge of his meeting with the Sultan and the substance of his reputed talk with the latter. The report made by Consul Pasquet does, however, further emphasize the wisdom of our refraining, at least for the present, from making any premature commitment to the French or to the Moroccan Nationalists on the subject referred to in my despatch no. 748 of October 29, 1947.

Respectfully yours, EDWIN A. PLITT

881.00/12–2347

The Consul at Rabat (Pasquet) to the Secretary of State

TOP SECRET RABAT, December 23, 1947.
No. 200

SIR: I have the honor to refer to my Top Secret despatch No. 192 of December 9, 1947 entitled "Request of His Majesty the Sultan and Continued Tension with Resident General" in transmitting at this time a copy of the official translation in French [1] of the original text in Arabic of a communication addressed by the Sultan of Morocco to the President of the French Republic, Mr. Vincent Auriol. The translation in French was reportedly sent along with the original in Arabic so that there would be no possibility of misunderstanding. The document being transmitted was handed to me by an important member of the Executive Committee of the Istiqlal Party, who informed me that His Majesty had planned to send it to me for information through Mr. Abdelatif Sbihi but that through some delay in the Palace Secretariat

[1] Not printed.

it was not available before Mr. Sbihi's return to Tangier. Mr. Sbihi made no mention to me of this latter point.

I have added to the enclosed document at the appropriate places references to my despatches covering the points discussed therein. There is one point which I have not yet reported upon and that is the appointment of Khalifas (assistants to Pachas and Caids) referred to in paragraphs twelve and following of the document because there is as yet no text of reform of the municipalities. I have asked the Secretary of the Interior (Colonel LeComte) about these, and he stated that there would be no text for at least six months because the Protectorate Government wanted to set the change in motion, and after some months of experience it would then be possible to draft a text based on actual experience. This is a logical explanation on the face of it, but it does not explain how the French acquired authority to appoint Khalifas who are always appointed by Viziriel decree, while Pachas and Caids are appointed by Dahirs. The truth in the matter is that the French Regional and Control Authorities designated Khalifas of their choice, because it is known that a goodly number of these were objectionable to the Sultan, while some of those whom he would have appointed were objectionable to the French. The idea behind this proposed reform is to divide the principal cities of Morocco into boroughs (four for Rabat, five for Casablanca, etc.), thus bringing the administration closer to the administered. It must be said also that a better control could be effected by the Regional Authorities over the people than is possible at present, particularly owing to the constantly increasing population of cities. Opposite each Khalifa there was appointed a borough civil controller (*controleur civil d'arrondissement*), and to supervise these officials there was appointed a Delegate of Urban Affairs for each city, the Delegate in turn being responsible to the Chief of Region. Most of the Khalifas and their French counterparts were installed on November 1, 1947. While the Sultan objects to the whole reform being initiated without a law to sanction it, his principal concern is the appointment of Khalifas directly by the French.

It is hoped that upon receipt of this despatch, a reply to the request contained on page four of my despatch No. 192 might be forthcoming, unless it is already in the mails.

Respectfully yours, MAURICE PASQUET

881.00/12–947 : Telegram

The Acting Secretary of State to the Consulate at Rabat

SECRET WASHINGTON, December 30, 1947—6 p. m.

29. Urdesp 912 [*192*], Dec. 9. US has no intention at present acting as mediator between France and Morocco. As long as US recognizes French Protectorate over Morocco and as long as friendly relations with France retain present relative importance, communications with Sultan must continue to be handled through the Resident General as the Sultan's FonMin with possible exception described below.

Current policy is that any approaches which we may make to French Govt with view to urging liberal colonial policy as envisaged by Paris North African meeting will continue to be on confidential basis and we will approach North African Nationalist leaders only when French (1) have announced plan we can support and (2) have expressed concurrence our approach to Arabs.

Sent Rabat as 29. Rptd Tangier as 284; Paris as 4632.

LOVETT

INTEREST OF THE UNITED STATES IN PROPOSALS BY TRANSJORDAN FOR A GREATER SYRIA

711.90F/1–1747

Memorandum of Conversation, by the Director of the Office of Near Eastern and African Affairs (Henderson)

TOP SECRET [WASHINGTON,] January 17, 1947.

Participants: Secretary Byrnes.
Mr. Acheson, Under Secretary.
Mr. Henderson, Director, NEA.
Crown Prince Saud, Saudi Arabia.[1]
Ambassador Sheikh Fuad Hamza.
Sheikh Asad al-Faqih, Saudi Arabian Minister to the the United States.

This morning, at the suggestion of Crown Prince Saud of Saudi Arabia, the Prince, accompanied by Sheikh Fuad Hamza and Sheikh Asad Al-Faqih, called on the Secretary in order to continue the conversations which had begun yesterday in the White House[1] between the President, Mr. Byrnes, Crown Prince Saud, Sheikh Hamza and Sheikh Al-Faqih.

During the course of this morning's discussions, which lasted for over an hour and a half, Sheikh Hamza acted as the interpreter and spokesman for the Crown Prince and in fact frequently took the leadership in presenting the views of the Saudi Arabians.

At the suggestion of the Secretary, the Arabs outlined and enlarged upon some of the statements which they had made to the President yesterday. The following represents some of the points which they made:

1. King Ibn Saud[2] had worked in a friendly manner with the British for many years; he valued British friendship and hoped that it would be possible for Saudi Arabia to continue to enjoy British

[1] The Crown Prince arrived in Washington on January 13, 1947, as a guest of the United States Government. He paid a brief courtesy call on President Truman the following day. He returned to the White House on January 16 "for an hour's talk with the President and Mr. Byrnes. The chief subjects discussed were general Near East politics, Palestine and the possibility of a fifty million dollar loan from the United States to cover all phases of the development program." (Report on "Crown Prince Saud's Official Visit to America", February 7, by Richard H. Sanger of the Division of Near Eastern Affairs, 890F.0011/2–747.)

[2] King of Saudi Arabia.

cooperation and support. The Saudi Arabs had noted during recent years that as their economic relations with the United States became closer, there had been a certain cooling off in the British attitude toward Saudi Arabia. The Saudi Arabs had begun to have a feeling that the British were not as frank with them as previously and that the British might be preparing to give support to certain Arab circles which were definitely hostile to the Saud dynasty.

2. In establishing his kingdom on the Arabian Peninsula, King Ibn Saud had been obliged to drive out the Hashemite family, who had been rulers of the Hejaz and Sherifs of Mecca and Medina, including King Hussein and his sons, among whom were Ali,[3] the father of the present King of Syria [*sic*] and later King of Iraq and grandfather of the present King of Iraq; and Abdullah, the present King of Trans-Jordan. The members of the Hashemite family were naturally hostile to the Saud family since they felt that the latter family had ousted them from their position as hereditary Sherifs of Mecca and Medina, and King Ibn Saud had reason to believe that they were plotting eventually to endeavor again to seize power in the Hejaz. King Ibn Saud had received information to the effect that the Hashemites were planning to set up a Greater Syria including Iraq, Trans-Jordan, Palestine or a part of Palestine, and perhaps Lebanon, under a Hashemite King. Such a state would be powerful and under Hashemite rule would be a definite menace to Saudi Arabia. The Saudi Arabian Government, therefore, could not tolerate the carrying out of such a plan. The Hashemites were without roots or influence anywhere in the Arab world and could not carry out any kind of a plan for the establishment of a Greater Syria without British support. King Ibn Saud was concerned lest the British were giving or would give support to such a Hashemite enterprise. The Hashemites had obtained the thrones occupied by them in Iraq and Trans-Jordan only with the aid of the British; they were British puppets; there might be a temptation on the part of certain British officials to extend British influence still further in the Arab world by broadening the territories under Hashemite rule;

3. King Ibn Saud desired the Crown Prince to ascertain what the attitude of the United States was with regard to the project of a Greater Syria. Could Saudi Arabia depend upon the full support of the United States in case, as a result of Hashemite intrigues, Saudi Arabia should find itself threatened by the formation of an anti-Saudi coalition to the north?

The following represents a summary of the reply made to the Saudi Arabians:

1. One of the basic policies of the United States in the Near East was unqualifiedly to support the territorial integrity and political independence of Saudi Arabia. Another basic policy was energetically to make sure that the principles of the United Nations should be fully applied to the countries of the Near East, including Saudi Arabia. King Ibn Saud could therefore depend upon the full and active support of the United States in the United Nations in case any outside forces

[3] The reference is possibly to Faisal I who was King of Iraq from 1921 to 1933.

should threaten or endeavor to undermine the integrity and independence of Saudi Arabia. Furthermore, the United States would support in the United Nations the integrity and independence of other countries such as Syria and Lebanon or Iraq in the event these countries should be threatened by aggression.

2. The United States had scrupulously refrained from engaging in any intrigues in the Near and Middle East. It did not support one group or one state against another. It believed that by not entangling itself in various internal struggles among Arabs in the Near East it could best serve the interests of peace in that area.

3. The Government of the United States did not have information which would cause it to believe that the British Government was giving support to any scheme for the extension of British influence in the Middle East through the establishment of a Greater Syria. It was possible that certain British officials or groups were interested in schemes of this kind although the Department was in possession of no evidence to that effect. It was believed, however, that the British Government itself would not desire developments to take place at this time which might disturb the *status quo* of the Near and Middle East.

During the course of further discussions on this subject, Mr. Byrnes pointed out that the Government of the United States might contribute to the maintenance of peace in this part of the world by making inquiries and otherwise manifesting an interest whenever there were any indications that plans might be afoot to overthrow or menace by force governments of the Near and Middle East. He suggested that if King Ibn Saud at any time should receive specific information regarding political or military developments which might threaten Saudi Arabia, he might care to convey his information at once to the Government of the United States, which would then make appropriate inquiries. It was pointed out that last year King Ibn Saud was concerned about reports which he had received of certain designs harbored against him in Iraq; that he had expressed his concern to the American Government discreetly, [which?] without betraying the source of its information, had made inquiries in several capitals, including Baghdad and London; and that nothing threatening to Saudi Arabia had materialized.

The Saudi Arabians asked if it would be possible in the future for King Ibn Saud to discuss with the American Government with the utmost frankness all his problems and all his fears and for the American Government similarly to discuss frankly with King Ibn Saud its problems and its concerns in the Near and Middle East. Mr. Byrnes replied that he hoped that King Ibn Saud would feel free to discuss with the American Government frankly any of his problems and the American Government on its part would not hesitate to take up with the King any matters which might be clarified as a result of discus-

sions between the United States and Saudi Arabia. In response to the Saudi Arabians' request, it was agreed that the conversation should be treated as secret and that every effort would be made to prevent leaks of any kind. The Saudi Arabians pointed out that they did not desire to carry on conversations behind the backs of the British. Nevertheless, they felt that it would be preferable that the British should not learn of this particular conversation.

[Here follow sections on the questions of financial assistance to Saudi Arabia and of Palestine, which are printed on pages 1329 ff. and 999 ff., respectively.]

Crown Prince Saud expressed his deep appreciation of the courtesy with which he had been received by the President, by the Secretary and by other officials of the American Government and said that he was sure that the conversations which had been held would result in a deeper understanding between the United States and Saudi Arabia.[4]

[4] President Truman and the Crown Prince made a "pleasant exchange of goodbyes" on February 18 and the following day the latter departed for Saudi Arabia (Report on "Crown Prince Saud's Official Visit to America". Pt. II, March 3, by Mr. Sanger, 890F.0011/3–347); for the official statement issued on the visit, see Department of State *Bulletin*, January 26, 1947, p. 167.

890D.00/2–1447 : Circular telegram

The Secretary of State to Certain Diplomatic and Consular Officers

SECRET WASHINGTON, February 14, 1947—8 a. m.

For Gallman.[1] You should seek early opportunity discuss Greater Syria question with FonOff along following lines:

There has recently been marked recrudescence press and other reports from Near East to general effect that something is definitely in wind regarding Greater Syria project. These reports mostly center about Abdullah of Transjordan and are usually coupled with allegations that plan is inspired or assisted by Brit, if not by diplomatic representatives then by other Brit agents. Principal reasons given are Brit desire to create disunity among Arab states in order to prevent common front against Brit policy in Palestine and in revision Anglo-Egyptian Treaty and that Brit wish to enlarge and strengthen political and military position in general area.

[1] Waldemar J. Gallman, the Chargé in the United Kingdom.

We have received info to effect that reports this nature are causing serious concern in official quarters certain Near Eastern countries.[2]

In view foregoing we should be grateful if Brit would let us have frank and unequivocal expression their attitude regarding Greater Syria question and if they could find possible we believe some sort public expression of Brit policy in this regard would tend to clear air.

Sent London for action; Jidda for info; Cairo, Jerusalem, Beirut, Damascus, Baghdad for info and comment.

MARSHALL

[2] Telegram 50, February 11, 8 p. m., from Jidda, reported that in a letter dated February 9, 1947, handed to the Minister in Saudi Arabia (Childs) by the Saudi Arabian Deputy Foreign Minister (Yussef Yassin), King Ibn Saud expressed the knowledge of his Government that the British intended to appoint Abdullah ruler of Syria and stressed that if the idea were achieved by force, it would be against the principles of the United Nations. The letter requested the United States Government to review the matter at the first possible opportunity. Minister Childs informed the Deputy Foreign Minister that "while I know Greater Syria plan had been much bruited in press I had had no reports from our Missions in Near East leading me believe any such plan as that mentioned by King was imminent. I added that he had correctly interpreted attitude my government. We were firm supporters United Nations and had on more than one occasion expressed firm disapproval of changes of sovereignty accomplished by force of arms contrary to the will of the people concerned." (890D.00/2–1147)

In telegram 47, February 14, the Department requested Jidda to inform the Saudi authorities that the United States Government was making inquiries regarding the Greater Syria question (890D.00/2–1147).

890D.00/2–1847 : Telegram

The Chargé in the United Kingdom (Gallman) to the Secretary of State

SECRET LONDON, February 18, 1947—7 p. m.

1106. Department's circular telegram February 14.

1. Baxter head Eastern Department Foreign Office, when question was discussed with him yesterday, did not seem greatly concerned by varying rumors re British support for Greater Syria movement.

2. Baxter said that British Government was neither for nor against Greater Syria and had said so whenever asked. About four months ago Foreign Office reminded "every British official in the Middle East Foreign Office could think of" that its attitude was neutral and directed them to be particularly careful not to give impression that British Government was anything except neutral. Particularly forceful instructions were sent to Glubb,[1] Transjordan, because Abdullah is so anxious to hint that British are for Greater Syria that Glubb must remind him constantly that British are neither for nor against it. Lebanese and Syrian Governments have been asking British to let

[1] Brig. John Bagot Glubb, a British officer commanding the Transjordanian Arab Legion.

them announce that Britain does not favor Greater Syria. British have taken pains to make British attitude clear to these Governments. On December 16, 1946, British Legation Beirut issued statement to Lebanese and Syrian press denying a UP story to effect that "British diplomatic quarters" favor Greater Syria. This statement concludes "official British view is that this movement is a matter which exclusively concerns governments of the Arab communities".

3. Baxter said that similar denials could and would be issued elsewhere in area if and when occasions require them but Embassy did not get the impression that an overall statement from London reiterating British neutrality was considered necessary at moment.

4. Re something being "definitely in wind" re Greater Syria at this time Baxter said that only thing he could think of were some wild rumors which *Pravda* had publicized that Abdullah planned to march into Syria and lodge himself on Syrian throne. He did not know strength monarchist group in Syria but it was smaller than anti-govt group. Personally Baxter felt Syrian Government has been doing pretty well.

5. Baxter denied flatly that British diplomatic representatives or other British agents are either inspiring or assisting in Greater Syria project. He laughed at rumors that British policy in Palestine, Anglo-Egyptian treaty or British political and military position could be involved.

6. Baxter agreed that Greater Syria reports are causing concern in official quarters in certain Near Eastern countries. He said this was not because officials of Governments concerned do not understand true situation but because questions regarding Greater Syria based on wild rumors are frequently asked in their Parliaments. These officials would like to be authorized by British Government to reply to such questions by saying that British do not favor plan. Notwithstanding their difficulties, Baxter said, British for obvious reasons would have to stick to their true position—neutrality. It was this neutrality which lent itself to unending rumors which would probably continue in spite of such statements as that mentioned paragraph 2 above.

Repeated Cairo 20; Jidda 2; Beirut 4; Damascus 3; Baghdad 4; Department please repeat to Jerusalem as 11.

GALLMAN

890D.00/–1847 : Telegram

The Secretary of State to the Embassy in the United Kingdom

SECRET WASHINGTON, March 3, 1947—8 p. m.

1010. For Gallman. While Dept appreciates explanation Britain's attitude re Greater Syria question given by Baxter and outlined

Embtel 1106 Feb 18, you should reiterate to him at early opportunity our continuing concern over this problem. In discussion with him you may say that we have had numerous reports from throughout Near East indicating serious view which Arab govts take of increasing rumors of Brit support for establishment of Greater Syria under Hashemite ruler. These rumors go so far as to allege that plans are afoot to overthrow or menace by force govts of Near East. It is further alleged that despite Britain's official neutrality Brit agents are secretly encouraging Hashemite groups. Dept feels that continuing and growing circulation of rumors is having disruptive effect in Arab world which is not to advantage of Britain or ourselves. We receive persistent reports that King Abdullah's intrigues are a troubling and discordant influence in an otherwise generally constructive trend towards closer Arab League cooperation in the political and economic field.

You may inform Baxter that Dept is sure that Brit Govt would not wish to give impression of actively favoring developments of this character with resultant disturbing effect on situation in Near East.

Sent London repeated Jidda, Cairo, Jerusalem, Beirut, Damascus, Baghdad, for info.

MARSHALL

890D.00/3–1347 : Telegram

The Chargé in the United Kingdom (Gallman) to the Secretary of State

SECRET LONDON, March 13, 1947—5 p. m.

1604. Embassy today reiterated to Baxter, Foreign Office, Dept's continuing concern over Greater Syria problem and outlined to him thoughts in Dept's 1010, March 3.

2. Baxter said that he was not sure how effective a restatement of British neutrality would be in quieting rumors of the kind Dept has in mind. Up to present Foreign Office had considered that Near East was best place to do what it could to dispel rumors that British Govt is either for or against Greater Syria. He did not believe that Lebanese and Syrian Govts, who were most concerned, seriously doubted British neutrality. He reiterated that Syrian Govt would like British Govt to say that it does not favor Greater Syria. This British Govt is not prepared to do, being strictly neutral on question.

3. Baxter supposed that a Parliamentary question regarding Greater Syria could be arranged and said that Foreign Office "might consider this" although there was very little public interest in Greater Syria in UK.

4. Embassy pointed out that a statement from London in any form might be considered as more authoritative and carry more weight than statements issued by individual British Missions. Moreover, such

a statement might be [employed?] usefully by British Missions whenever occasion required.

5. Baxter seemed very skeptical that any step by British could put down rumors but Embassy understood from talk with him that Dept's concern over problem would cause Foreign Office to reconsider desirability of statement in some form from London.

Sent Dept 1604; repeated Cairo 30; Jerusalem 18; Jidda 6; Beirut 5; Damascus 4; Baghdad 5.

GALLMAN

890D.00/4–947 : Telegram

The Acting Secretary of State to the Legation in Saudi Arabia

TOP SECRET WASHINGTON, April 9, 1947—7 p. m.

91. With further reference to SAG fears that an effort was about to be made by Brit to place King Abdullah of Transjordan upon throne of a Greater Syria, as indicated in Legtel 50 Feb 11 [1] and by Amir Saud on recent visit to US, you may now inform SAG of substance of Dept's two approaches to Brit Govt and of replies repeated Jidda in London tels 2, 6 and 8,[2] using your discretion in conveying details. You may state our hope that representations to Brit have brought home forcefully our concern in matter and will have beneficial influence. You may also take occasion to reiterate our attitude re Greater Syria project as stated by Sec Byrnes to Crown Prince Saud on Jan 17 and reiterate Sec's suggestion that if King Ibn Saud at any time should receive specific info re political or military developments which might threaten Saudi Arabia, he might care to convey his info at once to US Govt which would then make appropriate inquiries.[3]

Sent Jidda 91; repeated London 1570; Beirut 173; Damascus 81; Baghdad 126; Jerusalem 146; Cairo 558.

ACHESON

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[1] Not printed, but see footnote 2, p. 742.

[2] Nos. 2 and 6 were repeats of Nos. 1106, February 18, and 1604, March 13, pp. 742, 744. No. 8 was a repeat of No. 1841, March 25, 1 p. m., not printed.

[3] The Minister in Saudi Arabia, J. Rives Childs, made the communication authorized by this telegram in a letter to King Ibn Saud dated April 12, 1947, a copy of which was transmitted to the Department in despatch 211 from Jidda on April 14, not printed. (890D.00/4–1447) He received a reply from the King dated April 20, a translation of which was sent in telegram 144 from Jidda on April 23, also not printed. (890D.00/4–2347) The King expressed his great thanks for the letter which had contained welcome information about the endeavors and concern of the government of the United States regarding the project of Greater Syria, and especially for the declaration of the United States that its policy in the Near and Middle East was to maintain peace in this area. At the same time the King warned that he had information that activity for a Greater Syria was still afoot, and he hoped that the United States would continue its efforts, and would induce the British Government to announce its policy toward Greater Syria in parliament, which the King believed would have the best effect in pacifying agitated spirits.

Editorial Note

Telegram 2674, May 9, 7 p. m., from London, reported that on May 8, King Abdullah issued a White Paper which proposed the establishment of a Greater Syria consisting of Transjordan, Syria and Palestine, within the framework of the Arab League (890D.00/5–947).

The Embassy in Baghdad, reporting on the White Paper in telegram 210, May 21, 11 a. m., stated: "Cover carries only two blocks of type reading respectively 'Greater Syria' and 'Trans-Jordan White Books'. Title page carries added block reading 'national documents on the natural Syrian unity).

"Then follows two page 'introduction' which is the only new substantive text included in book's 300 pages. This stresses natural ties of geography, history and political aspiration; censors [*censures?*] strongly modern 'separatists' who, while supporting unity of Nile Valley, oppose fusion of fractioned Syria; and argues in series of rhetorical questions that Syrian unity is but natural concomitant of Arab unity, that political federation is not precluded by differing forms of government, and that Trans-Jordan in this sacred struggle is guided not by private ambition but by Arab national aspiration.

"Table of Contents list 81 numbered documents and considerable volume collateral documentation tracing movement from early post first World War period through mandatory period and realization of Syrian, Lebanese and Trans-Jordan independence to declarations of policy made by King Abdullah following conclusion recent Trans-Jordan–Turkish treaty." (890D.00/5–2147)

According to telegram 625, May 25, 7 p. m., from Cairo, the Syrian Legation at Cairo, in reply, issued a White Book printed locally. This 100-page volume contained 27 documents which characterized the "motives of agents carrying on Greater Syria propaganda as purely personal. Agents attacked as destroying relations between sister Arab countries to achieve private ambitions. Their interference in Arab states internal affairs shakes very foundation of Arab League to which Arabs have pinned their hopes. Syrian faith in destiny of Arabs, however, too strong to be shaken by such personal ambitions. Present White Book published order that Arabs of world may know real attitude of Syria towards Greater Syria project and may be aware of its dangers." (890D.00/5–2547)

890D.00/6–1147 : Telegram

The Chargé in the United Kingdom (Gallman) to the Secretary of State

SECRET LONDON, June 11, 1947—7 p. m.

3204. Questioned June 10 re Greater Syria developments, Garran, Eastern Department Foreign Office, read to Embassy representatives.

letter dated April 24 from Ibn Saud to Bevin[1] in which former referred to strained relations between SAG and Hashimites. According letter friendship for Great Britain has restrained SAG from embarking upon anti-Hashimite publicity campaign and other measures but "military and political union" between Transjordan and Iraq[2] which could only be directed against SAG and Syria has materially altered situation. In forceful but polite terms, letter states that it is not sufficient for British Government to say that Greater Syria question is one for Arabs alone. Letter asks British Government to reconsider question and to make it known to Arab world that "British Government will never agree to any change in Middle East".

2. Garran then read British Government's reply drafted by Baxter and handed by Bevin to SAG Minister London June 6 (Embassy's 2952, May 28,[3] paragraph 3). Reply states that His Majesty's Government greatly regrets strained relations between SAG and Iraq and Transjordan, countries with which His Majesty's Government has treaties of alliance and friendship. His Majesty's Government is convinced these countries have no evil intentions towards SAG.

3. His Majesty's Government is aware of differences in Arab world re GS but must point out that His Majesty's Government is not an interested party. This question is one for Arabs to discuss and decide among themselves.

4. His Majesty's Government understands that treaty between Iraq and Transjordan is not a "military and political union" as indicated by SAG, but resembles 1926 Treaty between SAG and Iraq. Letter ends.

5. When Bevin handed reply to SAG Minister, latter asked whether he would consider making British position re GS clear in a reply to a Parliamentary question. Bevin replied that he "would study matter".

6. Embassy representative said that British Government's June 6 letter is obviously carefully prepared statement of current British thinking re GS and SAG-Hashimite feud. He expressed hope that British Government would be able in near future to provide US Government with texts of this correspondence. Garran said that British reply had been made only four days previously and it was possible that Ibn Saud might object to disclosure to another power even in confidence of his approach to British Government and British Government's reply. He asked Department to guard closely information just supplied Embassy representative and said that he would see what he could do about copies.

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[1] Ernest Bevin, British Secretary of State for Foreign Affairs.

[2] The reference is to the Treaty of Brotherhood and Alliance, signed at Baghdad on April 14, 1947; for text, see United Nations Treaty Series, vol. 23, p. 147.

[3] Not printed.

7. Re earlier proposal that British Government issue GS statement in London (reference telegram paragraph 1) Garran said that he did not know what had become of papers this connection but he would have to find them, since Bevin had promised SAG Minister that he would study matter.

8. Speaking generally and personally, Garran said that Foreign Office "is a little bored" that Arab states went running to it with their troubles. They must realize that they are on their own and must learn to work out between themselves such problems as GS.

9. While they may have been discussing a different matter, SAG Minister, London, was seen yesterday to buttonhole Nevile Butler, Assistant Undersecretary of State, at King's garden party and to Butler's evident embarrassment discuss a "letter". SAG Minister spoke at length in loud tones touched by acerbity.

Sent to Department as 3204, repeated Cairo 63, to Bahdad 30, to Damascus as 22, Beirut as 11, to Jidda as 28.

Please pass to Jerusalem.

GALLMAN

767.90G/6–847 : Telegram

The Secretary of State to the Embassy in Iraq

SECRET
PRIORITY

WASHINGTON, June 12, 1947—8 p. m.

227. Dept has no specific comment in mind for you to make in talking with King Abdullah (Embtel 241 June 8 [1]) but suggests you emphasize our general interest in progress Arab cooperation for common good and express hope no weakening stability in Near East may occur through possible failure maintain and develop mutual confidence adequately among Arab states in their relations with one another. You may take opportunity express informally our concern over continuing discordant effect Greater Syria agitation on Arab world.

The direction and purpose of recent Iraq-Transjordan, Turco-Iraq and Turco-Transjordan treaties are of definite interest and some concern to us. If treaties actually reflect high policy moves away from

[1] Not printed; it reported that the Turco-Iraqi Treaty of Friendship and related accords had been ratified by the lower house of the Iraqi Parliament the previous day. It cited also the current controversy whether the ratification "marks further high policy move by Iraq away from Arab League; first move having been recent conclusion Iraq–Trans-Jordan treaty which many old line nationalists as well as those of younger generation view as foundation for British controlled Hashemite Axis conceived in London, if not specifically to further King Abdullah's Greater Syria ambitions, at least to sow discord among Arab states and thereby weaken Arab League front on questions of Palestine settlement and Egyptian treaty revision." (767.90G/6–847)

Arab League initiated by two Hashimite rulers with or without British approval or instigation, we should have fullest possible knowledge for orientation our policy. It would be particularly helpful if you could utilize Abdullah's visit and anticipated Senate ratification Turco-Iraq treaty as occasions in conversations with Abdullah, Nuri [2] and others for ascertaining true motives behind these moves.[3]

Sent Baghdad as 227; repeated Ankara and Arab capitals.

MARSHALL

[2] Nuri as-Said, former Iraqi Prime Minister.

[3] On June 12, in telegram 249, from Baghdad, Ambassador Wadsworth advised of two conversations with King Abdullah. He reported the King's view that "Syria was as it had been throughout history, one country. Its people were one in race and aspiration. There was no place for personal ambitions and rivalries which but perpetuated fractionating forces". As to federation of Iraq and Syria, the King's "vision and goal was reunited Syria in federation with Iraq . . . . On the Hashemite House and strong fundamental oneness of national aspirations would success be built." (501.AA/6–1247)

867N.01/6–1847 : Telegram

The Ambassador in Iraq (Wadsworth) to the Secretary of State

SECRET BAGHDAD, June 18, 1947—10 a. m.

259. [Here follows the Ambassador's account of his discussion of the Palestine problem with Iraqi Prime Minister Jabur.]

I then told him, in sense Deptel 227, June 14 [*12*], of our concern lest discordant effect among Arab states of King Abdullah's Greater Syrian agitation might result in weakening Near Eastern stability.

He commented that, so long as his Government held office and at present enjoyed full confidence overwhelming Parliamentary majority, we might rest assured Iraq would make no move whatsoever to support Abdullah's ambitions. His policy was to strengthen Iraqi relations with both Arab and Saadabad countries and, he hoped, to facilitate coordination policies both groups.

Prime Minister spoke with seeming conviction and sincerity, adding expression personal disapproval Abdullah's continuing activity. However, like Foreign Minister Jamali (reEmbtel 249, June 12 [1]) he admitted there were "some few here" who did not share his views. In context he could have meant only Regent and his intimates including Nuri.

Former Prime Minister Suwaidi with whom I also discussed matter, for I have known him many years and believe him among ablest Arab statesmen, expressed forthrightly view that Regent would support Abdullah's scheming without counting cost to Arab unity.

[1] Not printed, but see footnote 3, above.

Latter view is also held by well-informed Syrian Chargé Bakriz who reasons that, as Palace group well knows pursuance of its plans will greatly weaken Arab League, they must be specifically directed towards that end. He reasons further that, as Nuri's 1943 plan for a Greater Syria in union with Iraq has failed because of Syria's refusal to consider union with Transjordan under Abdullah, we now see Nuri approaching problem from new angle, namely by laying foundation for Iraq-Transjordan union which will later press for union with Syria.

Sent Department as 259; repeated Jidda and Tehran as 34, paraphrases mailed other Arab capitals and London.

WADSWORTH

711.90/6–2047 : Telegram

The Minister in Saudi Arabia (Childs) to the Secretary of State

TOP SECRET JIDDA, June 20, 1947—3 p. m.

252. ReLegtels 247 and 249.[1] Am sending Department as soon as possible full transcriptions important conversations Riyadh with HM, HRH Prince Faisal[2] and Shaikh Yussef Yassin, Deputy Foreign Minister covering four extended audiences on June 17th to 19th. The burden of these conversations was briefly as follows:

(1) HM is profoundly concerned about the present Middle East situation including in particular activities carried out by Iraq and Transjordan. HM considers those Governments are being backed by the British and also that the British are the instigators of their activities. This attitude of the British was only taken after the development of closer relations between HM and the US. The British are especially jealous of the existing economic relations between HM and ourselves. The recently concluded treaties between Iraq and Transjordan and between Iraq and Turkey were not directed against anyone but HM and were meant to checkmate HM.

(2) HM is desirous of removing these discords and seeing that peace and stability is maintained in this part of the Arab world and believes that it is in his as well as our interest that we take measures to stabilize the situation between HM and his neighbors. HM is desirous that the United States take up the matter with the British Government to reach an understanding to those ends by an agreement between the US and the British Governments and the Arab states and by persuading the Arab states to abide by such understanding as may be reached.

(3) HM suggests that the US approach the British Government as soon as possible to have an explanation and settlement of the principal matters in which we have a common interest [. They?] are a cause of

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[1] Dated June 16 and 17, respectively, neither printed.

[2] Saudi Arabian Foreign Minister.

disturbance to the peace and security of the Near East and especially the so-called Greater Syria question as well as the agreements which arouse suspicion in the Middle East including the problems of Palestine and Egypt which are of importance to both of us.

(4) The SAG desires to be informed of the progress of any talks which may take place between the US and British in this respect so as to be able to amplify any doubtful points and to indicate the direction of the way each might help to maintain peace and stability in the Middle East.

When an understanding is reached, it is HM's thought that it would be communicated to the Arab states for agreement.

In view of its importance a translation of the foregoing was made in Arabic and read and concurred in by the King.

It has occurred to me that so far as the subject of Greater Syria is concerned, we might propose to the British Government that in view of the common interest shared by the US and the British Governments in the maintenance of peace and tranquility in the Middle East that we might invite the attention of the Arab states to our view that the continued agitation for the realization of the Greater Syria project by unilateral action appeared to us to be contrary to Article V of the Arab League and our common obligations under the UN and that we were taking occasion to invite the attention of those states to this. I am assured that this method of approach would not be displeasing at least to SAG, nor in the latter's opinion to the Governments of Syria, Lebanon and Egypt.

To a request for my comments I stressed that I felt sure my Government would give great care and attention to any suggestions of this or any other character on the part of HM, the purpose of which were the maintenance of peace and security in this area inasmuch as this was an objective shared by us. I hesitated to voice any opinion concerning the measures which my Government might find most suitable to bring about the attainment of the objectives desired by HM but I was satisfied my Government would give the most careful consideration to those means which might best serve that purpose.

HM in his conversations stressed the seriousness of the situation and that common interest makes it imperative that the US Government take the initiative and take the matter as seriously as it ought to be considered so as to find a settlement which is deemed practical with the British Government and to fit the decision later within the framework of the Arab League and the UN.

The recent correspondence between HM and Mr. Bevin was shown to me. I observed that the concluding paragraph of Mr. Bevin's letter stated the British Government would be interested in learning from the SAG if the assurances given to Mr. Bevin re Greater Syria were not altogether reassuring. I asked if in fact the SAG was not reassured

by the letter and in that case whether the British Government would be so informed. I was told that HM had not been entirely satisfied with the explanations given and that further inquiries would be made.

HM attaches the greatest importance to the subject of this telegram and accordingly it would be appreciated if the Department might keep me informed of any action taken with a view to meeting HM suggestions and desires in order that I may be in a position to acquaint HM with developments and to satisfy him that we are taking all those measures which we may consider appropriate to realize his objective of bringing about greater security in this area.

Sent Dept as 252; repeated Baghdad as 17, Cairo as 107, London as 14.

CHILDS

890D.00/7–947 : Telegram

The Secretary of State to the Legation in Saudi Arabia

TOP SECRET WASHINGTON, July 26, 1947—1 p. m.

203. Dept has given careful consideration to subject Legtel 252 June 20 and 258 June 21[1] and has reached certain conclusions which are outlined for your info and judicious use in explaining our position to His Majesty.

We have already made clear to Brit our concern over disturbing effects of Abdullah's Greater Syria agitation. Following these representations, Minister of State responded with House of Commons statement July 14 stating unequivocally that HMG did not favor Greater Syria movement, that it considered matter essentially and exclusively of concern to peoples and states of area, and that HMG attitude was one of strict neutrality. Although effect Brit neutrality policy has been encourage Abdullah advocate Greater Syria with resultant discordant effect on relations between Arab states, it must be borne in mind that problem is fundamentally Arab one and that success or failure Arab states maintain stability and promote progress must ultimately depend upon their own ability resolve their differences and rivalries. In our view, although some advantage would automatically accrue Brit through fruition Greater Syria scheme, owing close ties between Brit, Iraq and Transjordan, Brit doubtless realize that general stability in whole area and friendly Brit relations with all countries therein are prime considerations.

You may wish point out HM that we have no evidence present intent on part Abdullah use force achieve his aims, that Syrian Govt is very friendly to SAG and vigorously opposed to project, and that popular support for it is lacking. It is our considered opinion that obstacles in way realization Abdullah's scheme are too great for it

[1] No. 258 not printed.

constitute material threat to Saudi Arabia in foreseeable future. We do not feel that we can press matter further with Brit at present time, but shall follow matter with close interest and attention.

With reference your suggestion US and Brit Govts invite attention Arab States our view Greater Syria agitation contrary Article V of Arab League Charter, Dept is of opinion (shared by Ambassador Tuck [2]) that Arab League might consider such action as constituting unwelcome intervention in Arab affairs.

Regarding Saudi suggestion re Anglo-Egyptian dispute, Dept believes that even if Brit-American approach should contain constructive suggestion or "compromise" solution, we would doubtless be accused meddling in Arab affairs. Ambassador Tuck concurs this view [3] and notes that statement policy which he embodied in personal letter to Sidki Pasha [4] last year at time Inchass meeting was subsequently referred to on floor Egyptian Parliament by ex-Cabinet Minister as "intervention" and resulted in much unfavorable publicity for us in Egyptian press.

For your info HM's proposal general Anglo-American-Arab settlement Near Eastern problems strikes us as being too vague and impracticable character to be considered seriously as other than manifestation goodwill. In your reply to HM you may inform him we welcome suggestion mutual cooperation in working out problems common interest, and assure him that we are giving these problems our constant attention. We cannot imagine, however, that Arab world would welcome being asked to approve and carry out a series of solutions or policies relating to Near Eastern questions which had been worked out in advance by US and Brit.

In view delicacy matter and difficulty if not impossibility making answer wholly agreeable to HM on such fundamental issues, you may wish consider advisability deferring further action if you think Yassin's letter July 2 quoted urtel 271 July 9 [5] indicates sufficient satisfaction for present with response already given.[6]

Sent Jidda as [203], rptd London, Cairo and Baghdad.

MARSHALL

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[2] S. Pinkney Tuck, Ambassador to Egypt.

[3] As recorded in a memorandum of June 30 from Ambassador Tuck to Gordon P. Merriam, Chief of the Division of Near Eastern Affairs (711.90/6–2147). The Ambassador was in Washington at the time for consultation.

[4] Letter of May 27, 1946, to the then Egyptian Prime Minister, not printed; but see footnote 12, *Foreign Relations*, 1946, vol. VII, p. 75.

[5] Not printed.

[6] Telegram 203 was received in its entirety by Jidda on August 4. According to telegram 333, August 16, from Jidda, Minister Childs embodied its essential elements in an *aide-mémoire* of August 9 to the Saudi Arabian Government, the text of which he transmitted to the Department in despatch 341, August 16 (890D.00/8–1647). He presented the *aide-mémoire* to Prince Faisal at Taif on August 15. The Prince expressed great gratification with the communication and said it would be presented at once to the King. (741.83/8–1647)

Editorial Note

On August 18, 1947, the Deputy Foreign Minister of Saudi Arabia, Shaikh Yussef, handed a translation of a telegram to the American Minister which had come from King Ibn Saud, with the remark that this message had crossed the Minister's *aide-mémoire* of August 9 (not printed, see footnote 6, *supra*). The translation of the King's telegram was sent by Minister Childs from Jidda in telegram 340 on August 19, not printed. (890D.00/8–1947) The King's message spoke about a declaration made on August 11, by King Abdullah that he intended soon to call a general conference to elaborate a plan for the unity or union of Syria, the Lebanon, Palestine, and Transjordan in order that an end would be put by him to the Zionist danger threatening Palestine. Abdullah declared that he would express his idea to all Syrians, and would request the Syrian Government to call for the convocation of a general conference to consider several questions, among which would be a call for the establishment of Greater Syria as a federal state, which would include Iraq and Syria. (In addition to further details contained in this telegram, the Embassy in Cairo sent a free translation of Abdullah's declaration in despatch 2838 on August 21, not printed; 890D.00/8–2147.)

This activity by Abdullah, as well as reports received from other sources, caused King Ibn Saud to give instructions that the American Minister should be informed of these matters and that he should be requested to report to his government that Abdullah's movement was steadily gaining momentum. The hope was expressed that the United States would give this trend prompt consideration and that it might stop the movement, thereby preventing inimical results to Saudi Arabian interests.

890D.00/8–2547 : Telegram

The Minister in Saudi Arabia (Childs) to the Secretary of State

SECRET PRIORITY JIDDA, August 25, 1947—4 p. m.

335. Following continuation [*continuous ?*] conversations Shaikh Yussef, Deputy Foreign Minister, last night and this morning:

As result assurances given SAG by US, mind of HM has been very much at rest over Greater Syria until last action King Abdullah. It was because this development HM had felt it necessary ask certain

assurances British Government and to make the inquiries of us reported in my telegram No. 353 of August 24.[1]

Shaikh Yussef asked what I thought effect would be if we made known to British that we would support Syria in event aggressive action by Transjordan.

I replied it was inconceivable to me aggressive action might be undertaken by Abdullah considering that his army was under British command. British Government was fully aware of what our attitude would be in such an event.

Deputy Foreign Minister said he would have been of same opinion as I before recent message Abdullah Syrian President. If head of state capable so foolish an act he was capable of one no less foolish, namely the use of his army to carry out his views.

I answered that if Abdullah were even [*alone*] concerned I might share Yussef's apprehensions but there was the important factor involved that Abdullah's army was British-controlled. I had not been in consultation with my British colleague on subject but I felt confident British authorities in view, if nothing else, of their international obligations and desire preserve peace of this area, would be deterred from lending their support to any adventurism by Abdullah.

Yussef said he had been asked by [King ?] to inquire whether I thought matter should be referred to Security Council. I said at present stage this seemed to me to be too much in the nature of killing a fly with a sledge hammer. I expressed personal view Arab League was appropriate regional body to deal with question.

Yussef said it had been decided Syrian President would protest Abdullah's message to other Arab states and request consideration at next meeting Arab League in October. When I asked why consideration not given if matter considered so serious to calling special session he replied this difficult owing absence so many principal interested officials such as Azzam [2] in US. He added he would appreciate it if I might inquire my Government its views regarding reference question Security Council.

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[1] Not printed. This telegram from Jidda reported an oral communication was made by Shaikh Yussef to Minister Childs on August 24. The communication asserted that King Abdullah had sent a message to Syrian cabinet ministers and members of Parliament, proposing a new Syrian constitution. Additionally, the King had sent a private letter to President Kuwatly (the text of this letter, dated August 14, was transmitted by Jidda in despatch 351, August 26; 890D.00/8–2647), requesting an agreement with the President on these proposals. The communication also set forth the Saudi Arabian view that Abdullah would not have made such a declaration "unless he intends to do something" and inquired what help Saudi Arabia might count on from the United States. (890D.00/8–2447)

[2] Abdul Rahman Azzam, Secretary-General of the Arab League.

Deputy Foreign Minister said Syria was taking measures to resist any Transjordanian aggression and SAG would make declaration its intention to assist Syria in such event.[3] SAG would appreciate also if US Government could give it an assurance that it would assist Syria and SAG in opposing an aggressive action by Abdullah. He said SAG would like also information as to what assistance could be given SAG.

Yussef asked me what I thought my Government's attitude would be toward an aggressive act by Abdullah. I replied that without consulting my Government and in light public statements President and Secretary I could predict we would certainly look with the strongest possible disfavor on any aggressive action committed in this or any other area of the world. The attitude of the US Government had been clearly and unmistakably made known in this regard, as also our devotion to the principles of UN.

My Government's attitude was well known to the British Government which I believed shared its views in this respect. Possibility of an aggressive action by Abdullah on the part of troops controlled by the British was therefore to me inconceivable.

Yussef said SAG was still awaiting a British reply regarding use of British troops by Abdullah against Syria. I said I did not presume to speak for British Government but I thought I could foretell what answer would be and that was that British Government would of course not lend its troops to Abdullah for such a purpose.

Sent Department as 355; repeated Baghdad as 36; Damascus as 7. Damascus please paraphrase for other Arab capitals.

Department please repeat London as 32.

CHILDS

[3] The Legation in Jidda reported, in telegram 382, September 5, 1 p. m., that the Saudi Arabian Government had publicly announced its disapproval of King Abdullah's manifesto and had pledged its support of Syrian independence (890D.00/9–547). This appears to have been done in Official Notice No. 104 of August 31, a copy of which was transmitted to the Department by the Legation in despatch 361, September 8 (890D.00/9–847).

890D.00/8–2547 : Telegram

The Acting Secretary of State to the Legation in Saudi Arabia

SECRET WASHINGTON, September 5, 1947—7 p. m.

254. Department concurs with views expressed by you during conversation Deputy Foreign Minister (355, Aug 25). Replies to questions raised therein will be forthcoming as soon as complete facts received from other Arab capitals regarding Abdullah's latest move.

Re reference of question by SAG to UN Security Council, Dept believes that you might, at appropriate occasion, point out to Deputy

Foreign Minister that U.S. has always believed that each member nation of UN should determine for itself, without influence from other members, whether it should bring a matter to SC attention. However, U.S. also believes that parties to any dispute (the continuance of which is likely to endanger maintenance of international peace and security) should give due attention to provisions of Art 33, UN Charter, which provides that they should first of all seek solution by negotiation, etc. Although U.S. has not construed this art. to mean that parties should exhaust all methods enumerated in Art 33, nevertheless, it has felt that disputants should make concerted effort to reach settlement of dispute by means of at least one of methods specified in this art. before resorting to SC.

It should be noted that Art. 33 applies to disputes the continuance of which are likely to endanger maintenance of international peace and security. Art. 38 of Charter provides that "without prejudice to the provisions of Arts. 33 to 37 the SC may, if all the parties to any dispute so request, make recommendations to the parties with a view to a pacific settlement of the dispute". Accordingly, if dispute develops between SAG and Transjordan, and they agree to do so, they could request SC to make recommendations to settle dispute, regardless whether it is likely to endanger maintenance of international peace and security or not.

LOVETT

890D.00/9–1347 : Telegram

The Chargé in Saudi Arabia (Bailey) to the Secretary of State

SECRET JIDDA, September 13, 1947—7 p. m.

392. Summary interview Deputy Foreign Minister returned today conference King and British Chargé who presented reply King's following inquiry submitted London:

"Why does not British Government, as announced friend SAG, cause Abdullah discontinue his Greater Syria agitation endangering peace Near, Middle East and what action will British Government take if Abdullah makes military aggression against Syria?"

According Deputy Foreign Minister, Chargé replied "Transjordan is an independent country so my government cannot give any assurance re former's action since such might imply British Government attempting impose conditions on sovereign ruler. That [*The*] British Minister at Amman not inactive and going London get instructions to stop Abdullah's disturbing rumors; British Government will take appropriate action and feel peace of Syria and Transjordan not in any way threatened".

Deputy Foreign Minister reported King said British completely evaded his question, indulged in ambiguity which should not exist between friends and Chargé reply will only create more chaos.

Deputy Foreign Minister said because totally disappointing, discouraging, unexpected reply, King specifically ordered him submit thereunder question for me relaying my Government:

"What immediate military action would US take if Abdullah's army attacked Syria, Saudi Arabia, and other Near, Middle East country?" Usual diplomatic answers regarding recourse United Nations elicited following question from smiling Deputy Foreign Minister. "What you say is true but will you please comply with His Majesty's request?"

SAG appears disappointed British reply and faith British probably waning.

Sent Dept as 392; repeated to London as 38; copy by courier Arab capitals.

BAILEY

890D.00/9–1347 : Telegram

The Secretary of State to the Legation in Saudi Arabia

SECRET WASHINGTON, September 18, 1947—6 p. m.

275. In reply Legtel 392, Sept 13, you may convey substance of following to King as sympathetically as possible:—

1) In view reports received Dept from competent observers throughout Near East possibility military action by Abdullah appears remote.

2) In event aggression by Abdullah or anyone else, primary resort should be UN, in conformity with principles of that organization, of which SAG is a member.

3) Although USG fully appreciates Ibn Saud's concern over possible aggression in Near East, it is pertinent to mention that Syria, country most directly concerned, has not expressed alarm to this Govt. It is apparent that Syria feels situation in hand, and that Arab States through their own organization are capable handling affair.

Sent Jidda, repeated London, Cairo, Damascus, Baghdad.

MARSHALL

Editorial Note

On September 29, the Chargé in Iraq (Dorsz), in airgram A–318, reported the substance of remarks made to him by the Syrian Chargé on September 24, as follows: "So far as the Syrians and the rest of the Arab world are concerned, the statement made by the Iraqi Regent, H.R.H. Abdul Ilah, about ten days earlier to the effect that Iraq took

a neutral position in the Greater Syria agitation was a matter of historical significance. This was the first time that the Iraqi Regent had dared to express publicly views which ran counter to those of his uncle, King Abdullah of Transjordan. The Syrians were delighted and particularly grateful to the Iraqi Prime Minister, His Excellency Saleh Jabur, who the Syrians believe was instrumental in arranging for issuance of the statement." (890D.00/9–2947)

In telegram 406, September 29, the Consulate General in Jerusalem reported information from the Under Secretary of the Transjordanian Foreign Office five days earlier that "King Abdullah has agreed to participate no further for present in Greater Syria controversy." (890D.00/9–2947)

King Ibn Saud continued to be concerned by the Greater Syria problem. For his views on the matter later in 1947 and the reaction of the United States, see pages 738–741.

333–774—72——49

INTEREST OF THE UNITED STATES IN RESOLVING THE DISPUTE BETWEEN AFGHANISTAN AND IRAN REGARDING DISTRIBUTION OF THE WATERS OF THE HELMAND RIVER

[Documentation on this subject, involving an offer by the United States of informal good offices and the use of Washington as a neutral ground for informal Afghan-Iranian discussion of the problem, is in Department of State files 501.BB, 790H.91, and 890H.6461.]

EGYPT

CONCERN OF THE UNITED STATES REGARDING THE NEGOTIATIONS BETWEEN THE UNITED KINGDOM AND EGYPT FOR REVISION OF THE ANGLO-EGYPTIAN TREATY OF AUGUST 26, 1936;[1] THE QUESTION OF POSSIBLE EGYPTIAN RESTRICTION OF THE RIGHT OF TRANSIT THROUGH THE SUEZ CANAL

741.83/1–947 : Telegram

The Chargé in the United Kingdom (Gallman) to the Secretary of State

CONFIDENTIAL LONDON, January 9, 1947—8 p. m.

162. 1. Scrivener, head Egyptian Department,[2] informed Embassy today that on January 4 British Ambassador Cairo [3] was instructed to inform Nokrashy [4] "in no uncertain terms" that British Government stands by Bevin–Sidky Agreement [5] but that British Government cannot accept Sidky interpretation of Sudan protocol namely that at no time in future could Sudanese, if they elect to do so, become independent of Egypt. Bevin who had a hand in drafting, pointed out in instruction that acceptance of Sidky interpretation would amount to two parties agreeing to deprive a third party of its rights to be exercised at some future date.

2. British Ambassador was instructed to offer Nokrashy following alternatives:

(*a*) British Government is ready to sign present treaty text and evacuation protocol and to attend a Sudan Conference at which Britains [*sic*], Egyptians and Sudanese would be represented. Such a conference would be arranged on understanding that present Sudan Treaty arrangements would remain in force for time being.

(*b*) British Government is ready to sign texts as initialled by Sidky on understanding that Sudan's right to choose their form of Government at an appropriate time in future will be unfettered. It being

[1] For previous documentation on this subject, see *Foreign Relations*, 1946, vol. VII, p. 69 ff.

[2] In the British Foreign Office.

[3] Sir Ronald Ian Campbell.

[4] Mahmud Fahmy el-Nokrashy, Egyptian Prime Minister and Minister for Foreign Affairs.

[5] For information concerning the agreement, initialled at London on October 25 by Ernest Bevin, British Secretary of State for Foreign Affairs, and Ismail Sidky, the then Egyptian Prime Minister, see bracketed note, *Foreign Relations*, 1946, vol. VII, p. 77.

further understood that whatever choice Sudanese people may make Egypt's vital interest in Sudan, i.e. water, defense, trade, etc., will be fully protected.

3. Scrivener said that several conversations have taken place between British Ambassador and Nokrashy since above statement of British position was delivered to latter. He said that reaction of Nokrashy had been neither entirely negative nor to any degree positive. He preferred not to speculate on course Egyptians would follow. Talks are continuing.[6]

[Here follow paragraphs numbered 4 to 6, dealing primarily with the replacement of a retiring Egyptian Cadi in the Sudan by a qualified Sudanese and the appointment of Mr. Scrivener as British Minister to Syria.]

GALLMAN

[6] According to telegram 317, January 16, from London, the Egyptian Prime Minister informed Ambassador Campbell on January 12 that neither British alternative was acceptable; alternative *b* because it implied eventual Sudanese right to ask for independence and alternative *a* because Egypt insisted on prior British acceptance of the permanent unity of the Nile Valley. A spokesman for the Egyptian Department of the Foreign Office concluded that the stalemate was virtually complete (741.83/1–1647).

Telegrams 102 and 103, January 26, from Cairo, reported that, in a final effort to salvage negotiations, the British Government submitted an amendment "playing down" the right of the Sudanese to decide their future status. Following a lengthy cabinet meeting on the evening of January 25, the Egyptian Prime Minister handed an official statement to the British Ambassador informing him that the latest proposal was unacceptable. (741.83/1–2647)

741.83/1–2847 : Telegram

The Ambassador in Egypt (Tuck) to the Secretary of State

RESTRICTED CAIRO, January 28, 1947—2 p. m.

109. Nokrashy Pasha, as anticipated in my telegram 106 [*103*], January 26,[1] announced to Chamber of Deputies last night the breaking off of Anglo-Egyptian treaty negotiations and Egyptian Government's decision to appeal "the whole case" to the Security Council. At end of tempestuous 4-hour session, unexpectedly attended by King Farouk, and marked by altercations between opposition and Government deputies and by bitter and violent attacks on Great Britain by opposition, Premier received vote of confidence, 175 to 15 with 6 abstentions. Seven of 24 Makramist Deputies deserted Makram Pasha to join vote of confidence.

Prime Minister, after briefly reviewing talks between British Ambassador and himself, January 25, said that the Cabinet had taken the

[1] Not printed.

following decision: "The Egyptian Government had gone to the furtherest possible extent to conclude an agreement with the British Government. Nevertheless, it found that the proposals made by British side do not satisfy our national rights. Therefore, the Cabinet has decided to submit the country's case to the Security Council." Same statement later delivered to Senate, which is to hold debate tonight.

[Here follows one paragraph giving the views of the opposition in the Chamber of Deputies.]

Nokrashy replied that the decision to go to SC and not Assembly based on advice of experts. Foreign Affairs Committee of Senate and of Chamber would hold joint meeting February 5 to consider future procedure. Egyptian Government had conducted negotiations with "patience, diligence and good will" in effort to reconcile divergent points, but without satisfactory results. He reiterated Egypt's stand on Sudan as being permanent unity of Sudan and Egypt, affirmed by will of people and by existing realities, including common language, religion, race, and interests. Not one aspect of civilization and progress existed in Sudan but for which Egypt had paid in the most difficult financial times [*terms?*] under the inspiration of its desire to discharge "duty of reform in every district of Lower and Upper Egypt". Egypt now sought no advantage save the prosperity of the Sudan and the well-being of its people. All evidence of British policy pointed to fact that attempt to separate Sudan from Egypt has continued and is unabated. It was, however, object of his complaint and protest.

At conclusion of speech, after appeal for unity, Deputies rose in vociferous ovation, followed by vote of confidence.

Appearance at debate of King, who received frequent cheers as "King of Egypt and Sudan", regarded here as confirming his personal support of Nokrashy and of his Cabinet's policy on the treaty.

Sent Department 109; repeated London 11.

TUCK

883.812/2-2447

Communiqué Issued by the Egyptian Ministry of Foreign Affairs[1]

The Minister of Foreign Affairs communicates as follows:

Certain newspapers published a United Press notice stating that the International Congress of Maritime Transportation held at London, showed fears lest Egypt might have an intention of nationalizing the Suez Canal Company as soon as the British forces shall have evacuated Egypt. Consequently the Congress is said to have drawn the at-

[1] Printed in the French Language Press on February 21, 1947; translation transmitted by the Embassy in Cairo in despatch 2258, February 24.

tention of the governments possessing merchant marines to the vital necessity of seeing that the Canal is open to all states.

On being questioned on this subject, His Excellency the President of the Council of Ministers stated that the Egyptian Government will, in so far as it is concerned, take no step designed to establish obstacles in the way of navigation through the Suez Canal whether after the evacuation of Egypt by British troops or after the termination of the concession of the Canal Company. The Egyptian Government will leave the Canal open to navigation by all powers in conformity with the Convention of 1888, which is still in effect. This Convention guarantees the freedom of such navigation. The Egyptian Government has never ceased respecting the clauses of such treaty.

The Prime Minister concluded:

The Maritime States should be assured from now on as to the Egyptian policy in this regard so that they may be persuaded that there is no justification for the apprehensions expressed in the above mentioned Congress of Maritime Transportation.

741.83/3–1247: Telegram

The Chargé in the United Kingdom (Gallman) to the Secretary of State

LONDON, March 12, 1947.

1578. Following is substance statement re Egypt made in Commons March 11 by Prime Minister.[1]

1. Nokrashy's statement[2] re Anglo-Egyptian negotiations stated that final breakoff might be attributed only to Egypt's inability obtain satisfaction on following two essential points.

(1) Evacuation British troops from Egypt must be immediate, complete and not conditioned by treaty.

(2) Maintenance of unity of Egypt and Sudan self-government for Sudanese and restoration to Egypt of her rights in administration of Sudan in order to further preparation of Sudanese for self-government.

2. Egyptian declaration can best be judged in light Sidky–Bevin agreements of last October which provided for mutual arrangements, for defense arrangements, for evacuation and for Sudan. Agreements

[1] Clement Attlee. Telegram 604, January 28, from London, reported that Mr. Bevin had made a statement on the negotiations with Egypt before the House of Commons on January 27, expressing his "hope that broader and less stubborn counsels may come to prevail in Cairo" because a fresh treaty was called for. In the meantime, he said, the treaty of 1936 would be adhered to (741.83/1–2847).

[2] Made at a press conference on March 3.

were submitted to Egyptian Chamber Deputies November 26 and received vote of confidence. Egyptian Government informed British Government December 1 that it was ready to sign treaty and two annexes dealing with evacuation and Sudan. It was stated by Bevin in Commons January 27 sole reason why agreements not signed was endeavor Egyptian Government to construe one phrase of Sudan protocol as meaning they could rely on British support to deny to Sudanese complete freedom of choice when time came for Sudanese to choose their future status.

3. British Government had already agreed as part above arrangements to complete evacuation British troops in Egypt by 1949 which period is not excessive for winding up immense commitments of British army in Egypt which was main base for war in which British arms saved Egypt from being overrun by Nazis.

4. As Bevin had already indicated British Government is also in favor eventual self-government for Sudanese who when time comes for them to choose their future status would not be debarred from choosing complete independence or some form of association with Egypt or even complete union if Sudanese wished it. "It is not true therefore to say that 'British policy is directed towards inciting Sudanese to secede from Egypt.' "

5. Egyptian statement also says that Sudanese are of same race, language and religion as Egyptians. Prime Minister must point out that Sudanese comprise many races and types Nilotic, Hamitic, Negroid besides Arabs and out of approximately 7,000,000 Sudanese more than 2,500,000 are neither Muslim nor Arabic speaking.

6. Egyptian statement indicates Sudanese will only be able to express their views freely when British troops have evacuated Sudan. British troops in common with Egyptian troops are in Sudan at disposal of Governor-General for defense of Sudan. "It is incorrect to say that presence of either British or Egyptian troops makes it impossible for Sudanese to express their views freely." End statement.

7. Asked from floor whether evacuation British troops was being continued Prime Minister said "we have of course fallen back on our rights under 1936 treaty and while we are evacuating from Cairo we are going to Canal Zone."

8. Today's *Times* prints below statement[3] Reuter news item of March 11 from Cairo re Nokrashy's announcement to Egyptian Senate[4] that he would ask Security Council to annul 1936 Egyptian treaty. Nokrashy is reported to have expressed desire for relations between Sudan and Egypt to be similar to those existing between

[3] By the British Prime Minister.
[4] On March 11.

Northern Ireland and England i.e. home rule within Egyptian Kingdom.

GALLMAN

741.83/3–2447 : Telegram

The Ambassador in the United Kingdom (Douglas) to the Secretary of State

SECRET LONDON, March 24, 1947—7 p. m.

1834. Scott-Fox, acting head Egyptian Dept, Foreign Office, in general conversation today raised informally question of whether US would be willing to exert its influence with Egypt Govt to keep Anglo-Egyptian dispute out of SC. He said that now that Egypt have "got what they wanted out of Arab League" he thought Egypt might file its case with SC during next fortnight.

He "was not speaking officially" but he thought time might now be at hand when US, as disinterested but influential power in all UN matters, might tell King Farouk usefully that if Egypt goes to SC, it is in for a rough time and will not receive US support. He thought that it would do no good to talk in this sense to Nokrashy or other Egyptian politicians, who are already "out on a limb".

Scott-Fox said that there was nothing British could say to Farouk, who was annoyed with British over recent Parliamentary reference to a "minority Govt" in Egypt; [1] but Farouk might listen to US and take steps to stop SC move.

2. Speculating in same vein Scott-Fox said that it might be helpful also if personnel US Missions in Arab League countries would indicate informally and socially when question arose that US would not support Egypt in SC. He thought latter might be done without reference to any approach to Farouk, if Department entertained doubts about present being right time for latter move.

Sent Department 1834, repeated Cairo 36.

DOUGLAS

[1] Mr. Bevin had stated to the House of Commons on January 27 that "It is unfortunate that in the negotiations [with Egypt] His Majesty's Government have had to deal with a minority Government." (*Parliamentary Debates*, House of Commons, 5th series, vol. 432, col. 620)

741.83/3–2447 : Telegram

The Acting Secretary of State to the Embassy in the United Kingdom

SECRET WASHINGTON, March 27, 1947—7 p. m.

1365. Urtel 1834, Mar 24. Suggestions informally made by Scott-Fox could not in opinion Dept properly be followed. It is questionable

whether US which is member of SC should prejudge case by informing Egyptians that they will not receive US support particularly since US does not know exactly what claims Egypt will make. There are indications that no definitive decision has been made by Egyptians as to actual substance of case or form or time of presentation to UN.

Furthermore as to procedure suggested it should be remembered that Egypt is a constitutional monarchy and as such it would undoubtedly view unfavorably a direct approach to King rather than to Prime Min. We believe it would be inadvisable to approach King above head of Prime Min in a matter of this kind. While we hope this case can be settled outside of UN it is our general policy not to discourage invocation of UN procedure.

If Egypt referred matter to SC after hearing both parties SC might dismiss Egyptian complaint on ground that no dispute or situation existed endangering maintenance of international peace and security and therefore SC lacked jurisdiction. If SC decided that it had jurisdiction as first step it might logically call upon parties to settle dispute under Article 33(2) through further negotiation. Latter action might provide a face-saving way for Egyptian Prime Min to resume negotiations with British.

If both UK and Egypt referred matter to SC pursuant to Article 38, SC could recommend either procedures or terms of settlement regardless of whether dispute endangered maintenance of international peace and security. One possible procedure for settlement would be SC recommendation that parties refer matter to ICJ.

Sent London 1365; rptd Cairo 451.

ACHESON

741.83/4–1847

Memorandum by the Chief of the Division of British Commonwealth Affairs (Wailes) to the Acting Director of the Office of European Affairs (Hickerson)

[WASHINGTON,] April 21, 1947.

With respect to the attached telegram from Moscow,[1] the Department (NEA, IS, BC) feels that the British have a very strong case.

[1] No. 1446, April 18, 10 p. m., not printed; it gave the text of a memorandum of conversation between Benjamin V. Cohen and the Egyptian Ambassador in the Soviet Union on April 15. The latter was reported as stating that "his government hoped that our government would take the leadership in securing a decision favorable to the position of Egypt in the Security Council" and indicated further that "if we did not take leadership, our position in the Near East would be misunderstood." (741.83/4–1847) Mr. Cohen, who was the Counselor of the Department, was then serving as Counselor to the United States Delegation at the Fourth Session of the Council of Foreign Ministers, which met at Moscow from March 10 to April 24, 1947.

IS has examined at length all points which they feel the Egyptians could raise, and feel in general that these would be resolved in favor of the British. The specific issue raised in the telegram of British troops being on Egyptian soil in violation of Egyptian sovereignty has been studied carefully and it is felt that the British position is covered by the 1936 Treaty.We have turned down a British request that we should approach the Egyptians with a view to Egypt's not bringing the matter before the United Nations, on the grounds that every country should have the right to bring complaints before the Assembly or Security Council. I see no grounds whatsoever for our even considering taking the leadership in helping out the Egyptians, at least until we have seen what they have to offer.[2]

EDWARD T. WAILES

[2] Marginal notation by Mr. Hickerson: "I fully concur."

883.2311/4–2247

Memorandum of Conversation, by the Acting Secretary of State [1]

CONFIDENTIAL [WASHINGTON,] April 22, 1947.

Participants: Mr. Acheson, Acting Secretary
Mr. Henderson, Director, NEA
Mr. J. Balfour, British Embassy

Mr. Balfour called on me today in order to discuss various matters relating to the Near East. Mr. Henderson of NEA was present. During the course of the conversation, Mr. Balfour read a communication from his Government requesting the British Embassy to inquire with regard to reports that the Egyptian Chief of Staff would visit the United States. The communication requested the Embassy to point out that the British Government was somewhat surprised that a visit of this kind had been arranged without any consultation whatsoever with it. The British Government's only knowledge of the visit was that derived from newspaper reports. It had been the hope of the British Government that the two Governments would keep each other currently informed regarding events of mutual interest in the Near and Middle East.

Mr. Balfour was informed that the reports of such a visit were true; that the Egyptian Chief of Staff had already arrived in Washington and that the purpose of the visit was to permit high-ranking Egyptian Army officers to visit various American military establishments and factories in order to acquaint themselves with the manner

[1] Drafted by Mr. Henderson.

in which these establishments were being conducted and with various types of modern weapons of war. This visit had been arranged by the War Department and was not political in nature.

Regret was expressed that the British Government had not been informed of the visit. We had assumed that the matter had been discussed as a matter of course between the American and British Embassies in Cairo. We hoped that in the future, in case matters of this kind should arise, the appropriate British Chief of Mission would without hesitation make pertinent inquiries of the American Chief of Mission, who, undoubtedly, would give him all the information desired. It continued to be the policy of this Government to cooperate closely with the British Government in the Near and Middle East and to keep it informed regarding developments which might seem to be of mutual interest.

Mr. Balfour said that his Government hoped that this visit did not mean that the United States had any intention of playing the prominent role in Egyptian military affairs which Great Britian had played in the past. He was assured that we had no desire or intention of playing such a role.

841.2368/5–147 : Telegram

The Ambassador in the United Kingdom (Douglas) to the Secretary of State

SECRET LONDON, May 1, 1947—7 p. m.

2548. Personal for the Secretary. Called on Bevin this afternoon to pay my respects [here follows remainder of paragraph, dealing with the British Military Mission in Greece.]

He then discussed the British position in Egypt and explained that there was a disposition on the part of our Government through the American Ambassador in Cairo, to mediate between the British Govt and the Egyptian Govt. He hoped that we would not indicate to the Egyptian Govt a willingness to mediate, and said that he had understood that you had agreed in Moscow that we would keep our hands off.[1] He recited the history leading up to the present situation including his offer, to which the Egyptian Govt at one time had agreed, to withdraw by September 1949 all British forces. This proposal had, however, subsequently been disapproved by the present Egyptian Govt which, he indicated, was contemplating taking the question of

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[1] The Secretary of State conversed with Mr. Bevin at Moscow on March 26, but his memorandum of conversation (see vol. II, p. 289) makes no reference to any discussion of Egypt.

British troops and the relationship between the British Govt and the Egyptian Govt to the United Nations.

He said that, while he was prepared voluntarily with the Egyptian Govt to substitute a new arrangement for the one embraced in the treaty of 1936 between his Govt and the Egyptian Govt, he would not countenance intervention or action by the United Nations or any other power for the purpose of compelling his Govt to breach the terms of a treaty entered into in good faith by both parties.

He asked me to comunicate this view to you.[2]

DOUGLAS

[2] In telegram 1985, May 7, the Secretary of State instructed the Embassy in London to inform Mr. Bevin that "this Govt does not have any intention of indicating to Egyptian Govt a willingness to mediate." The Embassy was also authorized to add that "any indication to the contrary in Cairo must have been due to misunderstanding our position." (841.2383/5–147)

501.BB/5–347 : Telegram

The Secretary of State to the Embassy in Egypt

SECRET WASHINGTON, May 3, 1947—10 a. m.

705. For background information.

1. On technical grounds US considers GA more appropriate organ for solution Sudan question than SC for following reasons:

a. It would be difficult for Egypt to establish this question endangers international peace in view of long-standing relationship of UK and Egypt. In absence of such showing SC would have jurisdiction to request parties to negotiate pursuant to Article 33 or to make other recommendations only in event of consent of UK pursuant to Article 38.

b. Sudan question involves proposed peaceful revision of treaty and may be deemed situation likely to impair general welfare under Article 14, and therefore for GA.

c. GA recommendation unsatisfactory to Egypt places less onus on Great Powers than SC decision.

2. If Egypt brings controversy with UK to SC at this time, Egyptian complaint to SC likely to raise entire subject Anglo-Egyptian negotiations including both Sudan question and presence British troops in Egypt. Troop question clearly within jurisdiction of SC. USSR would almost certainly propose immediate withdrawal British troops, thus transforming matter on which considerable agreement exists between Egypt and UK into major political issue in SC and aligning USSR with Arab states.

3. Dept reaffirms general principle that all states should have free access to SC and recognizes danger of unfavorable publicity in event of any suggestion to Egyptian Govt that matter should not be brought

to SC. However, such danger would be minimized if statement confined to suggestion that GA rather than SC should deal with Sudan problem.

4. You should not express Dept's views Egyptian Govt without further clearance with Dept. Your comments, however, urgently desired concerning advisability of communicating informally these views Egyptian Govt.[1]

MARSHALL

[1] This telegram was repeated to London as No. 1947.

741.83/5–747

Memorandum of Conversation, by the Director of the Office of European Affairs (Matthews)

TOP SECRET WASHINGTON, May 7, 1947.

I received Mr. Balfour[1] this morning in response to Mr. Balfour's request of Mr. Acheson to discuss the Egyptian question.

1. Mr. Balfour first brought up the matter of reported American offers to "mediate" between the British and Egyptian Governments (See tel. No. 2548, May 1, from London). He said that his Government was quite aware from conversations both here and in London that the American Government had no intention of offering "mediation" in the Anglo-Egyptian differences. He showed me, however, the attached three telegrams[2] indicating that some of the Egyptian press and the Moscow press are playing up alleged American offers of mediation. The British Foreign Office, Mr. Balfour said, sees in this publicity preparation for an attempt to evade what he called Stalin's "commitment" to Mr. Bevin. He referred to the Bevin–Stalin interview at Moscow in the course of which Stalin had stated that he had no intention of opposing British policy with regard to Egypt, et cetera.[3] (He agreed with my comment that perhaps the Foreign Office was attaching too much importance to what might have been a casual remark of Stalin with his tongue far in his cheek.) Mr. Balfour feels the Foreign Office believes that the Soviet Government desires to use American "mediation" as an excuse for active Soviet interference in the Anglo-Egyptian dispute. His Government therefore desired to know whether in the light of these press reports the Secretary would

[1] Sir John Balfour, Minister Counselor of the British Embassy.
[2] None printed.
[3] The British record of the Bevin–Stalin conversation on March 24 (see vol. II, p. 278) contains the following statement: "Generalissimo Stalin said that the Soviet Union had no intention of interfering in the carrying out of British policy in Egypt."

be prepared to issue a public denial that the U.S. was offering to "mediate" or had any intention of so doing. I told Mr. Balfour that while I personally saw no objection to the issuance of such a denial, the decision would depend on the views of those more familiar with the question.

2. Mr. Balfour then read several telegrams concerning our consultation with Ambassador Tuck as to the relative desirability of having the Anglo-Egyptian treaty brought up in the General Assembly or in the Security Council and our subsequent report that the Egyptians had definitely decided to raise the issue in the Security Council on May 18. In the light of the foregoing the Foreign Office hoped that we would have no further discussions with the Egyptian Government on this question. They felt further talks would not prove helpful. I said that I would pass on his request and again said that personally I saw no reason why we should not comply.

3. His third question concerned the attitude of the United States when and if the question is raised by Egypt in the Security Council. He left with me the attached top secret telegram [4] setting forth British hopes. In brief, they hope that the United States will support the British position that the evacuation of British troops by September 1949 as set forth in the pending Protocol should not be accelerated. The British fear some effort in the Security Council to endeavor to speed up British evacuation to an earlier date. I said that I would likewise pass on this request.

[4] Not printed.

501.BB/5–747 : Telegram

The Ambassador in Egypt (Tuck) to the Secretary of State

SECRET CAIRO, May 7, 1947—noon.

552. I have given most careful thought to substance urtel 705, May 3, 10 a. m., and while offering my comment as to advisability unofficially communicating Department's views Egyptian Government I would request elucidation on one point which is not clear to us.

Urtel states that on technical grounds US considers GA to be appropriate organ for solution Sudan question rather than SC. Furthermore, while admitting that troop question is clearly within jurisdiction SC, Department rightly points out resulting disadvantages if Egypt brings controversy with UK to SC which would result in aligning USSR with Arab states.

In view above, is it Department's thought that both questions, namely Sudan and troop evacuation, might be referred GA in preference SC?

Before recording our reactions concerning advisability communicating informally your views to Egypt Government I wish review local situation as it now stands regarding Anglo Egyptian controversy.

From careful sifting information obtained from reliable sources I am convinced that question as to which organ of UN controversy should be referred has passed into realm of internal politics. I have been categorically informed by person mentioned in my top secret despatch 2275, February 28, 1947,[1] that while Nokrashi greatly desires treaty, his motivating ambition is to go down in history as man who got British out of Egypt. To him, Sudan question while important, has become secondary.

Nokrashi considers that time has become of essence. He feels sands running out for his tenure office. Cabinet changes expected shortly may weaken rather than strengthen his government. He therefore opposes going before GA because he regards it as a time consuming move since under charter it cannot make decisions without reference to SC. Nokrashi is also unwilling consider GA because political rivals including Haikal Pasha, whom he feels is treading on his heels as candidate for his office, are insisting on going to GA in hope that lapse time will provide opportunity for accession to power.

On other hand, Nokrashi is fully aware dangers going to SC which he anticipates may refuse hear Sudan question and may refer entire case back to interested parties under Article 33. He is also aware King Farouk and many others including Abdel Hady Pasha, Chief Royal Cabinet, Badawi Pasha of Hague Tribunal and on whose judgment he relies heavily oppose taking case to UN. Nevertheless Nokrashi regards appeal to SC as best chance secure UN action on British evacuation and will abandon it only if such evacuation can be secured by other means not including direct negotiations resumed at Egyptian request.

Source above referred to maintains that Nokrashi now more expectant of coming to America has expressed hope he may be received by President Truman with whom he could discuss matter before case comes before SC. Nokrashi has further intimated that if at that time some indication could be given SC that British would announce, as in case India, that evacuation would take place without reference to treaty say by December 1948 he would drop case before UN and undertake prepare way for signature of treaty with proviso deferring settlement Sudan question.

[1] Not printed.

These assertions emanating from above source are offered for what they are worth. I feel they follow closely Nokrashi's thinking but I cannot now evaluate his ability carry country on conclusion treaty which would postpone Sudan question.

In light this background and Nokrashi's evidently firm intention of going to SC which he will abandon only if given something better, Department may wish review its course of future action.

It may also be pertinent to inquire what reaction might be on part of British to step contemplated urtel under reference. British feel they are on firm ground if Egyptians pursue matter (particularly of Sudan) with SC. Might we not be accused of weakening British position if we were to advise Egyptians that appropriate organ for solution controversy is GA and not SC?

Has Department given consideration to approaching Egyptian Ambassador in Washington in event that it should be decided take step contemplated reftel?

In my opinion it is almost certain that if we were to communicate even informally views as set forth in urtel to Egyptian Government, matter would become public knowledge almost immediately. Egyptians would also almost certainly obscure fact that US had confined advice to appropriate organ of UN. Matter would be played up as intervention on our part leading towards resumption of direct negotiations with British.

Should Department decide, however, communicate views informally to Egyptian Government through this Embassy it might best be done by conversations either with Badawi Pasha or with Abdel Hady Pasha or possibly by contacting Jacquet, Belgian juridical counselor at Ministry Foreign Affairs, whose opinions like those of Badawi and Abdel Hady carry much weight with Nokrashi.[2]

TUCK

[2] In telegram 745, May 10, to Cairo, the Department concurred in the views expressed in this telegram and notified the Embassy of its decision not to make an approach to the Egyptian Government to discuss the Anglo-Egyptian problem or its submission to the United Nations (501.BB/5–747).

741.83/5–1447 : Telegram

The Chargé in the Soviet Union (Durbrow) to the Secretary of State

Moscow, May 14, 1947.

1772. May 6 [*sic*]. *Pravda* May 14 carries following Tass denial:

"Tass is authorized to state report of Cairo paper *Al-Ahram* to effect that in Stalin's conversation with Bevin Soviet Govt promised not to support Egypt in UN, does not correspond to facts.

"Conversation did not touch upon question of UN, or of support or non-support by USSR of any Egyptian demand in UN.

"It was stated with regard to relations between Britain and Egypt that this was affair of Britain and Egypt, and USSR, in accordance with its unchanged policy of non-intervention, does not think of intervening in this matter."

DURBROW

501.BB/5–747 : Telegram

The Secretary of State to the Embassy in Egypt

SECRET WASHINGTON, May 16, 1947—8 p. m.

778. Answering question contained in third paragraph urtel 552 May 7—solely for background information—if Sudan question referred by Egypt GA in preference SC almost certain troop question would likewise be referred GA.

Dept prefers this result for following reasons:

1. Possible in GA to separate discussion of Sudan question and troops question. On other hand in SC if questions separated unlikely that Sudan question standing alone could be placed on SC agenda since little relationship between Sudan question and international peace and security.

2. While USSR would doubtless pursue same tactics in GA as in SC (para 2 Deptel 705 [1]) majority of smaller states might oppose USSR resolution in GA that troops be withdrawn immediately. This conclusion based partly on discussions of troops question in first session GA where Egypt received little support for similar position.

3. US vote unfavorable to Egypt in GA believed to have less unfavorable effect in Arab world than same vote in SC because of greater number of states voting.

Dept confirms telegram No 745 May 10 [2] that views expressed in Deptel 705 May 3 should not be communicated to Egyptian Government.

MARSHALL

[1] May 3, p. 770.

[2] Not printed; but see footnote 2, p. 774.

800.3383/6–347 : Telegram

The Chargé in Egypt (Patterson) to the Secretary of State

RESTRICTED CAIRO, June 3, 1947—2 p. m.

652. Foreign Office advises by circular note [1] to diplomatic missions Cairo of decision Egyptian Government not to permit war vessels to anchor in Egyptian harbors except after special application to Foreign Office at least three weeks prior to date of projected naval visit.

[1] No. 30.8/5, dated May 28, 1947. A copy of the note was transmitted to the Department in despatch 2584, June 5, from Cairo (800.3383/6–547).

Same note states that in respect of transit of such vessels through Egyptian territorial waters and, by this fact the transit of the Suez Canal, notification should be given to Egyptian Foreign Office at least ten days prior to arrival on such vessels.

Following consultation with Naval Attaché, I orally drew attention yesterday of Undersecretary Foreign Office to possibility that reference to Suez Canal might not be in conformity with international status that waterway Kemal Bey has stated that he would investigate this point, since Egypt is especially desirous of maintaining legal status of Suez Canal.[2]

PATTERSON

[2] Airgram 349, June 12, from Cairo reported that Kemal Bey informed the Chargé on June 11 "that since the Egyptian Government's reference to the Suez Canal was not to be considered mandatory, but merely an expression of desire on the part of the Egyptian Government, he did not perceive that any infraction of the Suez Canal Convention was intended." (800.3383/6–1247)

883.20/6–2547

The British Embassy to the Department of State

SECRET
Ref: G63/ /47

AIDE-MÉMOIRE

THE EGYPTIAN ARMY

The Egyptian Government have intimated to His Majesty's Government that they propose to engage American military instructors for service in Egypt. This would be contrary to the terms of the Anglo-Egyptian Treaty of 1936 and we would be entitled to raise formal objections. Under the Third Note annexed to the Anglo-Egyptian Treaty of 1936 the Egyptian Government are obliged to choose, from amongst British Subjects only, any foreign instructors which they may require for their army and air force.[1]

The object of this provision in the Treaty was to ensure that the Egyptian Army would be so assisted as to enable it to collaborate as efficiently as possible with His Majesty's Government in the defence of an area strategically important both to Egypt and H.M. Government. From a technical point of view this could clearly best be achieved by British assistance were it possible for Great Britain to continue to

[1] In telegram 3608, July 1, the Embassy in London reported information from the Foreign Office that about four months before, Egypt had advised the British Government that it would like to reduce the staff of the British Military Mission in Egypt by July 1, 1947, and terminate it by the end of the year (841.2383/7–147).

supply all the material required. H.M. Government cannot, however, undertake such supplies in full at the present time. This being so, they do not wish to obstruct the development of the Egyptian Army if the U.S. Government are in fact willing to share with H.M. Government in assisting the Egyptian Army by supplying instructors or military equipment. (As regards equipment, under the Third Note annexed to the Anglo-Egyptian Treaty of 1936 it is laid down that Egyptian military equipment must not differ in type from that of the British forces and that H.M.G. undertake to use their good offices to facilitate the supply of such equipment from the United Kingdom.)

Owing to the supply difficulties of H.M.G. and to the political complications resulting from the general attitude of the present Egyptian Government, H.M.G. think that the eventual introduction of American instructors would be the best solution in the circumstances.

H.M. Government would, however, be grateful if the U.S. Government would refrain from taking any public step, whether by way of actually sending instructors or announcing their intention to send instructors or military equipment pending consideration of the threatened appeal by the Egyptian Government to the United Nations. H.M. Government are anxious to avoid giving the Soviet Government any pretext for going back on their statement concerning British policy in Egypt, an explanation of which has already been conveyed by the British Embassy to the State Department.[2] Overt U.S. action of the kind just mentioned might, in the view of H.M. Government, provide such a pretext.

H.M.G. are moreover anxious for the U.S. Government to avoid giving any definite undertaking on these lines to the Egyptian Government at this juncture, seeing that acquiescence by H.M.G. in a breach of the 1936 Treaty at this stage would have implications which need further consideration.[3]

WASHINGTON, 25 June, 1947.

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[2] See Mr. Matthews' memorandum of conversation, May 7, p. 771.

[3] This *aide-mémoire* was handed to Henry S. Villard, the Deputy Director of the Office of Near Eastern and African Affairs, on June 25 by John Balfour, the British Minister. According to a memorandum of conversation by Mr. Villard, he informed Mr. Balfour that "we were, of course, aware of the terms of the 1936 Treaty and that we had been somewhat embarrassed at the prospect of receiving an Egyptian request for American assistance in the face of these provisions. I said I was glad to note that the British Government would have no objection to the possibility of our helping the Egyptians, and that I believed this Government would be agreeable to the British proposal that no announcement be made until the Egyptian case had been disposed of in the United Nations." (741.83/6–2547). For the view of the Department concerning possible military cooperation with Egypt and its limitation because of the military clauses of the 1936 treaty, see p. 523.

501.BC/6–2747 : Telegram

The Secretary of State to the Embassy in the United Kingdom

SECRET WASHINGTON, June 27, 1947—7 p. m.

2784. There appears to be some possibility however faint that Egyptian delegates to Security Council may be disposed enter into direct conversations with Brit in New York during UN proceedings Egyptian complaint.

While we would not wish suggest or imply Brit in any way modify substance their rebuttal, question has arisen our minds whether they have taken foregoing possibility into account and if so and if tone Egyptian complaint permits, Brit might consider it wise to word reply in such manner that atmosphere would be fairly propitious for resumption direct conversations.

In discussing this with Brit you may care reaffirm US has no intention offering mediation dispute.

MARSHALL

501.BC/7–147 : Telegram

The Ambassador in the United Kingdom (Douglas) to the Secretary of State

SECRET LONDON, July 1, 1947—5 p. m.

3607. Substance Department's 2784, June 27 was conveyed today to Lascelles, head, Egyptian Department FonOff, who had following to say.

1. He readily understood Department's thinking this connection. Azzam Pasha [1] had told Beeley [2] in New York during special UNGA that Brit and Egyptian Governments should get together behind SC scenes and work out an agreed solution which SC could rubber-stamp.

2. Azzam had been told that there were moral and formal objections to cooking up a solution behind back SC which might thereby lose some prestige. After making this point, which Lascelles thought should not be given exaggerated importance, Azzam was asked on what basis he thought there could be a behind-the-scenes settlement. Egyptians in British view would have to find way to return to terms roughed out in Bevin–Sidky agreement or there would be nothing to talk about.

3. Lascelles said that observers might understandably assume that when negotiation impasse is reached the two parties are sulking and that exercise of good offices, in this case by Azzam or Arab states, might push or pull two parties into agreement.

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[1] Abdel Rahman Azzam, Secretary General of the Arab League.

[2] Harold Beeley, officer in the Eastern Department of the British Foreign Office immediately responsible for Palestine affairs; at this time a member of the British Delegation to the Special Session of the U.N. General Assembly.

4. However, Lascelles could categorically assure Embassy that for its part British Government is neither sulking nor holding back: Bevin–Sidky agreement stretched British position to utmost and there is no concession British can now make to Egypt without jeopardizing British vital commitments to British people re Sudan or creating dangerous defense vacuum in Egypt between now and September, 1949.

5. Some members WAFD pass lightly over Sudan issue and tell British that if British will shorten materially withdrawal date Egyptian public opinion will swing so far over to British that "British [*sic*] will get kind of treaty it wants". Lascelles thought there was nothing to this vague line because WAFD itself has been taking an extreme attitude on question and resultant treaty, if any, would be of little practical value.

6. Lascelles said that British Government appreciates fully political difficulties involved for Egyptian politicians in retreating from their stand. Perhaps Egyptians would not have gotten themselves into present box if they had realized that Bevin, in dealing with Sidky, had honestly and sincerely moved to maximum extent towards Egyptian point of view. Egyptians had tried standard Near Eastern trick of rating Bevin's concessions at zero and endeavoring to negotiate from these British concessions as merely a starting point. Actually, British have no more concessions to make (Embassy's 3364 of June 19 [3]).

7. Lascelles said that Bevin had discussed to some extent British stand vis-à-vis Egypt with Secretary in Moscow. He knew of American interest in problem and since he had just given Embassy British view of situation he thought it logical to inquire informally how Department's impartial eyes regard Bevin–Sidky proposals. He was speaking personally but he would like to know whether Department officials think these proposals are fair and reasonable. Does Department, for example, see any [apparent omission] to which British Government could move in direction of Egypt without jeopardizing vital interest? Embassy representative promised to put these questions to Department in same informal manner as Lascelles posed them. Lascelles appeared to be honestly curious to know Department's views and to have in back of his mind idea that FonOff may be too close to B–S proposals to see them altogether in perspective.

[Here follows paragraph 8 on Arab leaders who might attend the Security Council meeting.]

DOUGLAS

[3] Not printed.

800.3383/7–347 : Telegram

The Secretary of State to the Embassy in Egypt

CONFIDENTIAL WASHINGTON, July 3, 1947—7 p. m.

998. Reply to Egyptian Govt re its desire that war vessels transiting Egyptian territorial waters including Suez Canal give ten days advance notice is under consideration US Govt. In view statement to you that this notice is not mandatory but merely desired, Dept is notifying Navy Dept that it is apparently unnecessary for American vessels to give this notice until definite decision has been reached by US Govt.[1]

MARSHALL

[1] In compliance with this telegram, the Embassy reported in telegram 906, July 30, from Cairo, the submission of an appropriate note to the Egyptian Foreign Office on July 11. The note did not evoke further comment from Egyptian sources (800.3383/7–3047).

Editorial Note

On July 8 the Egyptian Prime Minister addressed a letter to the Secretary General of the United Nations in which he stated that "British troops are maintained in Egyptian territories against the unanimous will of the people. The presence of foreign troops within the territory of a member of the United Nations Organization . . . is therefore contrary to the letter and spirit of the United Nations Charter". The communication invoked Articles 35 and 37 of the Charter and requested the Security Council to direct "total and immediate evacuation of troops from Egypt, including the Sudan" and "termination of the present administrative régime in the Sudan." The text of the letter is printed in United Nations, *Official Records of the Security Council, Second Year* (hereinafter cited as SC, *2nd yr.*), *No. 59*, page 1343. The Security Council placed the matter on its agenda on July 17 and deferred consideration of the matter until August 5 (*ibid.*, pages 1345, 1346).

741.83/7–1447 : Telegram

The Secretary of State to the Embassy in the United Kingdom

SECRET WASHINGTON, July 14, 1947—4 p. m.

3003. Embtel 3607, July 1. You may say to Lascelles, speaking quite informally, that Brit proposals to set up a joint Consultative Defense Board and to evacuate their troops entirely from Egypt by Sept 1 1949 seem reasonable. It has occurred to us, however, that if some

concession re date of evacuation of troops proper as distinct from guards and transport units for stores could be made, it might be helpful especially if in form of unilateral Brit commitment outside any treaty framework. Such commitment might perhaps be contingent upon specific Egyptian request.

With regard to Sudan, it seems to us that Brit position that at some time in future Sudanese should have right to opt for their political status, even complete independence, is a strong one. However we are inclined to think it might be easier for Egyptians to accept general formula carrying this principle than formula relating specifically and solely to Sudan now carried in protocol. For example, first sentence of protocol might read somewhat along following lines utilizing language contained in Chapter XI of UN Charter: "The policy which the High Contracting Parties undertake to follow in the Sudan (within the framework of the unity between the Sudan and Egypt under the common crown of Egypt) will have for its essential objectives to promote to the utmost within the system of international peace and security established by the Charter of the United Nations the well-being of the inhabitants of the Sudan, and, to this end, to assist them in the progressive development of their free institutions, and to take into due account, among other factors, their political aspirations." It occurs to us that some such formula would have advantage of utilizing set of principles and procedures to which both Brit and Egyptians are already committed.

Looking at matter as objectively as possible, however, we inclined to doubt whether foregoing would go far enough because of Egyptian anxiety over what will happen in Sudan from now to time of option. According our understanding, Egypt considers that in interim period Egypt should have opportunity to put best foot forward in Sudan, so that when time comes for Sudanese to opt they will have had fair opportunity to judge what advantages and disadvantages tie with Egypt would entail. We wonder whether in this respect consideration might be given to some concession not jeopardizing any Brit vital interest but which would serve to provide Egypt with more active participation in administration and development of Sudan. Suggested opportunity for Egypt to put best foot forward might include such arrangements as appointment reasonable numbers of Egyptian officials by Egypt with Brit concurrence, opportunity for investment Egyptian capital in business enterprises and public works.

It has further occurred to us that if Brit should consider arrangements along line preceding para at all feasible (doubtless safeguards would be necessary to prevent EG from putting worst foot forward in Sudan) they might wish so state in connection with renewal Bevin

offer to work out agreement with Egyptians and Sudanese. Perhaps this offer could take form of suggestion that tripartite commission work out details in Sudan itself after making comprehensive visit to that country.

In sum, viewing matter as impartially as we can, main Egyptian apprehensions re Sudan seem to us to be, first, that if present administration continues unchanged dice are in effect loaded against future tie with Egypt; second, that Egypt really knows little about Sudan and problems except in relation to basic Egyptian interests such as Nile waters and cultural bonds with North. It would seem to us that tripartite commission working in Sudan itself might lead to easing both difficulties. Finally, we are inclined to feel that although Egyptian case before SC may be weak, should Egyptians later refer Sudan problem to GA they might receive substantial support for claim to equal share in operation of condominium.

MARSHALL

741.83/7–1647 : Telegram

The Ambassador in the United Kingdom (Douglas) to the Secretary of State

SECRET LONDON, July 16, 1947—6 p. m.

3889. 1. Lascelles listened with deep interest to contents Dept's 3003, July 14 re Egypt, and was most appreciative of Dept's informal views. He said that negotiations were "stuck" and in these circumstances new thoughts on a subject are always helpful.

2. Following are Lascelles' personal off-hand reactions to ideas in reftel:

(*a*). Troop evacuation date was given most careful consideration during Bevin–Sidky conversations and he doubted whether there is anything to be done on this score. First problem facing British is "where shall our troops go?" Situation is very different from that in India because there a complete evacuation from Indian area is taking place. This was not true in Middle East. With fate of Palestine in balance and future of Cyrenaica uncertain it is essential that British have in the area some operational troops. He said, "I imagine your general staff agrees that this is desirable." Asked whether any distinction could be drawn between troops proper and service troops, Lascelles said he understood from British military that operationally speaking troops proper must be last to go. Lascelles indicated that if Cyrenaica or some other place should become available as British base before September 1949; there could be a speed-up of withdrawal from Egypt.

(*b*). Lascelles' reaction to Dept's suggested phrasing of first sentence of protocol was that it was "too general to be of practical use". He said that when Sidky returned to Egypt, what up to that time had been

thought a pretty clear statement, was made object of interpretation which British regard as serious distortion. Dept's phrasing was even more general than original and he thought that if it were employed it would offer a much wider opportunity for disagreement re interpretation. He foresaw that if it were used, British Government would be asked in Parliament whether it meant that Sudanese would have free choice re their political future in accordance with assurances previously given Commons. When British Government answered yes, Egyptian Government in Egyptian Parliament would be likely to take contrary line. With more room for debate than existed in original protocol the battle of interpretations might be resumed. Lascelles had no doubt that Egyptians, with new room to maneuver in mind, would be pleased to sign in accord with Dept's suggestion.

(*c*). Lascelles was most interested in Dept's idea that consideration might be given to more active Egyptian participation in administrative development of Sudan. He said that so far as he knew there was no obstacle to investment of Egyptian capital in business enterprises and public works. As for participation at level of political administrators in Sudan, he thought that it is now "a bit late to attempt this". In first place Egyptians by and large hate serving in Sudan and when posts are advertised in both UK and Egypt very few Egyptian candidates (and these mostly unsuitable) appear. Meanwhile, Sudanization of Sudan civil service is about 75 percent complete and this has led to decline in number of British officials. Those remaining must be highly qualified by 10 to 15 years service in Sudan and must be wholeheartedly devoted to Sudanization program. If there were to be an Egyptian official for every British official, only way this could be done would be to start training from bottom of Sudan civil service so that after about 15 years, Egyptian trainees would be ready for difficult and specialized work of political administrators. Experience has shown that Egyptians are only interested in going in at the top and British have good reason to fear that instead of selfless administrators, Egyptians would send politicians to Sudan.

(*d*). Re Dept's idea of tripartite commission to work out in Sudan after comprehensive visit, details of Egyptian participation in Sudan administration, Lascelles said that during Bevin–Sidky talks British had offered with a view to bringing in Egyptians at a high level a permanent tripartite higher council to consider development of self-government for Sudanese but that this offer produced no reaction.

(*e*). Re Dept's idea that Egypt might receive substantial support for its claim to equal share in operations of condominium, Lascelles agreed that this was likely because Sudan is *sui generis* and its problems are not readily understood. He said that "essential weakness" of British position re Sudan is that Egypt charges that British administration is influencing Sudanese against Egypt. British deny this but it is a case of word against word. Lascelles said that no decision has been taken but that he personally thought that only way to overcome this difficulty would be to have an international investigation of conditions in Sudan along lines of UN Commission sent to Greece in connection with border incidents. He knew that there are many difficulties inherent in use of such a commission but he was sure Sudan Government would welcome a thorough international investigation of British ac-

tivities in Sudan. Asked whether he contemplated such a commission leaving behind a group to keep constant watch over situation, Lascelles said that he had not thought this through but off-hand he could see no objection to such a group provided "we are spared Russians or Poles". Lascelles emphasized that idea of investigating commission has not been cleared in FonOff. He promised to advise Embassy if and when British adopt this as a line of policy vis-à-vis SC.

3. Lascelles made detailed notes and Embassy believes that even though Lascelles' off-hand reactions to them are somewhat negative, Dept's thoughts will be carefully considered in FonOff which fully appreciates circumstances in which they have been tendered.

DOUGLAS

501.BC/7–1847 : Telegram

The Secretary of State to the Embassy in Egypt

CONFIDENTIAL WASHINGTON, July 18, 1947—8 p. m.

1061. Our UN Delegation has been embarrassed by press statements attributed to members of Egyptian Delegation to effect US has prejudged Anglo-Egyptian case adversely for Egypt. Although Dept does not wish dignify matter by issuing statement here, it would be helpful if Embassy would make appropriate public denial of truth these press allegations and stating that US position has not yet been determined and will not be until question has been discussed in SC.

Telegraph text your statement.[1]

MARSHALL

[1] Telegram 878, July 24, from Cairo, transmitted the full text of the statement which was issued to the Egyptian press in Arabic, English, and French on July 23 and was widely and prominently published in all three languages and in every case as issued (501.BB Palestine/7–2447).

883.51/6–447 : Telegram

The Secretary of State to the Embassy in Egypt

CONFIDENTIAL WASHINGTON, July 23, 1947—3 p. m.

US URGENT

1076. Board Eximbank Jul 16 approved resolution establishing credit $5.6 million to assist Fertilizer & Chemical Industries of Egypt financing purchase US goods and services. (Urtel 655 Jun 4 [1]) Advances to be covered by notes Chemical Industries bearing interest 3½% to be repaid semiannually beginning Jul 1, 1950 ending Jan 1, 1953.

[1] Not printed.

[Here follow further details of the credit and a statement that the matter was "not for public release at present."]

MARSHALL

883.002/8–147

Memorandum of Conversation, by the Secretary of State [1]

RESTRICTED [WASHINGTON,] August 1, 1947.

Participants: Secretary of State
His Excellency Nokrashy Pasha, Prime Minister of Egypt
Mahmoud Hassan, Ambassador of Egypt
Stanley Woodward,[2] S/S–PR
Henry S. Villard, Acting Director, NEA

I received His Excellency Nokrashy Pasha, Prime Minister of Egypt, today by appointment. He was accompanied by the Egyptian Ambassador.

After a brief exchange concerning the history of Egypt, the Prime Minister explained that he had come to the United States to represent his country in the presentation of the Egyptian case to the Security Council on August 5. He said that in this appeal to the United Nations Egypt looked to the United States for support, for without such support Egypt could not win. He wished to explain some of the reasons why Egypt counted on the help of the United States and why Egypt had attempted to formulate her policies generally in accordance with those of the United States.

The Prime Minister said that Egypt was seriously hampered in her desire for full independence by the continued presence of British troops on Egyptian soil. In accordance with the terms of her treaty with Great Britain, Egypt was prevented from raising an army of her own. The forces that were allowed to Egypt, numbering some 18,000 men, were sufficient only for police purposes and the spirit had in general gone out of the Egyptian army. It was essential for Egypt to arm herself in preparation for defense since, in the Prime Minister's opinion, the next world war might well start in Egypt.

If the British troops remaining in Egypt were removed, Egypt would be free to establish her own national defense forces and could be expected to develop an adequate army. The security of the area would thus be enhanced and Egypt would be able to take her rightful

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[1] Drafted by Henry S. Villard, Acting Director of the Office of Near Eastern and African Affairs.

[2] Chief of Protocol.

place among the nations of that region. The United States, he felt certain, would be interested in the contribution which Egypt could therefore make to the "democratic bloc".

The Prime Minister said he was also sure that the United States favored industrialization as a means of developing friendly relations among the peoples of the world. Egypt was on the verge of an industrialization program. Moreover, Egypt feared communism and was anti-communist in sentiment, primarily because communism was contrary to the Moslem religion. I asked the Prime Minister to define the latter statement. He explained that the Moslem religion laid stress on the rights of the individual, that it respected private enterprise as well as private property. Basically the Moslem religion was opposed to the concept of communism.

If British troops were not removed from Egypt and Egypt was unable to develop her own forces, a feeling of discontent would arise among the masses. This would inevitably lead to the spread of communist propaganda and Egypt would thus afford a fertile field for communist infiltration.

I asked the Prime Minister about the population of Egypt. He replied that there were 26,000,000 inhabitants, including the Sudan. I then asked about the rate of literacy. The Prime Minister thought it was approximately 25 percent, not including the Sudan. He explained some of the steps which had been taken to increase the educational standards.

The Ambassador added further details in regard to the alleged failure of the British, while in control of Egypt, to do anything to improve the literacy standards. He went at some length into the reasons for Egyptian dissatisfaction with the British. He added that if Egypt were treated as an equal and as an independent nation, Egypt could be called upon in any future struggle involving the "democratic bloc". If not, it was to be feared that Egyptian support for the democracies would not be forthcoming.

At the conclusion of the interview I expressed my personal pleasure at having had the opportunity to meet the Prime Minister. I said that I had listened with intense interest to what the Prime Minister had to say and that he could rest assured his views would be very carefully taken into account by this Government.

Editorial Note

The British Government, on August 1, 1947, issued a White Paper (Cmd. 7179) entitled "Papers regarding the Negotiations for a Revision of the Anglo-Egyptian Treaty of 1936".

501.BC/8–447 : Telegram

The Secretary of State to the Acting United States Representative at the United Nations (Johnson)

SECRET WASHINGTON, August 4, 1947—7 p. m.
US URGENT

336. Following is sent to you for your guidance in Anglo-Egyptian case:

(*a*) We believe that SC should adjourn after both Egypt and UK have had opportunity to make their opening statements. We believe complex issues will undoubtedly arise from presentation of cases by disputant parties. Therefore, SC members should have at least one week to study Brit and Egyptian positions and to consult their Govts. Temporary adjournment would also afford parties opportunity to institute diplomatic measures with view to reaching solution in case. Accordingly US should initiate or support proposal to adjourn.

(*b*) If question of participation of Sudanese Govt officials arises Dept believes SC may invite them to supply info or give other assistance in accordance with Rule 39 of SC Rules of Procedure. Sudanese Govt obviously does not fall in categories stipulated in Arts 31 or 32 of UN Charter.

(*c*) Dept does not believe analogy of Brit position in Egypt to that of US in Philippines or Cuba is entirely accurate or would be well received in this country or strengthen Brit case. Dept leaves to your discretion whether this should be pointed out to your Brit colleague. He of course should be assured however that US does not desire to influence UK presentation of its case.

(*d*) US still hopeful that after parties present their cases they will be able to settle differences through resumption of negotiations. However since probability of resumption of negotiations seems slim at present Dept is carefully studying other possible solutions. Our additional views will be forwarded to you after we have had opportunity to study Brit and Egyptian opening statements.

MARSHALL

501.BC/8–847 : Telegram

The Secretary of State to the Acting United States Representative at the United Nations (Johnson)

SECRET WASHINGTON, August 8, 1947—2 p. m.
US URGENT

341. Following is US position on Anglo-Egyptian case for your guidance.

I. *Background:*

On August 5, 1947 SC heard statements of Egyptian PriMin and representative of UK on Anglo-Egyptian controversy.[1]

[1] For the statements by Prime Minister Nokrashy and British Representative Sir Alexander Cadogan, see SC, *2nd yr., No. 70*, pp. 1745, 1767.

Egyptian PriMin stated to SC that dispute which has arisen with UK over presence Brit troops in Egyptian territory and administration and future status Anglo-Egyptian Sudan is endangering international peace and security. He claimed that presence foreign troops in Egyptian territory is infringement of Egyptian sovereignty, is contrary to wishes of Egyptian people, and is without legal sanction. Latter position is based on argument that Anglo-Egyptian Treaty of 1936 which provides for stationing of Brit troops in Egypt is no longer valid because it was signed under duress, conditions have changed, and is contrary to UN Charter. Egyptian PriMin also maintained that question of administration and future status of Sudan was matter for "people of Nile Valley" to decide. He asked SC to direct immediate evacuation of all Brit forces from Egypt and the Sudan and to direct termination of administrative régime in the Sudan.

Reply of UK representative was devoted largely to a refutation of the claims of Egypt, i.e., UK representative asserted that Egyptian Govt had shown no grounds for SC action, since presence of Brit troops in Egypt and arrangements for Govt of the Sudan are based on valid treaties, freely negotiated and publicly acknowledged, which are continuing in force. He emphasized that Brit policy with respect to the future right of the Sudanese to choose their status would not be abandoned.

Hence, statements of both Egyptian PriMin and UK representative were, in fact, based principally on the question of the validity of the Treaty of 1936 as the legal sanction for presence of Brit troops in Egypt and for the present Govt of the Sudan.

Preliminary conversations between representatives of USUN and the two disputants have indicated that neither side is ready either to resume negotiations at this time or to accept a recommendation by SC that they do so. As to the possibility, however, that negotiations may be resumed, see Baghdad's #318 of August 2.[2]

II. *The Problem:*

The withdrawal of the UK from Egypt sooner than the UK has already agreed upon raises serious questions involving the security of that area, questions which are of great interest to all Members of the UN. At the same time, in view of intensely nationalistic feeling in Egypt, this Govt has not wished to take position which would further complicate our relations with the peoples of the Near East. Moreover, should question arise as to whether Anglo-Egyptian question is dispute continuance of which is likely to endanger international peace and security, we could not, on merits of question at the present time,

[2] Not printed.

support Egyptian position. Dept also wishes to minimize opportunity this case provides USSR to propagandize and perhaps propose solutions not in interests of this Govt or UN. Finally, prolonged argument of case in SC might have some adverse affects on American opinion.

For these reasons, US Govt is particularly interested in early settlement of controversy.

III. *Recommendations:*

It would be most desirable if UK and Egypt could agree to accept SC resolution recommending that parties continue negotiations or settle their dispute by peaceful means of their own choice. USUN should immediately explore this possibility with UK and Egyptian delegations. If, as seems likely, two parties cannot agree to a solution of this nature, USUN should proceed along following lines:

a. US should immediately explore with UK and Egyptian representatives possibility of introduction of resolution at next meeting of SC by which SC would suggest to parties that case be referred to ICJ under terms of reference to be agreed upon by two parties. (Reference to ICJ could be made on legal issues and/or *ex aequo et bono* depending on which course most acceptable to two parties.)

It would be desirable if parties could agree in advance to such resolution and every effort by USUN should promptly be made to seek such agreement. In view of statements by member of UK Delegation, it is believed that UK would not oppose adoption of such a resolution. It is recognized, of course, that reference to ICJ of legal issues alone would most likely result in decision for UK, and that a court decision might not provide solution of some of the substantive issues which have been in dispute during negotiations between UK and Egypt. (Dept office of legal advisor has expressed opinion that 1936 Treaty is valid, continues in force, and is consistent with UN Charter. Dept regards these legal questions as justiciable by ICJ.) Egyptian delegate might prefer reference *ex aequo et bono* since equities in case could thereby be determined.

If it is thought that the two Governments would not oppose a resolution along above lines, US should make every effort to obtain agreement of another member of Council to introduce such a resolution at earliest opportunity. By an early action of this kind, possibility of protracted argument by other members of SC on case might be diminished. USUN has been advised that both Belgian and French representatives are thinking of a settlement of this nature.

b. If one or both parties will not accept reference to Court as proposed in "*a*" above, USUN should explore acceptability of resolution suggesting that parties would settle dispute by submitting it to an arbitration tribunal of their own choice. In meantime matter could remain on list of those matters of which SC is seized and parties should report to SC results obtained.

c. In event that agreement of parties cannot be obtained in advance to one of aforesaid recommendations and parties are not themselves able to propose suitable alternative acceptable to US, USUN should

seek agreement of Belgian or some other representative to introduce resolution recommended in paragraph "*a*". If it is impossible to obtain consent of Belgian or some other representative on Council to introduce such a resolution, US should itself make such a proposal in next meeting of SC or as soon thereafter as practicable.

d. To avoid possible restrictions on future SC jurisdiction and politically undesirable reactions in Near East, Dept believes that it is important that SC avoid a decision as to whether this dispute is likely to endanger the maintenance of international peace and security. In discussing with Egyptians proposal to refer case to Court, you may wish if other arguments prove unavailing, to point out to them as last resort that if SC must make determination US cannot agree that their complaint as it now stands establishes a dispute the continuance of which is likely to endanger the maintenance of international peace and security.

e. For your information Dept would not agree to act as mediator in this dispute.

Sent to New York, repeated to London [as 3402] and Cairo [as 1161].

MARSHALL

501.BC/8–847 : Telegram

The Secretary of State to the Acting United States Representative at the United Nations (Johnson)

SECRET WASHINGTON, August 8, 1947—6 p. m.

US URGENT

343. Brit Chargé[1] left following *aide-mémoire* at Dept this afternoon:

"Suggestions have been made that the proper course for the Security Council to take on the Egyptian appeal to the Security Council would be to recommend reference to the International Court on the validity of the Anglo-Egyptian Treaty of 1936.

H.M. Embassy are instructed to say that His Majesty's Government have no doubt whatever that their case, which rests on the sanctity of treaties, is so strong that they must firmly maintain their view that the only course open to the Security Council is to reject the Egyptian plea outright and declare that the situation does not threaten international peace and security. H.M.G. are convinced that a vital matter of principle is at stake which is of fundamental importance to all members of the United Nations. No treaty would be safe if the Security Council were to burke the issue by some compromise solution such as a reference to the International Court. H.M.G. cannot conceive the Security Council doing otherwise than make an unequivocal decision dismissing the Egyptian appeal out of hand. Any other decision would cut at the root of the principle of the sanctity of treaties.

[1] Sir John Balfour.

It is clear for all to see that H.M.G. have shown themselves ready to negotiate a revision of the 1936 treaty in accordance with the provisions which it contains, and even to go beyond the letter of their obligations therein. H.M.G. remain ready to negotiate such a revision. But they hold strongly that it must be in accordance with the treaty provisions for revision, and not under the duress of an appeal on the agenda of the Security Council.

Mr. Bevin trusts that the Secretary of State will instruct the United States delegate to the Security Council to support H.M.G. unreservedly."

Chargé was told US Govt has no doubt of legal soundness of Brit case but that we consider it unrealistic to say that it is inconceivable that Security Council might do anything other than dismiss Egyptian appeal out of hand. In this connection reference was made to Indonesian case as evidence of hasty action of which Council seems capable in disregard of legal aspects.[2] We anticipated there might well be considerable support for Egyptian plea on ground that considerations of principle outweighed legal technicalities.

We did not wish to advise Brit Govt nor urge any particular course of action. However, we did wish to explain our apprehensions in this matter.

In our view best course would be to find some means of removing dispute from Council as soon as possible. This could most easily and safely be done by action of the parties to the dispute in agreeing to resume negotiations or attempt some other means of direct peaceful settlement. We emphasized provisions of Article 33 of Charter which require that parties to dispute must make every effort to settle matters among themselves before appealing to Security Council. Failing resumption of direct negotiations, it seemed to us that resort to International Court would be less objectionable than to run the danger of possible attempt by Security Council to achieve more drastic solution.

It was suggested that if Brit could convince Council that possibilities of direct negotiation had not been exhausted, Egyptians might find themselves in difficult position if they persisted in refusing resume negotiations.

Essentially, thoughts expressed to Chargé were that Brit Govt would be making mistake to stand rigidly on its legal position and insist that Council dismiss Egyptian complaint out of hand. We hoped Brit would find some way of avoiding sharply drawn issue in Council.

Foregoing for your info. Dept does not feel this discussion need prevent action by USUN on lines set forth Deptel 341, Aug 8.

Sent to USUN; rptd London [as 3411] and Cairo [as 1168].

MARSHALL

[2] See memorandum of conversation, August 2, by Under Secretary of State Lovett, vol. VI, p. 1006.

501.BC/8–1247 : Telegram

The Secretary of State to the Acting United States Representative at the United Nations (Johnson)

SECRET WASHINGTON, August 12, 1947—6 p. m.

US URGENT

346. Statements Egyptian and Brit reps in SC [1] on Anglo-Egyptian controversy contain line of approach which may lead to further embitterment feelings both parties. This seemed particularly true Egyptian statement SC meeting Aug 11 which may provoke vigorous Brit reply (possibly including disparaging references Egyptian war effort etc). Statements this character however warranted they may be will not contribute willingness of parties accept formula for early disposition case and may have repercussions in Egypt. Dept hopes you can find opportunity informally to advise Brit and Egyptian reps our views this regard. As you know Sec Gen Arab League concerned lest present trend lead to impasse and anxious to minimize hostile feeling in Arab states toward US and UK which would follow SC decision against Egypt. Dept shares this view. In view of above Dept believes if opportunity should arise postponement SC meeting on case scheduled Aug 13 would be desirable to allow "cooling off" period of approximately one wk and time for action along lines Deptel 341 Aug 8. In event postponement August 13 meeting impossible Dept suggests you consider proposing or supporting motion at conclusion of meeting that proceedings be postponed for similar period.[2]

MARSHALL

[1] The U.S. Mission at the United Nations reported in telegram 728, August 12, that the British and Egyptian Representatives resumed debate "in lengthy refutations" on August 11 (501.BC/8–1247) ; for the official record of their remarks, see SC, *2nd yr., No. 73*, pp. 1858, 1875.

[2] The Security Council continued to discuss the Egyptian case on August 13, hearing further statements by the British and Egyptian Representatives; for the official record of their remarks, see *ibid., No. 75*, pp. 1946, 1956. The Polish Representative began the general debate the same day, supporting the Egyptian demand for immediate, complete, and unconditional withdrawal of British troops from Egypt and the Sudan. He also stated that he had no suggestion for a solution of the status of the Sudan. The official record of his remarks is included *ibid.*, p. 1961. The U.S. Representative made no proposals at the meeting of August 13; the next meeting of the Council did not take place until August 20.

501.BC/8–1547 : Telegram

The Acting Secretary of State to the Acting United States Representative at the United Nations (Johnson)

SECRET WASHINGTON, August 15, 1947—4 p. m.

US URGENT

353. There follows Dept's views as to what have been significant developments thus far in Anglo-Egyptian case. In addition Dept's

opinion of what course US should now pursue in light of these developments is also set forth.

I. (*a*) *UK attitude*—UK apparently still desires SC to reject Egyptian charges and not to retain matter on SC agenda since such might imply UK was in some way at fault.[1] UK however seems quite ready to resume negotiations with Egypt. (Re S/P.V./182 [2] p. 30)

(*b*) *Egypt*—While attitude of Nokrashi Pasha in SC would seem to indicate that Egypt desires complete evacuation of Brit forces from Egyptian territory and termination of Brit administration in Sudan Dept nevertheless has reasons to believe that this is an extreme position from which Egyptian Govt would retreat if suitable compromise could be evolved. Reasons for belief are attitudes of Azzam Pasha (reDeptel 346 Aug 12), Fawzi Bey and Faris el Khouri [3] as reported to Dept. Dept understands that Fawzi Bey believes Egypt would be willing to accept disposition of case by SC in following order of preference: (1) recommendation by SC that UK and Egypt resume negotiations with aid of mediator (2) recommendation by SC that parties resume negotiations during which period SC would keep matter on continuing list of items of which it is seized (3) recommendation by SC that parties refer matter to ICJ. (Dept understands Fawzi Bey believes SC cannot drop matter entirely. Such action would be repugnant to Egypt. Ref urtel 742 Aug 15 [4]). It is understood that Faris el Khouri prefers second alternative proposed by Fawzi.

(*c*) *Brazil*—Since Brazilian rep believes that SC should either (1) dismiss case or (2) recommend parties resume negotiations and drop case from agenda or (3) failing that SC should recommend resumption of negotiations and keep matter on continuing agenda (reurtel 738 Aug 13 [4]) it is evident that Brazilian does not feel Egypt has made strong case.

(*d*) *Other delegations*—Dept believes statement of Polish rep indicates either Poland or USSR may submit resolution to SC calling upon UK to remove troops from Egypt. Since USSR has indicated desire to

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[1] According to telegram 4352, August 12, from London, Michael Wright, Assistant Under-Secretary in the British Foreign Office, informed an Embassy officer that Mr. Bevin, the previous day, had expressed keen disappointment that U.S. support for the British position had not been as clear-cut as he had hoped. Mr. Wright thought it essential that the Security Council firmly express the view that the Egyptians had not made their case and advise both sides to resume negotiations. He also felt it particularly important that the Council not allow the case to remain on its agenda, thereby casting doubt on the essential principle of the sanctity of treaties (501.BC/8–1247). For further views of Mr. Bevin on the Egyptian question, see Mr. Henderson's memorandum of September 9, p. 496.

[2] This symbol was used to designate the provisional record of the 182nd meeting of the Security Council which took place on August 13. For that portion of the remarks made by Sir Alexander Cadogan on British readiness to resume negotiations with Egypt, see SC, *2nd Yr., No. 75*, p. 1956.

[3] The Egyptian and Syrian Representatives, respectively, at the United Nations.

[4] Not printed.

speak at next meeting, Dept believes it most probable that resolution of this type may be introduced at that time. Dept understands however that Brazilian rep has also requested (reurtel 739 Aug 14[5]) opportunity to speak.

II. Dept believes that there are important similarities between attitude of Egyptian delegation as expressed by Fawzi Bey, positions of UK and Brazil and US position which has thus far been based on hope that it might be possible for parties to resume negotiations or settle dispute by peaceful means on own choice. Chief points which apparently remain to be settled before negotiations can be resumed are:

(*a*) Whether or not a mediator should participate in negotiations.
(*b*) Whether or not matter should remain on list of items of which Council continues to remain seized.
(*c*) Nature of SC recommendations to parties i.e. whether SC will (1) express hope etc. (2) recommend etc. (3) or suggest to parties that they resume negotiations.

Dept does not believe UK would accept idea of mediator participating in negotiations after parties had resumed them. In addition question of selecting mediator is extremely difficult. US does not desire to act as mediator nor does it desire to be placed in position of refusing to perform (reDeptel 341 Aug 8) that role.

As far as question of retaining matter on list of those of which Council is seized Dept suggests that it might be possible to meet both Brit and Egyptian desires by following formula employed in first Iranian case by which SC simply requested that parties inform SC of results achieved from negotiations. This does not necessitate retaining matter on continuing list which is apparently abhorrent to Brit. At same time however it would give to Egypt certain solace in form of realization that whatever results are achieved from resumption of negotiations will be presented to SC at some future date.

Manner in which SC would indicate to parties its desire that they resume negotiations is not of fundamental importance in Dept's view. We would prefer that SC make simple expression of hope that parties resume negotiations. If there were evident willingness of parties to do this Dept believes such simple expression of hope would be sufficient.

III. Conclusions:

(*a*) Dept adheres to its original belief that settlement of this dispute should be accomplished by resumption of negotiations by parties.

(*b*) While we do not believe that mediator would be acceptable to Brit and while US does not wish to perform in such capacity we believe that this is matter which should be left to Brit and Egyptians to settlement between themselves.

[5] Not printed.

(*c*) We hope that it will be possible for Brit and Egyptian reps to SC to agree upon formula for resumption of negotiations prior to SC meeting on Aug 20. You are at liberty to assist informally and on confidential basis in any way you deem feasible to bring about such agreement.

(*d*) As to whether SC should remain seized of question Dept believes that there is no real reason for such and believes that SC should simply request parties to inform it of results achieved by negotiations. (You might wish to point out however to your Brit colleague that if matter is on continuing list of SC there is less likelihood that Egypt would present matter to GA.) If, SC decides to retain matter on list, Dept believes that it should be made very clear that no guilt whatsoever is being imputed to UK by such action.

(*e*) Since there is strong possibility that USSR may present resolution calling for removal troops it may be desirable to suggest that Brazilian rep present resolution when he speaks in SC along lines set forth in subparagraph (*f*) below.

(*f*) SC resolution disposing of case might be along following lines: "SC takes note of statements made by reps of UK and other SC members; it expresses hope that parties will resume negotiations at earliest opportunity and that they will report to Council results achieved therefrom."

(*g*) Should it be impossible for parties to agree on basis for resumption of negotiations Dept believes consideration should then be given to reference of matter to ICJ. In this connection Dept adheres to pertinent passages re ICJ in Deptel 341, Aug 8.

(*h*) Finally Dept hopes that you will take whatever steps you consider are necessary either by consultation with delegates or other means to effectuate general objectives and thoughts expressed herein prior to Aug. 20.

Attention London: Please inform For Office of US views as set forth in 3402 and 3411 Aug 8 [6] and this telegram.

Sent NY as Dept's 353 rptd London as Dept's 3510 and Cairo as Dept's 1191.

LOVETT

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[6] These telegrams repeated telegrams 341 and 343 to New York, pp. 787, 790. The substance of this telegram was given to Michael Wright on August 16. Telegram 4452, August 16, from London reported his preliminary reaction was that "Dept's formula does not make it sufficiently clear to world that Egyptians have not made their case. He feels that while evasion of this fact might be of short term utility general issue at stake is too big to leave it unclarified. On other hand Wright felt strongly that SC recommendation should be worded in manner calculated to respect Egyptian sensibilities." (501.BC/8–1647)

501.BC/8–1947 : Telegram

The Acting Secretary of State to the Acting United States Representative at the United Nations (Johnson)

SECRET WASHINGTON, August 19, 1947—5 p. m.

US URGENT

361. In conversation with Loy Henderson Aug 16 Azzam Pasha stated his belief that, in order to be acceptable to Egyptian Government, any SC solution of Anglo-Egyptian dispute should be more than simple recommendation by SC that parties resume negotiations. Azzam indicated that Egypt desires that possibility of third party mediation not be foreclosed. He strongly implied orally and in personal letter to Secretary,[1] handed to Henderson at same time, that some form United States mediation was desired by Egypt.

You are fully aware Dept's views re US mediation in this case (re Sec III, *e* Deptel 341 Aug 8). However, Dept suggests that in your conversations with Brit and Egyptian delegations you determine whether they might be receptive to SC resolution along following lines (re Par L [*1?*], Sec. III, Deptel 341, Aug 8 and Par *f*, Sec. III, Deptel 353, Aug 15).

"SC takes note of statements made by Reps of UK, Egypt, and other SC members; SC expresses hope that Egypt and UK will resolve their differences by negotiation, mediation, or other peaceful means of their own choice at the earliest opportunity, and that they will report to the Council the results achieved therefrom."

As you will note, this draft resolution would permit Egypt and UK to resort to other means of pacific settlement, in addition to negotiation, if they so desire. Dept still believes that UK would prefer not to have reference made to other means of peaceful settlement than negotiation. However, we believe that it is essential to have Egypt and UK agree upon a formula for the settling of this dispute as soon as possible. We recognize that legal position of UK in this case is based upon sound concepts of international law. We believe, however, that other aspects of situation must be considered and that efforts must be made to find solution which, while not weakening theory of sanctity of existing treaties, would nevertheless aid in resolving present differences between the UK and Egypt.

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[1] Copy of the letter, dated August 13, handed to Mr. Henderson on August 16.

For similar reasons, draft Brazilian resolution contained urtel 757 [2] would be acceptable to Dept. It might be more satisfactory to UK if reference to Art 33 Charter were omitted from Preamble. In addition, substitution of word "suggests" for "recommends" might be more palatable to UK. Formulation of paragraph (A) would give wider scope to possible methods of agreement if it were amended to read: "(A) To resume direct negotiations or seek a solution of the dispute by other peaceful means of their own choice". These suggestions are in hope that if resolution is so changed prior to its introduction in SC it will be more acceptable to the parties.

While the Dept has hitherto believed that there are no substantial reasons why matter should remain on list of those of which Council continues to be seized, Dept is now more inclined to believe that if leaving the matter on continuing list would aid in settling case and if it were made very clear that no guilt was being imputed to UK thereby (re part *d*, Sec. III, Deptel 353, Aug 15) it might be desirable to have matter retained on continuing list. One practical result which would be achieved from such action would be to lessen probability of case being referred by Egypt to GA.

Whether parties should report to SC on specific date has been studied in Dept. At present we are inclined to doubt wisdom of such a course, particularly if matter remains on SC continuing list. However, Dept leaves this to your discretion.

Attention London: Please inform FonOff of above views.

Sent NY 361. Repeated to London 3556. Cairo 1201.

LOVETT

[2] Dated August 18, not printed; the draft resolution read: "The Security Council . . . considering that the pacific methods of adjustment provided for by Article 33 of the Charter have not been exhausted and that a settlement of the dispute may best be attained through resort of those methods:

Recommends to the Governments of the United Kingdom and Egypt:

A) To resume direct negotiations and, should these negotiations fail, to seek a solution of the dispute by other peaceful means of their own choice;

B) To keep the Security Council informed of the progress of these negotiations." (501.BC/8–1847)

Editorial Note

Ambassador Johnson addressed the Security Council regarding the Egyptian case on August 20. He noted his impressions that the Council did not feel justified in condemning the United Kingdom and that the Council had genuine sympathy for the Egyptian desire for complete independence. After expressing his hope that the United Kingdom and

Egypt would still reach agreement, he announced support for the Brazilian resolution. The text of his remarks is printed in SC, *2nd yr.*, *No. 80*, page 2114.

The Brazilian Representative had presented his resolution earlier the same day; for text, see *ibid.*, page 2108. It differed inconsequentially from the draft quoted in footnote 2, page 797.

501.BC/8–2147 : Telegram

The Ambassador in the United Kingdom (Douglas) to the Secretary of State

SECRET
US URGENT

LONDON, August 21, 1947—9 p. m.

4554. 1. Scott-Fox said tonight that Bevin and Foreign Office were satisfied with resolution and events re Egypt yesterday in SC until Cadogan reported that UN Secretary General had told him after debate that in Secretary General's opinion Brazilian resolution means that Egyptian case will remain on SC agenda.

2. Since removal from SC agenda was one of Bevin's main objectives, Bevin reacted "violently" when he heard of Secretary General's opinion. He said that if case is left on agenda this contains implication that British Government is some way at fault and that he was not prepared to negotiate under duress. Moreover Bevin thought Egyptians would use continuance on agenda as weapon when negotiations are resumed.

3. Result of these strong feelings was urgent telegram to British Embassy Washington and to British Embassy in other friendly capitals instructing them to seek last minute support for some change to resolution which would make it clear that case will not remain on agenda.

4. Egyptian Department officials at 8 p. m. were waiting for Bevin to emerge from Cabinet meeting in order to get his approval of a telegram to Cadogan instructing him as a last resort to accept resolution as it stands and after the voting to make the observation that in British opinion under rule of procedure No. 10 the resolution means that matter has been removed from SC agenda. Scott-Fox said that UN department Foreign Office feels that it is on strong ground in taking this line. If any country disagrees it can challenge the British opinion and application of rule 10 can be decided.

5. Scott-Fox said that "USG may feel we are being tiresome about this, but I assure you that Mr. Bevin's personal feelings are deeply involved." Embassy gathered that Foreign Office officials do not feel

as strongly as Foreign Secretary re removal of case from agenda. Draft telegram mentioned paragraph 4 is result of their efforts to find compromise which Bevin will accept. Officials are still uncertain whether he will sign it.[1]

Department please repeat USUN.

DOUGLAS

[1] Telegram 4558, August 22, 1 p. m., from London reported that Mr. Bevin signed the telegram under reference, and it was despatched on the night of August 21 (501.BC/8–2247). Officers of the British Embassy, on August 21, made representations to the Department on the question of removing the Egyptian case from the Security Council agenda. They were informed of the United States position along the lines of the penultimate paragraph of telegram 361, August 19, p. 796. The Department notified the U.S. Mission at the United Nations in telegram 371, August 22, that its "primary objective is securing adoption of Brazilian or similar resolution. If in your opinion support for Brit position re continuing list would not jeopardize such adoption, Dept feels it advisable that you support Brit position. Initiative should be left to Brit in this matter, as Dept believes they are over-emphasizing importance of this point." (501.BC/8–2247)

Ambassador Johnson, in his remarks before the Security Council on August 28, stated: "I must state quite frankly that I do not understand why the delegation of the United Kingdom attaches such enormous importance to having this matter dropped from the agenda. . . . I shall vote for the Brazilian resolution in the belief and understanding and hope that subparagraph 3(b) means that the Security Council remains seized of this question." (SC, *2nd yr., No. 86*, pp. 2296–2297)

Editorial Note

The Security Council continued discussion of the Egyptian case on August 20, 22, 26 and 28, 1947. The Brazilian resolution, as amended, was put to a vote on August 28. Six members, including the United States voted in favor, one voted against and three abstained. The resolution was not adopted, having failed to obtain the affirmative votes of seven members.

Thereupon, the Colombian Representative introduced a resolution calling upon the British and Egyptian Governments

"1. To resume direct negotiations with a view:

"(*a*) To completing at the earliest possible date the evacuation of all United Kingdom military, naval and air forces from Egyptian territory, mutual assistance being provided in order to safeguard in time of war or imminent threat of war the liberty and security of navigation of the Suez Canal; and

"(*b*) To terminating the joint administration of the Sudan with due regard to the principle of self-determination of peoples and their right to self-government;

"2. To keep the Security Council readily informed of the progress of their negotiations." (SC, *2nd yr., No. 86*, page 2305)

For the official record of the discussions on the Egyptian case from August 20 through August 28, see *ibid., Nos. 80, 82, 84* and *86*, pages 2103, 2163, 2234 and 2283, each ff.

841.2383/8–2847

Memorandum by the Director of the Office of Near Eastern and African Affairs (Henderson) to the Under Secretary of State (Lovett)

TOP SECRET [WASHINGTON,] August 28, 1947.

(1) It has become clear that the continued presence of British troops in Egypt represents a liability not only to Great Britain but to the United States and the Western world in general. Their presence is poisoning the atmosphere of the whole Near and Middle East so rapidly and to such an extent that unless some indication is given in the near future that British troops are to be withdrawn from Egypt [1] unconditionally, at a set date, that date to be the earliest practicable, the relations of the Arab world with the Western world may be seriously impaired for many years to come.

(2) In the present international situation Arab hostility towards the United States and towards the Western world would be extremely harmful to our interests. Among other damaging results, a hostile attitude on the part of the Arabs would threaten from the rear the position we are desperately trying to hold in Greece, Turkey and Iran. We should therefore be extremely careful to avoid any action which might be seriously injurious to our relations with the Arab world while at the same time overlooking no opportunity for affirmative action which would strengthen those relations.

(3) Consequently, we consider it extremely important to try to find some means privately to induce Great Britain to make known immediately that it intends unconditionally to withdraw its troops from Egypt at a given date. The evacuation of British troops from the Suez Canal Zone does not appear to present a serious problem, although they are reported to number as high as 90,000. There appear to be, however, tremendous quantities of British material stored in the Zone (reportedly worth one billion dollars) which must be moved before all British troops could be withdrawn, since it is too valuable to be left without British forces to guard it.

(4) Although we believe that British troops should be unconditionally withdrawn from Egypt at the earliest practicable date, we strongly believe that Britain should continue to maintain a base in the eastern Mediterranean area. It would be extremely unfortunate from our point of view for the British troops and matériel now in Egypt to be removed from the Near Eastern area, since it is clear that if Great Britain is to serve as a stabilizing factor in the area, it should

[1] For further views of the Department of State concerning the desirability of the evacuation of British troops from Egypt but their retention in the general area, see the undated memorandum prepared in the Department, p. 521, and Mr. Hare's memorandum of October 9, paragraphs numbered 5 to 8, p. 561.

have some base to replace Egypt. There is already a tendency in certain British circles to withdraw entirely from the Near and Middle East leaving no great power established in that area, and thus exposing it to Russian aggression or infiltration. It is essential that this British tendency be discouraged. The question therefore arises as to where the British forces might be sent.

(5) We have received intimations from the British that they are considering bases in Cyrenaica as probably the most desirable substitute for Egypt, and they have informally endeavored to obtain an expression of our views on this matter. It is understood that our own military and naval planners agree that Cyrenaica is in fact the best location for a base to replace Egypt. It will be recalled that Cyrenaica is a part of the Italian colony of Libya and that in Article 23 of the Italian peace treaty the Foreign Ministers of the United States, Great Britain, France and the Soviet Union will determine the disposition of the Italian colonies. The treaty provides that if within one year of its coming into force no agreement has been reached, the matter shall be submitted to the General Assembly of the United Nations. It seems unlikely that agreement will be reached among the four Foreign Ministers; therefore, if the Italian treaty goes into effect, the question of the disposition of Cyrenaica, along with that of the other Italian colonies, will go before the General Assembly. It might be possible, particularly in case the friendly backing of the Arab world could be obtained, to rally the two-thirds vote in the General Assembly necessary to give Great Britain a non-strategic trusteeship for Cyrenaica or possibly to arrange for the establishment of an independent state of Cyrenaica, or all of Libya, which would be willing to give the British bases in Cyrenaica. If the British should be granted a simple trusteeship, it is probable that its terms could be drafted in such a way as to enable Great Britain to maintain bases in Cyrenaica without its being designated as a strategic area.

Great Britain is in actual occupation of the territory, and therefore in the absence of any agreement on the part of the four Foreign Ministers or the General Assembly on the subject, Cyrenaica would probably continue under British occupation for an indefinite period of time.

If our objective of retaining Arab good-will is to be achieved, it is obvious that the establishment of British bases in Cyrenaica must have Arab acquiescence. This may be difficult to obtain, but there are definite indications that the Arabs do not want the British forced out of the Near East entirely and, specifically, that they might be willing to see the British established in Cyrenaica as the price of securing their withdrawal from Egypt.

(6) It is therefore recommended that our Government urge the British to indicate at once to the Egyptian Government that they are prepared to announce their intention unconditionally to withdraw all British troops from Egypt by a definite date. In issuing such an announcement the British Government could make it clear that its decision was based upon its desire for friendly relations with Egypt and that it still considered that under the 1936 Anglo-Egyptian Treaty it had the right to retain these troops in Egypt. At the same time we should inform the British Government that if it would like to transfer its troops and matériel to Cyrenaica immediately we would have no objection thereto. Furthermore, we would be disposed eventually to support arrangements for the establishment of permanent British bases in Cyrenaica when the final disposition of that territory is decided, provided such arrangements could be effected in accordance with the principles of the United Nations Charter and provided the making of such arrangements proves to be practicable in the light of the then existing international situation.[2]

[2] Mr. Lovett transmitted Mr. Henderson's memorandum to Secretary of War Kenneth C. Royall and to Secretary of the Navy James Forrestal on September 18, noting that the Department's conclusions were as set forth in the memorandum (841.2383/8–2847).

Editorial Note

The Security Council voted on each section of the Colombian resolution (see Editorial Note, page 799) on August 29. The United States supported the resolution except for the one section calling for mutual assistance in the defense of the Suez Canal. None of the sections commanded the necessary majority. Faris el-Khouri, President of the Security Council, thereupon stated, without a formal vote by the Council, that the Colombian resolution was not adopted and that the Egyptian case remained on the agenda. For the official record of the Council meeting on August 29, see SC, *2nd yr.*, *No. 87*, page 2319.

501.BC/8–2947 : Telegram

The Chargé in the United Kingdom (Clark) to the Secretary of State

SECRET LONDON, August 29, 1947—6 p. m.

4706. 1. Michael Wright, Superintending Under Secretary Foreign Office, asked Embassy officer to call today and displayed text of personal message from Foreign Secretary Bevin to Acting Secretary sent this morning via British Embassy Washington in connection with

statement in SC yesterday by US delegate to effect that mutual defense arrangements between UK and Egypt are "pointless."[1]

2. Wright said that Cadogan's telegram reporting this position as having been taken by USDel in yesterday's debate came as "bombshell" which all Foreign Office officials from Bevin down found hard to understand. Initial reaction in Foreign Office according Wright is that USDel "may have made it impossible for Britain and Egypt ever to work out a defense pact."

3. Wright said that it is essential for Foreign Office to know as soon as possible whether statement by USDel represents considered policy of USG re any future alliance between UK and Egypt. If so, Wright thought that high level talks subject should be arranged as soon as possible. If statement does not represent US policy and if time did not permit instructions to USUN which would make the true position clear, Wright hoped that Acting Secretary or Secretary would find suitable occasion to dispel impression created yesterday in SC re US attitude towards future UK-Egyptian alliance.

4. Wright said that a UK-Egyptian alliance up to present has been regarded by British General Staff as of vital importance to peace of area. Consequently, Wright thought that question as to whether USG is opposed to such an alliance would be put to War Department by War Office through military channels.

5. Wright expressed belief that if and when negotiations are resumed between UK and Egypt, Egyptians will lose no opportunity to quote USDel as spokesman of US policy. He said that it was for this reason that Foreign Secretary Bevin attached such importance to clarification of actual US position.

Department please pass to USUN.

CLARK

[1] Mr. Bevin's message was incorporated in a letter of September 2 to Mr. Lovett from British Ambassador Inverchapel and was delivered by an officer of the British Embassy the following day. It expressed Mr. Bevin's deep concern that Ambassador Johnson's remarks of August 28 in discussing the Colombian resolution were calculated not only to render difficult if not impossible the negotiation of an Anglo-Egyptian treaty but also to undermine the whole British strategic position in the Middle East. Mr. Bevin found it difficult to understand this point of view at a time when the United States was urging the United Kingdom to maintain its military commitments in Greece and elsewhere (501.BC/9–247).

501.BC/8–2947 : Telegram

The Acting Secretary of State to the Embassy in the United Kingdom

SECRET WASHINGTON, August 30, 1947—2 p. m.

US URGENT

3800. Urtel 4706 Aug 29. British Ambassador called yesterday afternoon to express British Govt's concern Herschel Johnson remarks.

However he did not make clear that FonOff gave them such far-reaching interpretation as indicated urtel.

It would appear that FonOff has jumped unwarranted conclusions based incomplete reports. For your info and for possible clarification of FonOff following is exact text of para in which remark appears:

"I prefer the Brazilian resolution because I think it should be in general terms. The main object is to get a resolution which would commend itself to the loyal co-operation of the two parties, and on which the Council could reach a majority opinion. I must say that while I do not see any objection to it particularly, I do not see any reason why the second phrase of the first paragraph starting with the words 'mutual assistance' should be in there, or why the Security Council should think it necessary to put such a mandatory stipulation in recommendations to two sovereign states. It seems to me that it might very well come out, and then the resolution would be acceptable to my delegation." [1] (The word "pointless" does not appear anywhere in verbatim text of Johnson's statements Aug 28.)

As should be apparent from foregoing text, Johnson did not at all mean to say that US Govt had slightest objection future mutual defense arrangements between Britain and Egypt. He was merely expressing our view that specific recommendations to two states that they conclude such arrangements went beyond proper scope of Security Council action in this case. Furthermore, to insist on clause in question which was unacceptable to Egyptians would defeat purpose of Council which is to find solution acceptable to both parties regarding method of reaching agreement on their present differences.

Johnson, who was speaking extemporaneously, was addressing himself to the needs of the resolution before the Council and not to the merits of the Anglo-Egyptian dispute.

Our info does not indicate that Council or public interpreted Johnson's statement in sense in which it appears understood by FonOff. To remove any possible doubt you may assure FonOff this Govt has not in any way changed its position regarding any mutual defense arrangements between Egypt and Great Britain which might follow settlement of present dispute.[2]

Sent to London as [3800], rptd to New York as [383].

LOVETT

[1] The official record of Ambassador Johnson's remarks is printed in SC, *2nd yr., No. 86*, p. 2312.

[2] On September 9, the Secretary of State replied to Lord Inverchapel's communication of September 2 (see footnote 1, p. 803) along the lines of this telegram (501.BC/9–247). For further affirmation of parts of telegram 3800, see telegram 3883, September 8, to London, p. 330.

501.BC/9–347

Memorandum of Conversation, by Mr. Joseph C. Satterthwaite, Special Assistant to the Director of the Office of Near Eastern and African Affairs (Henderson)

CONFIDENTIAL [WASHINGTON,] September 3, 1947.

Participants: Acting Secretary of State (Mr. Lovett)
Nokrashy Pasha, Egyptian Prime Minister
Hassan Pasha, Egyptian Ambassador
C. Tyler Wood, A–T [1]
J. C. Satterthwaite, NEA

At the close of the meeting between the Prime Minister and the Acting Secretary, arranged by the Egyptian Embassy with the voluntary information that political subjects would not be discussed, the Prime Minister nevertheless remarked that he would like to mention the status of the Egyptian case in the Security Council before taking his leave. He said that he was most grateful for Mr. Herschel Johnson's statement that the clause in the Colombian resolution relating to the conclusion of a mutual assistance agreement between the British and the Egyptians for the defense of the Suez Canal did not properly belong in the resolution. It was pointed out at this point that Mr. Johnson did not mean that the U.S. is opposed to the conclusion of such an agreement, but rather that it did not belong in the resolution. Nokrashy Pasha said that he had discussed the question with Mr. Johnson and understood our position.

The Prime Minister went on to say that he felt that everybody including the British were in essential agreement that British forces should be withdrawn from the Suez Canal. The British, however, desired to exact a mutual defense agreement with Egypt as the price of this concession. It would, he said, be impossible for Egypt to accept this arrangement or to renew negotiations on such a basis. Furthermore, an arrangement of this kind made under compulsion would not be of nearly as much value as an agreement reached voluntarily.

The Prime Minister expressed the hope that the United States could break the impasse by persuading the British to announce the withdrawal of British forces from Egypt unconditionally. He also expressed the opinion that the influence and power of the United States was such that it could accomplish anything it desired in the Security Council.

[1] Deputy to the Assistant Secretary of State for Economic Affairs (Thorp).

Mr. Lovett told Nokrashy Pasha that he had been under very heavy pressure during the Secretary's absence and had not been able to keep up to date on this particular question. He expected, however, to go into the matter more thoroughly in the not distant future.[2]

J[OSEPH] C. S[ATTERTHWAITE]

[2] According to a memorandum of September 2 by Mr. Satterthwaite to Mr. Lovett, President Truman and the Secretary of State received the Egyptian Prime Minister on September 1 (883.003/9–247). However, no record of their discussions has been found in Department of State files.

In a memorandum of September 5 to the Secretary of State, Mr. Satterthwaite stated that the Prime Minister called on Mr. Lovett at 12:30 p. m. and on Secretary of War Royall at 4 p. m. on September 3 "to present a request on behalf of the Egyptian Government for military advisers for the Egyptian army and air force and for assistance in developing a small arms and munitions industry.

"Mr. Lovett explained that he could not go into the merits of the case for lack of legislative authority. You will recall that the so-called Military and Naval Missions bill is still pending in Congress." (883.20/9–547) For further information on this subject, see p. 521.

501.BC/9–647 : Telegram

The Acting Secretary of State to the Acting United States Representative at the United Nations (Johnson)

CONFIDENTIAL WASHINGTON, September 6, 1947—1 p. m.

387. For Herschel Johnson. Maclean and Bromley, Brit Emb, today presented Department following draft resolution suggested by FonOff re Anglo-Egyptian case:

"The Security Council:

"Having considered the dispute between United Kingdom and Egypt brought to its attention by the letter of the Prime Minister of Egypt dated 8/7/1947; considering that the methods of adjustment provided for by Article 35[*33*] of the Charter have not been exhausted; believing that the settlement of the dispute may best be obtained under existing circumstances through recourse to those methods; noting the desire of the Egyptian Government for the early and complete evacuation of British troops from Egypt; noting also that the Government of the United Kingdom, notwithstanding the fact that the Anglo-Egyptian Treaty of 1936 is still in force, have shown their willingness to negotiate a revision of that Treaty which would involve the withdrawal of British troops from Egypt; having confidence that the renewal of negotiations will result in agreement between the two parties:

"Urges the Governments of the United Kingdom and Egypt

(*a*) To resume direct negotiations and should such negotiations fail, to seek a solution of the dispute by other peaceful means of their own choice and

(*b*) To inform the Security Council of the result of those negotiations."[1]

Dept's views on this will be forwarded to you on Sept 8.

LOVETT

[1] In a memorandum of September 8, Mr. Satterthwaite informed Mr. Lovett that "Herschel Johnson and Sir Alexander Cadogan were to have met yesterday morning to discuss possible texts for a new resolution to be introduced in the Security Council by the Chinese delegate. Their objective was to find a formula which would satisfy the British point of view and at the same time enlist the support of either the Colombian or Syrian delegate, these two being the doubtful quantities which have hitherto prevented the Council from securing the necessary majority of seven in voting on the earlier resolutions. The current attitude of the British Foreign Office is shown by the attached copy of a draft resolution which the British Embassy left with us on Saturday [September 6]. It is if anything slightly less conciliatory than earlier proposals, and the Embassy said that the Foreign Office has now reached the view that it would prefer no resolution at all to anything which might give the Egyptians reason to believe that they had the moral support of the United Nations vis-à-vis Great Britain. The Foreign Office asked our close support in this regard." (501.BC/9–847)

501.BC/9–847 : Telegram

The Secretary of State to the Acting United States Representative at the United Nations (Johnson)

CONFIDENTIAL WASHINGTON, September 8, 1947—1 p. m.

US URGENT

389. For Herschel Johnson. Dept has no objections Brit draft resolution (Deptel 387, Sept 6) except to clause "notwithstanding the fact that the Anglo-Egyptian Treaty of 1936 is still in force" which it considers to be a statement which if adopted would constitute a SC decision on merits of this part of case. If any reference to 1936 Treaty need be made the wording in previous draft resolution handed to Dept by Brit at meeting attended by Noyes[1] Sept 3 would be more acceptable. "Noting that the Govt of the UK while asserting the continuing validity of the Anglo-Egyptian Treaty of 1936 have already withdrawn their troops from Egypt and are ready to negotiate completion of the evacuation."

This matter was discussed personally with you and Noyes and Dept leaves to USUN discretion wording of compromise resolution which in USUN opinion could be passed Sept 9 and which would presumably be introduced by Chinese delegate. This might be along lines of proposed draft resolution submitted by Noyes in meeting at Dept Sept 3 which we understand was acceptable to Cadogan or Brit draft resolution of that date or a combination of the two.

MARSHALL

[1] Charles P. Noyes, Adviser to the U.S. Mission at the United Nations on Security Council and General Affairs.

741.83/9–847 : Telegram

The Ambassador in the United Kingdom (Douglas) to the Secretary of State

SECRET LONDON, September 8, 1947—7 p. m.

4867. Egyptian Department Foreign Office asked Embassy today to advise Department that Foreign Office greatly appreciates contents Department's 3800, August 30, and in particular reaffirmation of US policy in final paragraph.

Foreign Office feels that at some stage US Government should make it clear that its policy remains to encourage an agreement between British and Egyptian Governments of which mutual defense arrangements will form a vital part. In Foreign Office view irrespective of outcome of Anglo-Egyptian dispute before SC, when Anglo-Egyptian negotiations are resumed, possibility of agreement will be just as far away as ever unless principle of mutual defense is admitted in some form.

Foreign Office has no definite ideas as to how and when statement of US views might be made. Foreign Office believes important thing is to make Egyptians understand that US favors such an agreement.

British Embassy, Washington, was instructed September 6 to approach Department in above sense.[1]

DOUGLAS

[1] Lord Inverchapel approached Mr. Lovett on this matter on September 8. The Acting Secretary of State informed him that "the advisability of making such a statement would depend on the nature of the resolution the British might agree to; and that if such a resolution did not have a fair chance of success, a public statement might alienate the support of the Syrian or Colombian members, without whose vote a decision seemed impossible." (Memorandum of conversation, September 8, by Mr. Satterthwaite, 841.2383/9–847).

Editorial Note

The Chinese Representative, on September 10, submitted a further resolution to the Security Council. In telegram 825, September 11, from New York, the U.S. Mission at the United Nations reported that the resolution "recognized Egypt's 'natural and reasonable desire' for early complete evacuation of British troops; noted that the UK had already evacuated troops from parts of Egypt; expressed SC 'confidence that the re-establishment of direct contact . . . will result in early evacuation' of remaining troops; and recommended resumption of negotiations and a report to the SC by Jan. 1, 1948." (501.BC/9–1147) The full text of the resolution is printed in SC, *2nd yr., No. 88*, page 2344.

The Chinese proposal failed of adoption, the United States abstaining. Andrey Gromyko, President of the Security Council, ruled that the Egyptian question remained on the agenda (*ibid.*, pages 2362, 2363).

501.BC/9–1747 : Telegram

The Secretary of State to the Acting Secretary of State

RESTRICTED NEW YORK, September 17, 1947—8:10 p. m.

845. USUN proposes to introduce in SC attached Egyptian case resolution with a statement along following lines:

"It is quite clear that the majority of seven members of the SC favor a disposition of this case under Article 33 of the Charter by requesting the parties to renew the negotiations which were so nearly successful. Various resolutions proceeding on this basic assumption have been presented to the SC and voted upon. The Council has so far been unable to find the exact form of word which would command the support of seven of its members.

"At the last meeting only one issue appeared to separate the parties to the dispute as well as those members of the Council who had expressed themselves in favor of further negotiation by the parties. That issue was as to the procedure which the parties should follow in conducting their negotiations. On the one hand, the thought was expressed that the problem of evacuation should be separated from the other issues and dealt with first; on the other hand, the thought was expressed that all the issues should be negotiated together.

"In view of the US delegation, this disputed issue of procedure between the parties should be made the subject of negotiation equally with all other issues of a procedural or substantive character that pertain to the present dispute. If the Council is to declare in effect that the parties have not exhausted the remedies of Article 33, it should, in our opinion, follow that principle through to its conclusion and require the parties to negotiate with respect to all issues separating them. We feel that it would be wiser for the Council not to attempt to make a decision on this or any other point in dispute between the parties when recommending further action under Article 33.

"The record of the Council's discussion and consideration of this matter has been made. The members of the Council expressed their positions both by statements and by votes. The parties can and undoubtedly will consider this record carefully when considering what action they should take under any resolution the Council should pass. It is perhaps not too much to say that the exact tone of the resolution is no longer of such importance as it might have been when, for example, the first Brazilian resolution was introduced.

Draft Resolution:

"The Security Council, having considered the dispute between the United Kingdom and Egypt brought to its attention by the letter of the Prime Minister of Egypt, dated July 8, 1947;

Having noted the views expressed by its members during the discussion, and the position each member has taken with respect to the various resolutions and amendments thereto placed before the Council;

Considering that the methods of adjustment provided for by Article 33 of the Charter have not been exhausted and that the settlement of the dispute may best be obtained under existing circumstances through recourse to those methods;

Recognizing the natural desire of the Egyptian Government for the early and complete evacuation of British troops from Egypt;

Having confidence that the renewal of negotiations between the parties will result in the settlement of all the issues in dispute between the parties;

Call upon the governments of the United Kingdom and Egypt

(*a*) To settle the issues in dispute beween them in accordance with Article 33 of the Charter by peaceful means of their own choice;

(*b*) To keep the Security Council informed of the progress of the settlement and report thereon to the Council in the first instance not later than 1 January 1948." [1]

MARSHALL

[1] According to telegram 852, September 18, from New York, Mr. Fawzi informally informed the United States Delegation on September 18 that the proposed U.S. resolution was not acceptable to Prime Minister Nokrashy because the proposal amounted to a dismissal of the Egyptian case (501.BC/9–1847).

Telegram 856, September 19, from New York, reported that Sir Alexander Cadogan, the following day, informed the United States Delegation that he too did not like the U.S. resolution, stating that "if the reference to the Egyptian desire for evacuation of British troops were retained in the proposed resolution, language should be included noting that the British have the right under treaty to station such troops there." (501.BC/9–1947)

501.BC/9–1847 : Telegram

The Acting Secretary of State to the Acting United States Representative at the United Nations (Johnson)

CONFIDENTIAL WASHINGTON, September 18, 1947—6 p. m.

407. For Johnson. Dept does not believe that further SC consideration Egyptian case should be delayed until near end of GA (re urtel 848 Sept 18 [1]). For immediate future, however, desirable in accordance wishes both British and Egyptians to continue informal negotiations without SC meeting in order to secure advance agreement on text of a resolution that could be passed.

Statement and draft resolution set forth in your 845 Sept 17 satisfactory to Dept which still prefers that any such statement or resolution be made if possible by other member SC. Dept may submit for your consideration and comment additional suggestions for resolution.[2]

LOVETT

[1] Not printed; the suggestion had been made by Mr. Fawzi (501.BC/9–1847).

[2] The draft resolution was not presented before the Security Council; there was no discussion of the Egyptian case after September 10. For additional treatment of the Egyptian question before the Security Council, see p. 540.

Editorial Note

For the statements by the United States and the United Kingdom Groups on the retention of British military rights in Egypt and on the maintenance of the British position in the Sudan, made during "The Pentagon Talks of 1947", see pages 584, 590.

741.83/10–147 : Telegram

The Ambassador in Egypt (Tuck) to the Secretary of State

SECRET CAIRO, October 1, 1947—2 p. m.

1168. I had lengthy interview with Prime Minister yesterday which was my first since his return from Lake Success.

Nokrashi Pasha received me cordially but I felt during our conversation an atmosphere of reserve which I had not hitherto encountered. He expressed gratification his interviews with President, Secretary and Under Secretary Lovett. He felt these exchanges views had been beneficial and that they had afforded him opportunity for better understanding of problems which face our Government. He studiously avoided any reference our failure "support" British thesis at Lake Success but it was evident from his remarks he had hoped for more positive attitude on our part and he had been disillusioned. He seemed share view which is prevalent in Egypt today that US had backed British. I asked him whether his Government had as yet formulated any policy in dealing with present phase of Anglo-Egyptian dispute. He replied that matter was under careful consideration by his Government but said British did not appear at present inclined take any steps towards solution of problem and were calmly sitting on canal awaiting developments. He said he would do all in his power maintain order in country but that temper of population was aroused and it was becoming increasingly difficult restrain public feeling. British, he said, must evacuate Egyptian territory and if they were to make declaration in principle to that effect, details for evacuation could be easily worked out over reasonable period time. It was evident Nokrashi deeply concerned with question public security and he fears that unless there can be some early declaration British intentions, political situation may get out of hand.

Prime Minister then embarked on bitter denunciation of Britain, in particular relation Egypt's present financial and economic problems. He reminded me England owes this country some 450 million pounds and their failure provide dollars accordance agreement June 30 was creating situation that was adversely affecting whole economy of Egyptian nation. [Here follow details of injury to the Egyptian econ-

omy.] All through his remarks I detected resentment that our Government had facilitated British in taking this stand which, in his opinion, was placing strangle hold on economy and finance of Egypt.[1]

[Here follow discussion of the proposed commercial treaty between the United States and Egypt and a request by the Prime Minister that Ambassador Tuck convey to the United States Government the "deep and sincere gratitude Egyptian Government and people for prompt and generous gesture the US had made connection present cholera epidemic".]

TUCK

[1] Telegram 1182, October 3 from Cairo, reported that on October 2 the British advised the Egyptian Government that no further dollars would be available to Egypt in 1947. The Embassy elaborated on the bitterness of Egyptian officials who believed the United States was disinclined to help because Egypt was a "British domain". Ambassador Tuck recommended the United States do all in its power to help the Egyptians then facing a critical phase in their national existence. He strongly urged that immediate consideration be given to four specific actions, particularly to inform the Egyptians that presentation of the Egyptian dollar problem would be sympathetically considered in Washington. (102.1/10–347)

In telegram 1446, October 20, the Department authorized the Embassy to make a general statement to the Egyptian Government that "US Govt sympathetic Egyptian dollar problem." (102.1/10–347) For the Department's view on the necessity of increasing the industrialization of Egypt, see p. 546.

Editorial Note

The Department, on October 1, informed Cairo for its background information and "for use if desired in conversations with officials and possibly King", that it was "greatly impressed" by the facts that the areas of disagreement between the parties was relatively small and that the Egyptian case before the Security Council "was not sufficiently convincing clearly to require SC action under Art 37". It also stated that "US felt that since previous negotiations had almost succeeded, resumption by any peaceful means chosen by two parties could bring about satisfactory settlement particularly as they would be under eye SC. In view its friendship with both parties, it sincerely hopes solution can still be reached even though not completely satisfactory to either party." (telegram 1363, 848Z.00/9–1647)

800.3383/9–647

The Secretary of State to the Embassy in Egypt

CONFIDENTIAL WASHINGTON, November 8, 1947.
No. 1966

SIR: Reference is made to the Embassy's despatch No. 2887 dated September 6, 1947 [1] and previous communications regarding the desire

[1] Not printed.

of the Egyptian Government to receive advance notice of transit of foreign war vessels through Egyptian territorial waters and through the Suez Canal. This matter has received very careful consideration by the Department, and the following statement of the Department's views on this subject is set forth for your information:

"1. Article 1 of the Convention respecting the free navigation of the Suez Maritime Canal, signed at Constantinople on October 29, 1888, provides that 'The Suez Maritime Canal shall always be free and open, in time of war as in time of peace, to every vessel of commerce or of war without distinction of flag.' It is further provided that 'Consequently, the high contracting parties agree not in any way to interfere with the free use of the canal, in time of war as in time of peace.' From these provisions it seems clear that the contracting parties contemplate the Canal shall 'always be free and open' and that they would not 'in any way interfere with the free use of the canal'.

2. It is further provided in Article 4 that 'The transit of the aforesaid vessels through the canal shall be effected with the least possible delay, in accordance with the regulations in force, and without any other intermission than that resulting from the necessities of the service.' To require the advance notice proposed by the Egyptian Government would be contrary to the requirement that vessels shall be allowed to proceed through the canal 'with the least possible delay'."

Accordingly, the Embassy is requested to advise the Egyptian Foreign Office that this Government is of the opinion that advance notice of the transit of American war vessels through the Suez Canal cannot properly be required by the Egyptian Government. You will also state that this Government will not raise objection to the requirement of three weeks' notice to be given in connection with visits of American war vessels to Egyptian ports.

Please forward to the Department for its records a copy of the communication you send to the Foreign Office with regard to this matter.[2]

Very truly yours,

For the Secretary of State:
ERNEST A. GROSS [3]

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[2] The Embassy in Egypt sent an appropriate note, No. 2791, to the Egyptian Ministry of Foreign Affairs on November 20, and transmitted copies to the British and French Embassies. Another copy was transmitted to the Department in despatch 3048, November 22, from Cairo (800.3383/11–2247). The British Embassy sent two notes on this matter to the Egyptian Ministry of Foreign Affairs on November 11 and December 8, and the French Embassy sent one note on November 28. Copies of the three notes were transmitted to the Department by the Embassy in Cairo in despatches 3048, November 22, 3089, December 15, and 3068, December 5 (800.3383/11–2247, /12–1547, /12–547).

[3] The Legal Adviser.

883.113/11–2647

Memorandum by the Chief of the Division of Near Eastern Affairs (Merriam) to the Chief of the Munitions Division (Cummins)

[WASHINGTON,] December 22, 1947.

With regard to your request for our comments on the attached memorandum to Under Secretary Lovett from Mr. Edwin W. Pauley, Special Assistant to the Secretary of the Army dated November 26, 1947 [1] relating to the question of the establishment of a small arms and ammunition industry in Egypt, we believe that since it is our present policy not to furnish ammunition to Near Eastern countries,[2] we should not assist in the setting up of a small arms and ammunition industry in Egypt. The matter may be reconsidered, however, in the light of future events and developments in Egypt and other Near Eastern countries.

G[ORDON] P. M[ERRIAM]

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[1] Not printed; it stated that "Generally speaking, the Army takes the position that except for the military implications, it is entirely a matter for the State Department to decide whether or not this government should assist in the establishment of facilities for the production of combat weapons and the ammunition therefor in a foreign country." (883.113/11–2647)

[2] For the "present" arms policy adopted on November 14, 1947, see telegram Telmar 42, December 6, to London, p. 1300. The Embassy in Cairo reported in telegram 1232, October 16, a request from the Egyptian Army to purchase 2000 Thompson machine guns and 500,000 rounds of ammunition. The Department notified the Embassy in telegram 1598, November 28, that the transaction had been disapproved (883.24 FLC/10–1647).

ETHIOPIA

UNITED STATES CONCERN OVER THE ASSASSINATION OF A LEGATION EMPLOYEE CONSIDERED "PERSONA NON GRATA" BY THE ETHIOPIAN GOVERNMENT

[Mr. Johannes Semerjibashian, who was serving as dragoman-interpreter of the American Legation at Addis Ababa even though the Ethiopian Government had declared him *persona non grata* soon after his employment in July 1946, was assassinated on the evening of October 9, 1947, while in a Legation car bearing diplomatic license plates. Certain particulars surrounding his death led the United States to press the Ethiopian authorities for a thorough investigation. Documentation on this subject, which continued under active discussion in 1948 and 1949, is in Department of State files Nos. 124.843 and 125.843.]

GREECE

THE GREEK FRONTIER QUESTION AT THE UNITED NATIONS: THE UNITED STATES INITIATVE[1]

501.BC Greece/2–347 : Telegram

Mr. Mark F. Ethridge[2] *to the Secretary of State*

SECRET ATHENS, February 3, 1947—3 p. m.

145. From Ethridge No. 2. After canvassing in course of sea voyage Toulon to Piraeus views of all Commission delegates, except Syrian and Soviet, I have found general agreement that Commission should make concrete recommendations for long term surveillance of northern Greek frontiers. Details of such border commission are very vague in minds of delegates, however, and I believe that USDel should be prepared to take active part in drafting necessary plans.

I therefore urge most strongly that Department authorize assignment to my mission of Harding Bancroft[3] in SPA, who is familiar with SC procedure and with whom this Delegation discussed in some detail before leaving Washington possible organization of frontier commission. I trust Bancroft will be able to reach Athens before end of February and will bring with him considered views of Department regarding various problems which such a frontier commission presents.

Many different forms of such commission have been mentioned in course of my discussions with other delegates but they all seem to boil down to general agreement that there should be first, border commission which would remain in Greece after departure of Commission of Investigation, and, second, if this is possible, some form of regional arrangement among four countries concerned within framework of UN Charter and including nonaggression provisions similar to those in Soviet pact of July 1933 and Balkan pact of 1934.

Speaking in broadest terms USDel should be prepared to urge recommendations of semi-permanent border commission comprising several disinterested states with function of investigating and reporting

[1] For previous documentation on this subject, see *Foreign Relations*, 1946, vol. VII, pp. 214–285, *passim*.

[2] United States Representative on the Commission of Investigation concerning Greek frontier incidents. The Commission was established pursuant to the resolution of the Security Council on December 19, 1946; see bracketed note, *Foreign Relations*, 1946, vol. VII, p. 285.

[3] Associate Chief of the Division of International Security Affairs.

to SC as regards frontiers in question on: First, border incidents; second, treatment of minorities; third, tendentious misstatements of fact in press and radio; fourth, activities of foreign military and police mission in four countries concerned; and, fifth, arrangements for free port or free zone facilities in Salonika.

This is, of course, only tentative outline of scope and functions of such a frontier commission, and I shall be interested in receiving the Department's views.

Department please repeat to Austin.[4]

ETHRIDGE

[4] Ambassador Warren R. Austin, U.S. Representative at the United Nations.

501.BC Greece/2–747 : Telegram

The Ambassador in Greece (MacVeagh) to the Secretary of State

SECRET ATHENS, February 7, 1947—7 p. m.

169. Prime Minister[1] summoned British Ambassador[2] and me to his office yesterday afternoon and together with Foreign Minister[3] protested against action of UN Commission in requesting Greek Government postpone executions (mytel 165, February 7[4]). Stated third [*this?*] internal matter which wholly outside Commission's competence. In addition gave me copy of telegram sent by Foreign Minister to Dendramis in New York directing him protest Commission's action to Secretary General UN which I gave to Ethridge later. Norton and I, while thanking Prime Minister for information, pointed out question concerns UN and not our Governments individually.

Developments since opening of inquiry have clearly indicated Russian desire involve Commission in question of Greek internal strife as sole and sufficient cause of border disturbances. So far insistence of Commission on taking cognizance of corresponding internal factors in other litigant states has checked direct Russian efforts this connection. However after presentations of petitions by EAM (though some of these unfounded) several individual delegates felt that Greek Government might do well in its own interests to postpone executions

[1] Demetrios Maximos.
[2] Sir Clifford J. Norton.
[3] Constantine Tsaldaris.
[4] Identified also as Ethridge No. 4, not printed; it gave the text of a telegram the Foreign Minister was sending to the Greek Representative at the United Nations (Dendramis) regarding suggestions that the Greek Government suspend the execution of what were termed "bandits" (501.BC Greece/2–747); for letter of February 7 on this matter sent by Ambassador Dendramis to Trygve H. Lie, Secretary General of the United Nations, see United Nations, *Official Records of the Security Council, Second Year, Supplement No. 4*, p. 52.

while Commission sitting and when Secretariat gave wholly unwarranted and inaccurate publicity to their privately communicated and well meaning advice (mytel 168, February 7 [5]) further complications followed including Greek Government's excited protest and misinformation in press to effect that Commission had formally intervened.

Ethridge now feels that effort convey well meant advice to Greek Government was injudicious particularly in view apparent tendency of Secretary General Lund and press officer Ryan [6] to cooperate with Soviets. Violation of secrecy and misrepresentation on part of these gentlemen have diverted public attention from main objectives of Commission in manner favorable to Russian cause. However, I see no reason to differ from Ethridge's conclusion (mytel 168) that real work of Commission proceeding satisfactorily. Since most effective instrument in keeping this work "on beam" has been insistence on reciprocity as regards procedure in each of four countries concerned, it is to be hoped that advice to be received from SC (mytel 164, February 7 [7]) will stress this essential point.

MACVEAGH

[5] Identified also as Ethridge No. 5, not printed; it gave Mr. Ethridge's analysis that "In his protest to SC Tsaldaris is succeeding in doing what we have been trying to prevent, namely, focusing attention on Greek domestic affairs only." (501.BC Greece/2–747)

[6] Members of the Secretariat of the Commission of Investigation. Col. A. Roscher Lund was Secretary of the Commission.

[7] Identified also as Ethridge No. 3, not printed; it quoted Colonel Lund's telegram of February 6 to the Secretary General; for text, see SC, *2nd yr., Suppl. No. 4*, p. 51.

501.BC Greece/2–747 : Telegram

The Secretary of State to the Embassy in Greece

SECRET WASHINGTON, February 8, 1947—2 p. m.

U.S. URGENT NIACT

146. 1. We have just been informed that Dendramis has already filed a communication with the Sec Gen UN in accordance with the instructions from his Foreign Minister. (Urtel 169, Feb 7 and previous.) We feel the Greek Govt would make a grievous tactical error if it continued to adhere to what seems to be its present attitude. It seems to us that it is playing into the hands of the Russians and unless it alters its position the eyes of the whole world will become focused upon the execution of political prisoners in Greece rather than upon the issue of border violations.

2. We are suggesting to our representative in the Security Council that our position with regard to the inquiry of the Investigation Commission should be that the terms of reference of that Commission do

not empower it to interfere in the execution of nationals by any of the governments concerned unless the Commission has reason to believe that such prisoners may be useful in connection with its investigation for interrogational purposes and so states in making any request for stay of execution.

3. It is suggested that you immediately approach the appropriate Greek authorities and inform them in confidence of the foregoing, pointing out at the same time that Ethridge and the informal approaches which had been made on his behalf to the Greek Govt were motivated solely by his desire to prevent the execution of the condemned from becoming a false issue. Make clear to them that at no time has Ethridge failed to understand the limitations of the terms of reference of the Commission. You should also make the following urgent suggestions:

a. That Dendramis be instructed immediately to inform the Security Council that his Govt desired him to make it clear that the protest was filed merely in order that there could be no grounds for misunderstanding regarding the interpretation of the terms of reference; that in spite of the position taken by his Govt as set forth in the protest, his Govt in order to show its desire to cooperate with the Commission and to facilitate the Commission's work has decided to postpone the execution of all persons who have been condemned to death or who may be so condemned in connection with guerrilla activities until the Commission has completed its investigations.

4. In urging the Greek authorities to adopt our suggestion please point out that it is made because of our earnest desire to prevent the diversion of world attention from the primary purposes of the investigation and to prevent the focusing of attention on the manner in which Greece is meeting its internal problems. You should state that the protest as lodged, unsupplemented by a statement of the kind suggested, will be sure to give the impression in many circles even in the US that the Greek Govt is not showing the kind of cooperation to the Investigating Commission which might be expected of a democratic govt with nothing to hide. You should add that we feel that the adoption of our suggestion would strengthen us in our efforts within the framework of the UN to preserve the territorial integrity and the political independence of Greece.

5. This is extremely urgent since the Security Council will meet Monday, Feb 10, at 11 a. m. and Dendramis should have his statement prepared before that time. It would be helpful if we could present his statement in writing before the Council meets.

6. We are informing the Greek Embassy in Washington this afternoon the substance of this telegram and requesting that it be brought to the attention also of Dendramis.

7. Please show this to Ethridge and at earliest opportunity inform British Ambassador.[1]

Sent Athens as 146; rptd N.Y. as 42.

MARSHALL

[1] Ambassador MacVeagh reported in telegram 181, February 9, that Messrs. Maximos and Tsaldaris had promised him to telegraph to Ambassador Dendramis in conformity as far as possible with the Department's advice. The Prime Minister, however, took a strong position against any unilateral action by Greece (regarding the suggestion in paragraph 3 of the Department's telegram) stating that the Greek Government would accept the proposal providing that "the other three governments" also accepted it (501.BC Greece/2–947).

501.BC Greece/2–1747 : Telegram

Mr. Mark F. Ethridge to the Secretary of State

TOP SECRET ATHENS, February 17, 1947—5 p. m.

227. Ethridge No. 15. For Secretary and Austin from Ethridge. Commission moves to Salonika this week with first meeting there Friday. This highly desirable objective attained only after Soviets and Poles helped by their satellite liaison officers had exhausted every means of stalling and after I had spent three hours with Lavrischev [1] in which he advanced every argument for staying in Athens. Believe he gave in only after it had become apparent to him that I would force vote in Commission which he realized would be 9 to 2.

Soviet tactics here have been to stall work of Commission and delay as long as possible drafting of proposals invited in last paragraph of SC resolution. Yugoslavia [*Yugoslav?*] had to be roped and tied down to force him to finish his statement. On one occasion he read for 35 minutes and said he had finished for day. He pleaded necessity for further preparation, sore throat and everything else he could think of to secure delay.

Feverish Soviet desire to stay in Athens comes from two things. One is propaganda value involved in taking advantage of free Greek press to belabor Greek Government. Other is much more serious. I am convinced and conviction is shared by other members of Commission that Soviets feel that Greece is ripe plum ready to fall into their hands in a few weeks. Secretary's statement aroused great interest in Commission but three Commissioners have asked me how we proposed implement it.

My own view from what I have seen in Comm and what I have learned through British and American political, economic and military sources is that Soviets have every good reason to feel that Greece may be about to fall. Army enlistments are down, army desertions up

[1] Alexander Andreyevich Lavrishchev, Soviet Representative on the Commission of Investigation.

with two detachments going over to guerrillas in last three days, army morale at lowest possible. Military maps show that area which Government has lost is growing. Communist membership and boldness increasing while Greek Government steadily losing popular confidence through ineffectuality. These factors combined with complete confidence expressed by Yugo liaison officer in statement to newspaper man "we have iron nerves and we will hold on. This situation will be cleared up in a little while" convince me that border problems may be solved by default before Commission gets a chance to propose anything. How fully Ambassador MacVeagh shares this view may be seen from his telegram 196 February 11.[2]

[Here follows further comment.]

[ETHRIDGE]

[2] *Ante*, p. 16.

501.BC Greece/2–1547 : Telegram

The Secretary of State to Mr. Mark F. Ethridge, at Athens

SECRET
US URGENT

WASHINGTON, February 20, 1947—6 p. m.

200. For Ethridge. Following are preliminary views in partial response to urtels 145 and 223, Feb 3 and 15.[1]

1. Re your views on desirability establishing continuing commission of surveillance along Northern Greek frontier Dept in general agreement and believes that Investigating Commission and SC could appropriately make recommendations along following lines:

(*a*) *Frontier Regulations, Patrols and Neutral Observers.*

Recommendation might be (1) that countries involved adopt agreed regulations governing frontier with such provisions designed to prevent continuance of past conflicts as Commission, on basis of its findings, might suggest. (2) That border patrols maintained by each State be given task of enforcing such frontier regulations. (3) That group of neutral observers analogous to Swedish officers on Greco-Bulgarian border commission of 1925 be assigned observe frontier conditions and adherence to regulations; their presence would promote a calmer atmosphere; they would be responsible to and under direction of proposed continuing commission if established; otherwise to SC; they would have authority to move freely on both sides frontier to investigate incidents and report thereon; and would act as point of contact between patrols.

(*b*) *Establishment of Continuing Commission.*

Investigating commission could recommend a continuing commission to be established by and responsible to SC. Its principal purpose would be to facilitate prompt settlement frontier differences between the four states so that solution would first be sought by the parties in

[1] No. 223 not printed.

accordance with Article 33 of Charter and only referred to SC as final resort. Its terms of reference in our view should be limited to problems directly connected with border violations and threatening frontier situations and it might be given following powers and responsibilities in relation thereto:

(1) To investigate matters coming within its terms of reference, to make recommendations concerning procedures for settling disputes to Govts concerned, and where necessary to make recommendations to SC concerning either merits of a case or procedures for settling it, but at all times keeping SC informed.
(2) To assist and encourage disputant states in settlement differences in accordance with Article 33.
(3) To act as mediation or conciliation commission.
(4) To direct activities neutral observers.
(5) To study and recommend methods by which four Govts could better handle matters arising in future within commission's terms of reference which might lead to friction between states.
(6) To perform other functions as SC may later assign.

Commission should be able to deal directly with four Govts in performance its functions. Finally, although we don't wish to establish too firm a position on composition commission at this time, we believe US should be member. If so it would undoubtedly have to consist of representatives of major powers and, therefore, in all probability of all members SC. We would prefer a smaller commission. Whether such composition would be feasible can be best determined on basis experience your commission.

2. With respect to possible recommendation by SC Commission that regional arrangement such as Balkan Entente of 1935 be concluded by Greece, Albania, Bulgaria and Yugoslavia, Dept feels that although probably constitutional under Charter present situation militates against it. There is no apparent indication on part states concerned that they desire establish such arrangement. Community of interest among states is lacking and Greece would at best be minority member; hence subjected to unified pressure other three. In any event we do not believe concept embodied in Balkan Entente of 1935 creating mutual defense machinery and renouncing aggression would aid materially in ameliorating present situation. Yugoslavia, and Greece as signatories UN Charter have already agreed to refrain from aggression under Article 2(4). In addition relations of four States with other Southern European nations must be taken into account.

3. Another proposal which merits consideration and which you may wish explore with your colleagues is bilateral agreements between Greece and each her northern neighbors providing machinery for pacific settlement disputes not capable settlement by normal diplomatic means. These could be supplementary to proposed commission. This idea may be premature. A willingness on part parties to make such arrangements work would be prerequisite for success. Unless it did

exist this plan might be extremely dangerous as it would appear plausible solution and in effect be no solution at all. Even so, it has merit as part long-range solution and could be included in recommendations your commission as a specific formula to be studied by continuing commission.

4. With regard to tendentious mis-statements of fact in press and radio, difficulties of reaching agreement on suitable recommendations are apparent. Dept therefore believes this subject may best be covered by full disclosure to world of facts uncovered by Commission or in future by confirming commission.

5. Dept doubts wisdom attempting deal with foreign military missions through suggested continuing commission. Although we still doubt desirability of going into this question, if your commission decides investigate such missions, we would wish reserve our position re possible recommendations pending full report facts. Present feeling here is that action should be limited to public disclosure those facts.

6. In general, Dept wishes to emphasize importance commission's report and benefits to be derived from full disclosure facts ascertained by Commission. On matters on which it will be impossible for Commission to reach agreement on recommendations, objective factual data contained in report will go far towards achievement desired aim.

7. We are making study Salonika problem and will despatch it to you as soon as completed. In general, however, Dept sees no objection to reviving free zone in Salonika and believes if warranted by facts brought out by investigation that Commission could recommend that states commence negotiations looking towards such arrangement.

Conclusion: Foregoing represents Dept's views at this juncture. It is, of course, subject to revision in light findings your commission and changes which may subsequently appear desirable. We would appreciate your views and suggestions concerning above.[2]

MARSHALL

[2] This telegram was repeated for Ambassador Austin as No. 52.

501.BC Greece/1–2447 : Telegram

The Secretary of State to Mr. Mark F. Ethridge, at Athens

SECRET WASHINGTON, February 28, 1947—7 p. m.

244. For Ethridge. Following are further views in response to question of population exchange raised in urtel 92, Jan 24.[1] (See also

[1] Not printed; it reported the hope of Alexander Kyrou, Greek Liaison Representative with the Commission of Investigation, that the Commission "would recommend exchange of populations which would permit Greeks . . . to rid themselves of disloyal slavophone elements 'comprising about half of total minority of 60,000' in exchange for some 20,000 Greeks now in Bulgaria." (501.BC Greece/1–2447)

333–774—72——53

Deptel 141, Feb 6 [2]) While Dept would not want Ethridge to take initiative in matter, it would have no objection in principle to voluntary exchange if facts warrant it. However, should Commission and SC recommend an exchange of slavophone or any other minorities whose situation may be found to be a cause of border disturbances, Dept feels that SC should itself assume responsibility for insuring voluntary character of exchange. SC could do this by making specific provision for supervision of exchange in its recommendations to parties.

Reasons supporting SC's assumption of responsibility are as follows: (1) To avoid possible inconsistency or conflict with system for protection of minorities which UN may later wish to establish SC should be in position to guarantee that exchange is in fact voluntary on part of individuals concerned; (2) League's experience with Neuilly Convention of 1919 does not justify confidence that a genuinely voluntary exchange would result from a similar supervisory arrangement concluded by parties at present time; (3) Previous experience suggests that supervisory body should be directly responsible to SC and its composition should not include representatives of any of four states; (4) A subsidiary organ of SC, with terms of reference drawn by SC rather than by parties, would avoid major difficulties encountered by mixed Commission established under Neuilly Convention; (5) SC could give continuing commission described in paragraph 1(*b*) of Deptel 200, Feb 20, all necessary powers and responsibilities to enable it to supervise any exchange.

MARSHALL

[2] Not printed.

501.BC Greece/3–947 : Telegram

The Acting Secretary of State to Mr. Mark F. Ethridge, at Salonika

SECRET
US URGENT

WASHINGTON, March 14, 1947—8 p. m.

19. For Ethridge.

1. Progress you are making in spite of many difficulties is gratifying to Dept. We have noted with concern activities of Secretariat and bias of Ryan press reports (re Ethridge No. 20 [1]).

We hope action taken by Commission will end these problems. However, Dept. would be willing to take matter up with Lie if you think it necessary.

[1] Identified also as No. 12 from Salonika, not printed.

2. We observe that you believe Commission may commence preparing report by April 10. Since preparation may require some days Dept. is glad to learn that it will be drafted in Geneva. This will enable Commission to remain relatively close to area before departure for New York. In addition we strongly favor having Commission leave eleven-man team in area while report is being drafted and subsequently while SC is considering report. This seems desirable in order that (*a*) Commission and Council may have latest information available and (*b*) there be a UN group in area pending final council action.

3. British Embassy here has informed Dept that FonOff favors submission of preliminary report by your Commission to SC with recommendation that SC establish a semi-permanent Commission to remain in Greece while final report is being drafted and subsequently during SC consideration of it. We think it would be difficult to obtain SC agreement to such a semi-permanent Commission at this juncture. We therefore believe that procedure suggested in foregoing paragraph is preferable.

4. Re idea of non-aggression pact with inclusion of 1933 definition of aggression. We do not believe that conclusion of such a pact would serve useful purpose or be an important contribution to stabilizing conditions in Balkans. A non-aggression pact between Greece and Yugoslavia, for example, would simply constitute a re-affirmation of obligations already assumed by them under Charter. In addition, we do not see wisdom of attempting to define aggression. At San Francisco [2] USDel opposed attempts at definition on ground that any definition would not be all inclusive under modern conditions and that SC should be left free to determine in each instance whether aggression had in fact occurred.

5. We still favor establishment of border patrols, regulations and assignment of neutral observers (re Deptel 200 [3]). We understand from your telegram that majority of your colleagues are in agreement re creation of continuing Commission under SC. That US favors latter is now public knowledge here.

6. We would be interested in your reaction and reactions of your colleagues to possibility suggested in Deptel 200 that bilateral agreements be concluded between Greece and each of her northern neighbors establishing machinery for the peaceful settlement of disputes. We are inclined to believe that such a recommendation would not only be in harmony with Article 33 of Charter but might in fact contribute

[2] During the United Nations Conference on International Organization in 1945.
[3] Dated February 20, p. 821.

to future solution of differences and problems arising between several states.[4]

[Here follow three additional paragraphs of comment.]

Sent to Salonika, repeated to Athens, London, Belgrade, Sofia and Moscow for the Secretary.

ACHESON

[4] Mr. Ethridge replied in telegram 28 (No. 18 from Salonika), March 18, noon. He noted especially, in commenting on paragraphs numbered 2 and 3 "that procedure of having Commission itself establish team to remain in Salonika pending SC action on Commission report without reference to SC is desirable. However, if objection is raised in Commission on grounds that it would be *ultra vires* without further authority from SC for Commission to continue itself in existence after submission of its report to SC I feel that I would have to give way. Accordingly at this time I propose to take line that a team should remain in Salonika until Commission has transmitted its report to SC." (501.BC Greece/3–1847)

501.BC Greece/3–1847 : Telegram

The Acting Secretary of State to Mr. Mark F. Ethridge, at Salonika

SECRET WASHINGTON, March 20, 1947—8 p. m.

US URGENT

21. For Ethridge.

1. Dept would like to have earliest convenience interim appraisal general trends evidence thus far gathered by Commission. Would also like to know any evidence continuing border violations which you feel constitute aggression.

2. Dept agreeable to steps you propose follow in obtaining consent your colleagues that Commission leave subsidiary eleven-man group in area during drafting report. (Reurtel 18, March 18[1]). Re period after submission report to SC believe Commission itself will have to remain in existence pending SC consideration so that Commission may be available to answer any questions. Chairmen some SC Committees have presented reports personally and we assume all members UN commission will want to be present during SC's discussion report. Thus we think terms of reference should be interpreted to include continued existence Commission pending completion SC consideration. So long as Commission itself exists, we feel that sub-commission could continue in existence on the spot to furnish Commission and SC with any information re questions that might arise after report has been drafted.

3. Re third paragraph urtel 18. In addition to objections previously expressed re non-aggression pact, we agree with you and Windle that proposing language of agreement formulated under Litvinov would

[1] Not printed, but see footnote 4, above.

probably be unpalatable to Soviets now. For your info, John Laylin, member firm retained by Greek Govt as counsel, told us yesterday that he was advising Greek Govt not to approach any of three other states with suggestion that multilateral non-aggression pact be concluded.

4. Lie's office has issued press release stating that Commission has decided to write its report in Geneva, that advance party will arrive there on March 31 and remainder on April 10. Dept would appreciate your estimate as to how long preparation report will require.

Sent to Salonika, repeated to Athens, Belgrade, Sofia, London, Moscow, for Secretary, and New York.

ACHESON

501.BC Greece/3–2647 : Telegram

The Acting Secretary of State to Mr. Mark F. Ethridge, at Sofia

SECRET WASHINGTON, March 26, 1947—6 p. m.

US URGENT

111. For Ethridge.

1. Austin yesterday asked SYG to place on agenda SC meeting Friday, March 28, item No. 7 of summary statement of matters of which SC is seized, to wit: the Greek question. Decision to take this action has been made on highest levels after thorough appraisal situation here and in Greece. Desire exists here to make clear to UN connection between proposed U.S. assistance to Greece [1] and our policy in UN. It is realized that statement in SC at this juncture may affect work Investigating Commission and that there is possibility protracted discussion. Austin statement will make clear, however, that US is not prejudging work Commission but rather is vitally interested in its report and in action which SC may subsequently take with respect thereto.

2. Austin's statement will express hope that SC will agree to following U.S. views on work of Commission under present terms reference:

(*a*) US hopes that Commission's first report will be prepared and forwarded with all possible speed following completion its present schedule investigations.

(*b*) Commission members should come to seat of UN after submitting report and be available to SC until termination consideration Greek complaint. Commission should be available to prepare such supplementary reports as may be needed and it should be ready to undertake additional investigations if required.

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[1] For documentation on the United States program of aid to Greece, see pp. 1 ff.

(*c*) US believes that it is of utmost importance that Commission leave representation in border area during preparation report and subsequent SC consideration of it.

(*d*) US understands resolution creating commission as giving Commission full authority to leave representatives in Greece.

(*e*) US believes that Commission will continue in existence until SC either disposes of case or acts to terminate Commission's existence.

3. Statement will continue that US has special and pressing interest in effective action by SC in Greek case. Greece is still prostrate because damage done by Nazi occupation to her economy, system of law and order and also because of operation guerrilla bands and other factors. Greece has appealed to US for assistance in response to which President has proposed program to Congress which is now under consideration. Program has specific and direct bearing upon central objectives US foreign policy to wit: to strengthen UN and to advance building of collective security. Proposed program of assistance is directly related to UN act in creating Commission of Investigation. Activities of armed bands in Northern Greece are threatening integrity Greece and have helped to make threat economic chaos and political anarchy throughout Greece grievous and imminent. Situation on frontiers is made far more dangerous by economic paralysis and weakness in Greece. While not anticipating in any way substance report of Commission it is apparent SC may wish to consider after receipt report such further action as recommending that Greece, Yugoslavia, Bulgaria and Albania agree on system border control regulations and that continuing Commission made up of representatives SC members be established. In addition neutral observers could be used by Commission. Action along these lines by SC combined with proposed emergency program of assistance by US would advance road to peace.

4. Substantial portion of statement is concerned with US economic aid to Greece and possibilities future UN assistance in such.[2]

5. Decision to make this statement in SC which has already been approved by the President was taken after full consideration of all factors relating to situation including careful review of what transpired during Investigation Commission's consideration proposal that border team remain in Salonika after Commission's departure and views your colleagues re possibility referring question to SC (re Ethridge No. 30, March 23 from Salonika[3]). Reasons you have given for not insisting at this time that team be left in area are fully appreciated. However, important considerations set forth above have led to

[2] For the statement made before the Security Council by Ambassador Austin on March 28, see United Nations, *Official Records of the Security Council, Second Year, No. 30*, p. 617.

[3] Not printed.

belief that US should press for leaving such a team. Austin will, therefore, endeavor to persuade Council that Commission should leave team in area.

Sent to Sofia, repeated to Belgrade, London, Moscow for the Secretary, and New York.

ACHESON

501.BC Greece/3–3047 : Telegram

The Acting Secretary of State to Mr. Mark F. Ethridge, at Belgrade

SECRET WASHINGTON, April 1, 1947—7 p. m.

NIACT

185. For Ethridge. Dept appreciative your additional expression views on question of leaving representation in Greece until final SC action (reurtel 319 from Belgrade March 30[1]). Dept agrees with you that it is most important to get report completed and before SC. For your info Austin said in speech[2] "US hopes that first report of Commission will be prepared and forwarded with all possible speed following completion of its present schedule of investigations". Accordingly we believe that it would be imprudent for Commission to consume valuable time at this stage in what might be futile attempt to decide whether or not a team should remain in Northern Greece.

We assume that if Austin's statement has materially influenced views Commission members you will try once more to reach agreement that representation be left in area until final SC action.

However, on basis your recent appraisals sentiment we agree that it will probably be impossible to obtain such agreement prior to April 7 date upon which SC will commence consideration Austin statement.

We therefore suggest that as next step you attempt to reach agreement that group should be left in area until a fixed date such as April 26 by which time SC presumably will have acted on proposal to be made by US in SC on or after April 7 that team remain in area pending final SC action. If after reasonable period discussion either formally or informally as you see fit you are unable obtain agreement

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[1] Identified also as Ethridge No. 33, not printed; Mr. Ethridge stated that "Most delegations now do not share view that leaving representation in Greece is of maximum importance. They think that its importance as stabilizing factor is dubious so long as matter is before UN and that it has now lost its importance as opening wedge for permanent Commission which all favor. Accordingly, they believe that if fullfledged fight for temporary Commission were raised before report completed, we would be wasting ammunition which should be saved for recommendation for permanent Commission. Also, I am sure that most delegations would chafe at delaying completing report that will be caused by protracted discussion of temporary Commission." Mr. Ethridge advised that he shared these views. (501.BC Greece/3–3047)

[2] Before the Security Council on March 28; see footnote 2, p. 828.

we suggest that matter be dropped in Commission. In this event and unless SC itself directs Commission to leave team behind we will follow situation closely through American Missions in Athens, Belgrade, Sofia and Consulate in Salonika.

Dept prefers to rely on method set forth in last sentence preceding paragraph rather than to attempt plan of which British Embassy informed us today by which you and your British colleague would simply notify Commission that you considered it essential to be kept informed developments and accordingly would send back to Greece certain members your delegations as observers.

US will seek to obtain Council agreement that (*a*) Commission clearly has power to leave team and (*b*) Council should direct it to do so. We will state that when commissions are dispatched by SC to conduct on spot investigations it is sound practice for representation to be left in area pending SC action; that if situation is of sufficient importance to warrant investigation there is ample justification for Council to have ready source of information to which questions may be directed to supplement or amplify the information submitted by Commission to Council. Such a group would also be able to submit on its own initiative any additional info relative to subject.[3]

ACHESON

[3] This telegram was repeated to Geneva, Athens, Sofia, Salonika, London, New York, and Moscow.

501.BC Greece/4–147 : Telegram

The Acting Secretary of State to Mr. Mark F. Ethridge, at Geneva

SECRET
US URGENT

WASHINGTON, April 3, 1947—7 p. m.

89. For Ethridge. In view your 334 from Belgrade April 1[1] we assume you will not obtain agreement leave team until fixed date as suggested Deptel 185 to Belgrade (repeated Geneva 81) April 1. We have just been asked by BritEmb to reconsider urgently our objection to Brit proposal that you and Windle[2] notify Commission you consider it essential to be kept informed developments and would accordingly send back members your Commission as observers.

Dept does not consider such observers could have standing as representatives of Commission. We see no advantage of placing ourselves in position being criticized for unilateral action when actually we feel we can be informed through Missions in Athens, Belgrade, Sofia and Consulate Salonika. We still feel that we cannot accept Brit proposal. How-

[1] Identified also as Ethridge No. 34, not printed.
[2] Richard T. Windle, British Representative on the Commission of Investigation.

ever, we are telling BritEmb we are requesting you in your discretion to state in Commission that you are not raising question in Commission again since SC is considering it but that you will nevertheless follow situation closely through American Missions in Athens, Belgrade, Sofia and Consulate Salonika so that you can bring to attention Commission any additional info you consider necessary.

Additional paragraph for Athens, Salonika, Belgrade and Sofia: You are requested follow closely situation subject of investigation and advise Ethridge as well as Dept.

Sent Geneva. Repeated Athens, Salonika, Belgrade, Sofia, London, New York, Moscow for Secretary.

ACHESON

501.BC Greece/3–2047 : Telegram

The Acting Secretary of State to the United States Representative at the United Nations (Austin)

SECRET WASHINGTON, April 4, 1947—8 p. m.

127. For Austin.

1. As you know, Ethridge believes it would cause serious delay in drafting Commission report if time were now devoted in Commission to renewed efforts to obtain agreement that team be left in Greece pending final SC action on report (retel 319 [1] and 334 [2] from Belgrade March 30 and April 1). Therefore, unless unexpected change in Commission sentiment occurs, directive from SC would be only method of obtaining decision that team be left (re Deptel 185 to Belgrade repeated New York 118).

2. Dept reaffirms your position that it is important that Commission leave representation in Greece during preparation and SC consideration of report. However, it is recognized that decision concerning whether resolution on this point should be introduced or brought to vote will depend upon progress of discussions and cannot be determined in advance. If it appears from advance consultation with all permanent members of SC or from discussions in SC that resolution to secure this result would fail to secure seven votes including concurring votes of permanent members, we consider it preferable not to introduce formal resolution or in alternative to withdraw before vote any resolution which you have introduced. We believe that it should be made clear, however, that only reason for failure to bring matter to vote is that such course could not result in SC decision.

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[1] Not printed; but see footnote 1, p. 829.
[2] Not printed.

3. The Dept attaches even more importance to continuing existence of the Commission during SC consideration of the Greek case. Terms of reference of Commission do not contain any express provision on Commission's termination. However, Dept believes common sense and sound procedure require the continuance of the Commission during the consideration of its report by the Council and that it be available to explain and interpret the proposals in the report, to answer all questions, and to furnish any additional suggestions that may arise as a result of Security Council discussions. There are good precedents for this in SC. Chairman of the SC Subcommittee on Spain in presenting to SC amended recommendations thirteen days after submission of Subcommittee report made it clear that he was speaking on behalf of the Subcommittee of Five. (SC Journal, page 742.)

4. Dept feels strongly that SC should ensure that Commission is in New York during SC consideration. It would of course be desirable if agreement could be reached on this without a vote. If this is not accomplished, you may wish to contend that Commission continues without affirmative SC action until completion of SC consideration of report, or SC action terminating it. However, if necessary US should be prepared to submit resolution to ensure continuance of Commission. US should take position that this decision is procedural and thus compel veto under Part II paragraph 2 Four Power Statement.[3]

5. In event that discussion in SC April 7 provokes serious allegations or charges regarding US aid to Greece and Turkey we suggest you obtain additional time to consult your Government.[4]

ACHESON

[3] Dated June 7, 1945; for text, see Department of State *Bulletin*, June 10, 1945, p. 1047.

[4] Ambassador Austin made a further statement on the Greek question before the Security Council on April 7. At the same time, he offered the following resolution: "*Resolved* that during the absence of a Commission from the area in which it has conducted its investigation, the Commission shall maintain in the area concerned a subsidiary group composed of a representative of each of the members of the Commission." (SC, *2nd yr., No. 33*, pp. 707, 708.)

501.BC Greece/4–947: Telegram

The Acting Secretary of State to the United States Representative at the United Nations (Austin)

RESTRICTED WASHINGTON, April 9, 1947—4 p. m.

136. For Austin from Acheson. Department forwards following points which you may wish to include in any speech you decide to make during SC discussion of Greek case:

1. Immediate problem before SC is proper disposition of complaint brought by Greek Government on disturbances along northern Greek border. Effective action by SC requires maximum assistance from Commission along lines urged by US.

2. Proposed program of US aid to Greece is before Congress for decision. When such legislation is approved and agreements are reached between the US and Greece, the UN will have before it full information on the purposes of the aid program, the type of aid to be furnished and the administrative arrangements involved.

3. The SC will also have before it shortly the report of the Commission of Investigation.

4. With such information before it, the SC will be in position to determine, in consultation with the Greek and other governments concerned, what action the SC may take to assist Greece in its present plight, and with respect to proposed US assistance.

5. The US rejects the charges of the Representative of the USSR [1] that

(*a*) the proposed United States aid program weakens the UN or is inconsistent with the purposes of the UN;

(*b*) the US proposes to interfere in the internal affairs of Greece or to infringe upon the sovereignty of the Greek Government;

(*c*) the proposed aid program would interfere with the work of the SC's Commission investigating Greek border violations.

6. The US reaffirms its previously stated view that it is of the highest importance that the UN and its related agencies should assume the principal responsibility, within its capabilities, for the long-range tasks of assistance required for the reconstruction of Greece, and that the US looks forward to the time when such burdens may be carried through the UN.

7. The attitude of the US is further reflected in the draft legislation which is now before Congress for decision. This draft legislation contains a provision that: "If the Security Council finds (with respect to which finding the United States waives the exercise of the veto) or the General Assembly finds that action taken or assistance furnished by the United Nations make the continuance of such assistance unnecessary or undesirable."

ACHESON

[1] Andrey Andreyevich Gromyko; for his statement before the Security Council on April 7, see SC, *2nd yr., No. 33*, p. 697.

501.BC Greece/4–1447 : Telegram

The Acting Secretary of State to Mr. Mark F. Ethridge, at Geneva

SECRET WASHINGTON, April 14, 1947—7 p. m.

139. For Ethridge. Dept has reconsidered Deptel 200 [1] to Athens in light of your No. 34 [2] and of SC discussions, especially with respect

[1] Dated February 20, p. 821.

[2] Dated April 1, not printed; but see telegram 89, April 3, to Geneva, and footnote 1, p. 830.

to US aid program. We hope that Commission's report will be considered by SC prior to any SC action re aid program.

We agree with your No. 34 that continuing Commission is likely to be more effective if there are no stringent limitations on its authority as mediator of first resort. We also agree that it might appropriately include such questions as Salonika,[3] refugees and hostages. However, we do not wish to broaden terms of reference in such manner that any member of continuing Commission could use Commission as a device to delay or forestall US aid program or to use latter as pretext for postponing legitimate business of Commission.

For your info US will probably oppose any attempt in SC to link functions of continuing Commission to any proposal for UN supervision or observation of US aid program.

Dept's views re neutral observers set forth its 140, 7 p. m. today.[4]

Sent Geneva. Repeated Athens, Salonika, Belgrade, Sofia, New York, London, Moscow for the Secretary.

ACHESON

[3] On April 1, the Department informed Mr. Ethridge in telegram 186, to Belgrade, that "it is public knowledge that US favors an international free zone at Salonika under Greek sovereignty and administration." It stated further that the establishment of such a zone should be negotiated by the Greek, Yugoslav and Bulgarian Governments after the solution of the present border disturbances (501.BC Greece/4–147).

[4] *Infra.*

501.BC Greece/4–1447 : Telegram

The Acting Secretary of State to Mr. Mark F. Ethridge, at Geneva

SECRET WASHINGTON, April 14, 1947—7 p. m.

140. For Ethridge.

1. Dept agrees with you (re Ethridge No. 34 [1]) that border control regulations should have primary purpose of confining nationals of each state within respective borders, and that primary responsibility for this should rest with governments of states concerned. We also agree with you that objectives of paragraph 1 (*a*) of Deptel 200 to Athens can be achieved without participation of neutral observers, and feel that details should be worked out by you. In this connection the Secretariat of the continuing Commission might include officers who would be experts on border regulations, whose appointment could be subject to confirmation by Commission to avoid possibility of partiality, and whose purpose would be to investigate border incidents at direction of Commission and to advise Commission on technical aspects of violations.

[1] Dated April 1, not printed, but see telegram 89, April 3, to Geneva, and footnote 1, p. 830.

2. Re attachment of liaison officers to continuing Commission. We do not believe that such officers, to whom Greeks strenuously object, are necessary in view of our concept of continuing Commission as analogous to local SC. Complaints could be brought to Commission's attention and participation by any of four states concerned in consideration of matters before Commission could be arranged by procedures similar to those employed in SC. However, if it is necessary to agree to some provision for liaison officers, you should press for strict limitations on their number and on scope of their activities.

3. Please advise whether Commission intends to incorporate in report details re membership, staffing, financing and location of Commission's headquarters.

Sent Geneva. Repeated Athens, Salonika, Belgrade, Sofia, New York, London, Moscow for the Secretary.

ACHESON

501.BC Greece/4–1647 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

SECRET
PRIORITY

NEW YORK, April 16, 1947—5 : 50 p. m.

356. There follows my appraisal of developments in SC since my speech on March 28,[1] regarding US position on question of leaving SC Investigation Commission team in northern Greek border area and on US aid to Greece and Turkey. There is set forth course of action based on this appraisal which I think it advisable to follow and will do so in SC meeting on Friday morning unless Department has other suggestions.

(1) Support of US proposal that team be left in area has been indicated to US by all members of Council except USSR and Poland. Gromyko's statement that he "could not support" US proposal would indicate that he may not employ veto. Revised resolution would read substantially as follows:

"Resolved that pending a decision of the SC, the Commission shall maintain (in the area in which it has conducted its investigation) a subsidiary group composed of a representative of each of the members of the Commission, (who will continue to perform such functions within the terms of reference contained in the Council's resolution of December 19, 1946, as the Commission may direct)".

The first parenthesis is in response to suggestions by both China and Brazil. The last parenthesis is in response to suggestions by Syria and

[1] See footnote 2, p. 828.

China. Parodi [2] agrees to accept two suggestions and offer them as perfecting language to the resolution. I feel that in view of open support for this revised proposal there is no reason for US to retreat from position set forth in my statements of March 28 and April 10 [3] strongly advocating leaving of team. To drop the matter at this time because of Soviet opposition and without satisfactory and substantial reason would leave us open to criticism of insincerity. I do not think that we should be concerned about effect of a Soviet veto, if such should occur.

(2). Re deferment of action on Soviet proposal that special commission be established by SC to supervise aid to Greece, I believe we should stand on our statement of April 10. I should much prefer that the Council postpone action on the Soviet proposal. We have made our position clear, however, and I do not at present think it would be wise for us to make any further statement pressing for postponement or to make a motion to this effect.

(3). In regard to the merits of the Soviet proposal, unless and until the Council decides to take a vote immediately, I would prefer not to make any further statement or in any case avoid changing our position that we neither oppose nor support the Soviet proposal. If, however, the Council should decide to vote immediately, I would, before the vote was taken, want to vigorously oppose the "supervision" envisaged by the terms of the Russian resolution. I would make it clear that the US would, however, abstain on the vote rather than veto the resolution. We believe the Soviet proposal would have only two supporting votes.

(4). We have noted suggestion of Embassy Moscow (retel 1336 from Moscow dated April 13 [4]) that Gromyko proposal of supervisory commission be met with counter-proposal that UN supervise Soviet assistance to Poland, Czechoslovakia, Hungary, Rumania and Yugoslavia if US aid to Greece and Turkey is to be subjected to UN supervision. While I am not sure that this would serve any useful purpose at this juncture, it would be most helpful for USDel to have all available information re Soviet aid to its satellites, particularly to those who are members of UN.[5]

Dept., please repeat to Geneva for Ethridge, London, and Moscow for Secretary.

AUSTIN

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[2] Alexandre Parodi, French Representative at the United Nations.
[3] For Ambassador Austin's statement of April 10, see SC, *2nd yr., No. 35*, p. 742.
[4] Not printed.
[5] In telegram 161, April 17, to New York, the Department expressed its agreement with telegram 356 (501.BC Greece/4–1647).

501.BC/4–1647 : Telegram

The Acting Secretary of State to the United States Representative at the United Nations (Austin)

SECRET WASHINGTON, April 16, 1947—7 p. m.

160. For Austin. If action on Gromyko's proposal for UN supervision of US aid program is not postponed as suggested in your last statement in SC [1] (clearly a procedural decision) it is essential that it be defeated. It is equally essential that US not exercise veto in this decision, but abstain. Therefore, you should assure yourself through consultations that proposal will not secure seven votes with US abstaining. Unless you are certain, Council discussion should be adjourned prior to a vote to permit further negotiation. To clarify record, in event President does not call for negative votes Dept suggests desirability of US registering its abstention in some way.[2]

Sent New York, repeated Geneva for Ethridge, Athens, Salonika, Belgrade, Sofia, London, Moscow for the Secretary.

ACHESON

[1] On April 10.

[2] The resolutions proposed by the United States and the Soviet Union were voted on by the Security Council on April 18. The former, establishing a Subsidiary Group, was adopted by a 9–0 vote, with Poland and the Soviet Union abstaining. The Soviet resolution was rejected by a 4–2 vote, with five abstentions. The United States was among the abstainers. For the texts of the resolutions and the action taken by the Council, see SC, *2nd yr., No. 37*, pp. 799, 808.

501.BC Greece/5–147 : Telegram

The Secretary of State to Mr. Mark F. Ethridge, at Geneva

SECRET WASHINGTON, May 1, 1947—1 p. m.

253. For Ethridge.

1. BritEmb [1] expressed FonOff's concern report from Windle of emergence in Commission of "centre bloc" led French Del who considers Commission's report should not draw conclusions from evidence, thus avoiding express attribution blame Greece's three northern neighbors. According Windle, French Del claims recommendations in themselves imply some allocation blame, and French hope thus preserve united front with Slav bloc. Recommendations proposed French Del would include amnesty, new elections and possibly other matters described by Windle as intervention Greek internal situation. FonOff's

[1] In a conversation on April 28 between George H. Middleton, First Secretary of the British Embassy and William O. Baxter of the Division of Near Eastern Affairs; latter's memorandum of conversation not printed (501.BC Greece/4–2847).

view, it would be lamentable if French take steps Geneva which prejudice agreement majority Commission on logical conclusions drawn from evidence collected and substitute recommendations which would in fact amount to accepting Soviet thesis frontier troubles arise from Greek internal situation.

2. FonOff instructed its Ambassadors France and Belgium express British view Commission's primary duty report facts disclosed by investigation and British hope their delegates on Commission will not attempt political maneuvers appease Slav Bloc. FonOff hopes we will similarly instruct our Ambassadors Paris and Brussels and also instruct US representatives China, Brazil and Colombia take joint action along these lines with British colleagues.

3. Keeley [2] has forwarded you report his conversation Tsaldaris April 28 re article appearing *Eleftheria.* Same day, Dendramis delivered Austin Greek *aide-mémoire* which claims, *inter alia*, noticeable tendency in Commission to refrain from fixing responsibility border violations and to recommend that amnesty be granted and measures adopted combat alleged excesses right.

4. Latest info we have from you re nature Commission's report (par 5 your 39, April 13 [3]) indicates you seek majority concurrence on unequivocable conclusions and recommendations based thereon with hope that nine to two Commission decision will have persuasive effect when SC considers Commission's report.

5. Before replying British, would appreciate full info recent developments particular reference questions raised British and Greek memos to us.

6. Reply your 46 [4] and 48 [5] will follow.

Sent Geneva. Repeated Athens, Salonika, Belgrade, Sofia, London, Moscow and New York.

MARSHALL

[2] James H. Keeley, Jr., the Chargé in Greece.
[3] Identified also as telegram 106, from Geneva, not printed.
[4] Identified also as telegram 164, April 25, 4 p. m., from Geneva, not printed.
[5] Not printed, but see footnote 1, p. 840.

501.BC Greece/5–247 : Telegram

Mr. Mark F. Ethridge to the Secretary of State

SECRET GENEVA, May 2, 1947—2 p. m.

214. Ethridge 52. I am circulating today following draft of Commission recommendations to Security Council.

1. It should establish Commission of Security Council with functions and authority as follows:

[Here follow seven lettered paragraphs.]

2. It should recommend to four governments concerned that they enter into agreed frontier regulations along lines of 1931 agreement between Greece and Bulgaria with view to providing effective machinery for regulation and control of their common frontiers.

3. It should recommend to Governments of Greece, Bulgaria and Yugoslavia that negotiations be commenced looking towards development of free port facilities in Salonika; and if such facilities are developed to authorize Commission to observe operations of port and to use its good offices to reconcile differences arising therefrom.

4. It should recommend to Government of Greece that it invite observation by international body created by Security Council of new amnesty for political prisoners and members of Greek guerrilla bands.[1]

Sent Department 214, repeated Athens, Sofia, Belgrade, Moscow.

Department please repeat New York for Austin.

[ETHRIDGE]

[1] The Greek Chargé, Paul Economou-Gouras, on May 8, advised the Assistant Chief of the Division of Near Eastern Affairs (Jernegan) that the Greek Government objected to all four of Mr. Ethridge's recommendations. His Government, the Chargé stated, took special exception to the fourth recommendation dealing with the amnesty question. He noted that the Greek Government would like to see the recommendation with regard to the transfer of the Slav-speaking minorities from Greece made compulsory and also opposed authorizing the permanent commission to observe the operations of the free port at Salonika or to attempt to reconcile differences arising out of those operations (memorandum of conversation by Mr. Jernegan, 501.BC Greece/5–847).

501.BC Greece/5–347 : Telegram

The Secretary of State to Mr. Mark F. Ethridge, at Geneva

SECRET WASHINGTON, May 3, 1947—4 p. m.

U.S. URGENT NIACT

285. For Ethridge. Dept deems essential Commission submit to SC complete report of facts disclosed by investigation and extent of support in Commission for such findings of fact. Dept is not willing that compromise on this be made in Commission to obtain agreement on any other aspects Commission's report or for any other reasons. We have no objection to minority report. In Dept's opinion, if report indicates clearly the facts and support therefor, SC can draw its own general conclusions as to whether there has been a violation of the Charter or guilt with respect to Greek charges.

MARSHALL

333–774—72——54

501.BC Greece/5–347 : Telegram

The Secretary of State to Mr. Mark F. Ethridge, at Geneva

SECRET WASHINGTON, May 3, 1947—4 p. m.

US URGENT NIACT

288. For Ethridge. Following are Department's views and queries on possible recommendations which we understand Commission discussing:

1. We agree entirely with views expressed first section your 48 April 28 [1] re composition continuing commission and are making clear our position this point to Brit Emb. Although we prefer five or six member commission we would accept full eleven member commission if necessary to reach agreement SC.

2. Re amnesty section 3 your tel 48 April 28 Dept can not approve inclusion question of amnesty in Commission's recommendations. While sharing your conviction that quick end to Greek internal strife is essential and desirable Dept prefers handling this matter in different way and is now actively considering what steps might be taken in this matter (Athens' 606 April 30 [2] repeated to you as Deptel 276).

3. Re question new Greek elections which Windle reported French Del proposing (paragraph 1 our 253 May 1). Dept unreservedly opposed to any recommendation by Commission with respect to Greek elections. In our view there is no more reason to be concerned with Greek than with Bulgarian elections.

4. Lawrence article *NY Times* April 29 reports US proposal for four-power Balkan pact supervised by UN. Dept would appreciate pertinent details from you on this point.

5. Greek Emb has again raised question of possible exchanges of populations.[3] We do not know whether this matter actively considered by Commission. If so would appreciate pertinent details from you.

MARSHALL

[1] Identified also as telegram 168 from Geneva, not printed; the first paragraph advised that Mr. Ethridge favored a commission of five or six men rather than a single commissioner (501.BC Greece/4–2847).

[2] *Ante*, p. 158.

[3] In a conversation on April 25 between the Greek Chargé, Paul Economou-Gouras, and Mr. Baxter; latter's memorandum of conversation not printed (501.BC Greece/4–2547).

501.BC Greece/5–747 : Telegram

The Secretary of State to Mr. Mark F. Ethridge, at Geneva

SECRET WASHINGTON, May 7, 1947—5 p. m.

US URGENT NIACT

313. For Ethridge. Dept agrees with ur 56,[1] that it is necessarily handicapped considering draft conclusions summarized your 57 [2] in

[1] Identified also as telegram 227, May 4, 4 p. m.; it advised that there was "No question that report as whole, including majority conclusions, will unequivocally demonstrate that northern neighbors have been actively assisting Greek guerrillas." (501.BC Greece/5–447)

[2] Identified also as telegram 228, May 4, 6 p. m., from Geneva, not printed.

view of absence of complete background which you have. However on basis your summary Dept concerned regarding certain points needing clarification before US is finally committed in Commission. Following are principal points causing anxiety here.

A. *Conclusions:*

1. There seems to us to be serious inconsistency between conclusion in Section III that there was no evidence of aggressive intentions and conclusions in Section I. We doubt necessity for Section III.

2. Heading of Section V "Responsibility of Greek Government" and conclusions V, (3), (4), and (5) give appearance of responsibility on part Greek Govt comparable to that of northern neighbors. In Dept's view responsibility of northern neighbors for border violations established in Section I is direct. On other hand in our view persecution of and discrimination against Greek citizens by Greek Govt are only remotely connected with border violations. There should be clearcut distinction between general conditions in countries concerned which make possible or serve as pretext for frontier violations, and actual direct causes and responsibility for such violations. We doubt validity of such general internal conditions as legally acceptable evidence of cause or responsibility for border violations. Nor do persecution and discrimination by Greek Govt in any way lessen primary responsibility northern neighbors for failure to respect frontier.

3. It is obvious that commission has taken into account internal conditions in Greece to far greater extent than those in northern neighbors. Dept feels that criticism internal affairs of Greek Govt with no mention of nature and practices govts in northern States gives biased impression of realities. In our view, it is doubtful that border disturbances on such a large scale would ever have arisen if northern neighbors had not attempted to extend their own totalitarian systems to Greece.

4. If draft conclusions have not yet been distributed to other delegations we think it preferable they be withheld pending further discussion with Dept.

B. *Recommendations:* [3]

1. Recommendations 1(A) does not contain limitations of Deptel 200 [4] to Athens that terms of reference continuing commission should be limited to problems directly connected with border violations and threatening frontier situations. Neither does it appear to us to be in harmony with Dept's wish not to broaden terms of reference in such manner that any member continuing commission could use commission to delay or forestall US aid program (Deptel 139 to Geneva [5]).

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[3] See telegram 214, May 2, from Geneva, p. 838.
[4] Dated February 20, p. 821.
[5] Dated April 14, p. 833.

Dept still believes that terms of reference of continuing commission should be limited to pacific settlement of disputes connected with or arising from frontier violations and disturbances.

2. Same comments apply to your recommendation 1(D).

3. Reference recommendation 1(E) minorities and refugees are not necessarily the same and it is doubtful if minorities would be within competence of IRO.

4. Dept's views on Salonika in connection your recommendation 3 perhaps need further elucidation. Deptel 216 to Geneva [6] approved statement in Commission report concerning free port facilities at Salonika but not recommendation. Our view is that any SC recommendation to Greece to negotiate with Yugoslavia and Bulgaria on free port question would appear to place onus on Greece and would not recognize realities of situation which are (1) existence at present time of Yugoslav free zone, (2) existence of Greek free zone whose facilities were in past offered to Bulgaria and (3) primary responsibility of Bulgaria and Yugoslavia and not Greece for lack of full utilization Salonika free zones previous to war. Dept therefore believes that Commission report could profitably include some statement that development and better utilization of free zone facilities might contribute to mitigation of certain disagreements between three countries concerned and therefore improve frontier conditions. If necessary to include free zone question in form of recommendation, it might take form of suggestion that appropriate technical agencies of UN should assist Greek development and operation free port facilities available to neighboring countries, together with statement of reasons why such facilities have not been adequately utilized in past by Yugos and Bulgars.

5. Question of amnesty most perplexing as Greek Govt extremely sensitive this point and also in difficult position because large and influential part Greek public strongly opposed to any policy of appeasement of rebellious bandits. Greek Govt has been informed on several occasions of Dept's view that amnesty recommendation is not within competence of Commission. We hope that approach to Greek Govt in Athens (Deptel 298 May 5 to Geneva [7]) will be successful. If Greek Govt refuses, however, Dept would not wish, in view inclusion amnesty recommendations in draft you have circulated, to be in position of opposing amnesty recommendation in final report in event majority favors its inclusion. Dept strongly hopes that such situation may be avoided.

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[6] Dated April 25, not printed.
[7] Not printed.

C. Your telegrams 53 and 59 [8] being considered urgently. Dept concurs seriousness of refusal northern states permit admission subsidiary group.

Sent Geneva 313; rptd Athens 600, London 1992, New York 205.

MARSHALL

[8] Identified also as Nos. 215, May 2, and 235, May 5 from Geneva; neither printed.

501.BC/5-847 : Telegram

The Secretary of State to the United States Representative at the United Nations (Austin)

SECRET WASHINGTON, May 8, 1947—6 p. m.

210. 1. Reference cablegram from Chairman Balkan Investigation Commission to President SC May 5, 1947.[1] (S/343). Since communications and statements by three liaison officers do not necessarily represent considered positions of their governments, SC discussions at this juncture should if possible avoid magnifying this matter into major question for UN. This is a case where certain governments through their liaison officers have challenged the Investigation Commission authority to issue certain directives under terms SC resolutions December 19 and April 18. A much more serious situation would arise if after SC confirms authority of Commission to issue such directives (see para 3 below) these states should actually obstruct subsidiary group in performance of its functions. This would constitute open defiance of SC.

2. Since in the future this matter could have grave implications, great care should be exercised in establishing a solid record of US position along following lines:

A. *Authority of subsidiary group*

Authority of subsidiary group to perform its functions in parts of Albania, Bulgaria and Yugoslavia is derived from:

(1) Paragraph 4 of the resolution adopted unanimously by SC on December 19, 1946.

(2) Resolution adopted by SC April 18, 1947.

(3) Paragraphs II and V of the Directive to the Subsidiary Group. (S/337).

[1] SC, *2nd yr., Suppl. 11*, p. 123; it conveyed the refusal of the Yugoslav, Albanian and Bulgarian Liaison Representatives to participate in the work of the Subsidiary Group of the Commission of Investigation and referred the matter to the Security Council. The Commission Chairman, on April 30, had cabled to the President of the Council its directive to the Subsidiary Group, scheduled to leave for Salonika on or about May 3; for text, see *ibid.*, p. 121.

Resolution of December 19 clearly authorized Commission to perform its functions in parts of Yugoslavia, Bulgaria and Albania. Resolution of April 18 directed Commission to maintain a subsidiary group "in the area concerned", which we interpret to mean the area designated in December 19 resolution. Therefore, SC clearly empowered Commission to issue a directive to subsidiary group providing for performance of its functions in Albania, Bulgaria and Yugoslavia.

B. *Obligations of Yugoslavia to comply with Directives of Commission.*

Pursuant to Article 25, Yugoslavia as Member of UN has agreed to accept and carry out decisions of SC. Resolution of Dec 19 approved unanimously. President ruled that Resolution of April 18 was carried (USSR abstaining). This was not challenged.

It is not necessary to decide whether recommendations pursuant to Chapter VI constitute a decision within meaning Article 25. Charter clearly contemplates that SC makes decisions under Chapter VI as indicated:

(1) By language of Article 27 which speaks of "decisions under Chapter VI."

(2) By discussions of Article 25 at San Francisco Conference where no state questioned that Article 25 applied to decisions under Chapter VI as well as Chapter VII.

(3) By fact that nothing in Charter indicates that term "decision" is word of art applicable only to decisions under Chapter VII.

Part I paragraph 4 of Four Power Statement at San Francisco makes it clear that action of SC to investigate under Article 34 constitutes a decision.

SC established Investigation Commission by decision under Article 34. By additional decision SC directed Commission to establish subsidiary group. Members clearly obligated under Article 25 carry out both decisions of SC. This obligation also extends to directives of Commission within its terms of reference.

C. *Obligations of Bulgaria and Albania.*

Bulgaria in letter to SC of December 18 stated "that it accepts and will carry out the obligations for the pacific settlement provided in the Charter for the purposes of this case". Albania in a letter to SYG dated December 18, 1946 accepted "the obligations contained in the Charter of the United Nations and . . . in the matter under consideration . . .[2] the decision of the SC in the framework of the provisions of Article 25 of the Charter". Thus both countries are bound to the same extent as Members of UN.

3. In present circumstances we think SC should confirm to Investigation Commission that its directives for subsidiary group (S/337) are within scope of its authority under SC resolutions December 19

[2] Omissions indicated in the original.

and April 18 and that Directive IV in compliance with penultimate para December 19 resolution constitutes an invitation and is not mandatory.

4. In presenting US view you may wish to refer to the cooperation of Albania, Bulgaria and Yugoslavia in the past work of Commission and state US can not believe that, if the subsidiary group in the performance of its functions as directed by SC and Investigation Commission, finds its necessary to enter Albania, Bulgaria and Yugoslavia, these countries would fail to honor their obligations.

5. Dept unreservedly endorses general position of Ethridge 59.[3]

Sent New York—repeated Geneva Athens, Salonika, Belgrade, Sofia, London, Moscow.

MARSHALL

[3] Identified also as telegram 235, May 5, 6 p. m., from Geneva; Mr. Ethridge's position was that "it seems clear that Greece, Albania, Bulgaria and Yugoslavia are not required to send liaison representatives to assist the subsidiary group but may do so if they wish. Whether or not they send liaison representatives however the obligations of the countries concerned to assist in the work of the subsidiary group remain the same.

"Under the SC resolution of April 18 the Commission was required without discretion to maintain a subsidiary group in the area 'pending a new decision of the SC'. Thus in all respects the subsidiary group is an integral part of the Commission itself and is governed by the resolution of December 19 which created the Commission." (501.BC Greece/ 5–547)

501.BC Greece/5–847 : Telegram

Mr. Mark F. Ethridge to the Secretary of State

SECRET GENEVA, May 8, 1947—11 p. m.

US URGENT NIACT

274. Ethridge 65. There seems to be basic misapprehension on part of Department (Deptel 313 [1]) as to the facts Commission has uncovered and area of its investigation. The investigation has been primarily concerned with hearing evidence as to extent to which and methods by which three northern neighbors gave aid to the guerrilla movement in Greece. Very little attention was paid by the Commission to the question of frontier incidents except in so far as they evidenced the help that was being given by the northern neighbors to the guerrillas. For example, three most important incidents on the frontier (Skra, Sourmena, Idhomeni) showed clearly that the partisans retreated from Greece across the frontier thus making it clear to the Commission that one form of aid being given by northern neighbors was providing an avenue of escape for partisans who would otherwise be captured by the Greek Government forces. Those incidents were of course

[1] Dated May 7, p. 840.

"border violations" and so were cases which showed that northern neighbors helped refugees who had fled from Greece return to Greece in order to join the guerrilla bands. It is not on other hand a "frontier violation" for the northern neighbors to have trained Greek refugees in art of guerrilla warfare nor to have given them military equipment and arms in Yugoslavia nor to have conducted a campaign of political indoctrination inimical to Greece while they were in the camp at Bulkes.

Each country provided the Commission with list of so-called frontier violations which each alleged were symptomatic of aggressive intentions on part of government complained against. These incidents ranged in importance from penetration of border of few yards to sheep stealing to exchanges of shots by border patrols. They are the sort of incidents and "frontier violations" which have been occurring in the Balkans for centuries. It would have been obviously absurd for the Commission to have attempted to have made a detailed investigation of each illegal frontier crossing and to assess the blame. The Commission would have investigated any evidence which tended to show that these illegal crossings were in fact part of a systematic plan of provocation by one country against another but none was brought forward. Accordingly in our proposed conclusions we say that; to have said otherwise on the basis of the evidence would have been nonsense.

Thus we see no inconsistency between our conclusions as to Part I and Part III.

As to conclusions (3) (4) and (5) under Part V much of the explanation above is applicable to them. As to (3) the facts are that of approximately 1,000 battles and clashes with the guerrillas which have occurred since March 1946, about 700 occurred in the Greek provinces adjacent to the frontier. The remainder occurred in many other districts of central and southern Greece. Thus the conclusion is inevitable and does no more than state a fact which is apparent to anyone who has analyzed situation as all members of the Commission have.

As to (4) and (5) the facts are that northern neighbors in their efforts to help Communists get control of Greece, opportunistically took advantage of fact that about 20,000 refugees from Greece had fled into Yugoslavia and about 5,000 into Bulgaria. Some of these were the people who were trained, indoctrinated and, in some cases, sent back to Greece to join the guerrillas. Of those who sought and who are still seeking refuge in the territories of northern neighbors a substantial number fled because they had been persecuted in Greece or because they feared persecution. For the same reason many joined the guerrilla

bands. Thus to that extent Greece itself by its own shortsighted attitude and by its discriminatory and gangster-like methods was providing grist for the mill of political indoctrination and training in northern countries. It is noteworthy that very large proportion of the refugees from Greece are Slavo Macedonians who bore the burnt of discrimination. It seems clear to me that unless the discriminatory treatment stops flight to mountains or across frontiers will not stop. Thus this is interrelation between nature and causes of trouble and conclusion that Greek discrimination had caused thousands to flee. I, of course, agree that this does not in any way lessen primary responsibility of the north countries as stated in my telegram 64.[2] French are informally circulating a memorandum in support of their position that Commission should not reach any conclusions. Delay in circulating our conclusions, which I believe are best argument that we can put forward to counter French position, will make it easier for the French to gain adherents to their position. Accordingly I do not think that we should delay circulation beyond Sunday morning and unless I hear from the Department to the contrary will circulate them then. They will of course be stated as preliminary and tentative and subject to modification.

With respect to recommendations, because of the nature of the causes of disturbances in Greece and minor importance of most violations of the frontier, we did not limit proposed commission to authority to act as an agent of conciliation only to frontier violations. I can, of course, be so limited if Department wishes but in my view to have this Commission perform its labors for so many months and come out such a mouse would, I feel, lower prestige of the Commission and the SC.

It must be underlined that ordinary incidents on frontier are not cause of the trouble in Greece nor are they even symptom of it. Frontier violations have gone on for centuries and will continue and recommendation for the reestablishment of the border convention will take care of this aspect. The term threatening frontier situation is meaningless and without any relation to actual situation. Furthermore it is difficult for me to understand why sanctity is given to a proposed recommendation formulated by the Department in mid-February before the Commission had uncovered any facts.

I, of course, recognized the importance of not broadening the terms of reference of the Commission so as to permit any member to use it to delay or forestall the US program. On the other hand I do not see how giving the Commission power to act as an agency of conciliation for disputes between Greece and its northern neighbors of the nature referred to in Article 33 of the charter would have this result. British draft, of course, is not limited to border violations. I would like to

[2] Identified also as telegram 272, May 8, 5 p. m., from Geneva, not printed.

have firm instructions on this point as undoubtedly within next several days an effort will be made to merge the US and UK recommendations into a single document which will have the approval of majority.

Hope Department will understand importance of fastest possible action on its part in replying to our inquiries and in authorizing release of tentative draft of conclusions. Friendly countries wait on American Delegation for leadership. In fact we have initiated every major proposal which Commission has so far adopted even to abortive proposal for temporary team which, to avoid appearance of too much aggressiveness, we turned over to British. Even now nobody is preparing conclusions except the Russians. Five Delegations have requested copies of our draft and I am in position of having to say to them that they will have to wait a few days even though everybody knows the British have seen them.

The drafting committee is almost through its factual analysis and we will probably move to conclusions next week. Delegations could have been studying them this week and we could probably by now have reached agreement on a draft. If we have sufficient time to have them studied by delegates we feel we can get enough delegates with us to stop any drift toward Daux's idea.

Sent Department; repeated Athens, London as 7.

Department please repeat New York for Austin.

[ETHRIDGE]

501.BC Greece/5–1047 : Telegram

The Secretary of State to Mr. Mark F. Ethridge, at Geneva

SECRET WASHINGTON, May 10, 1947—11 p. m.

US URGENT NIACT

349. For Ethridge. Re questions concerning your draft conclusions raised urtel 65 May 8 [1] SC directed Commission "ascertain facts relating alleged border violations along frontier" and "elucidate causes and nature border violations and disturbances". We agree with you that Commission was not required to concern itself with detailed investigations numerous insignificant border incidents. It was for this reason that Dept after lengthy deliberation chose and insisted upon broader terms "border violations and disturbances". We have never considered border violations and disturbances synonymous with border incidents. Your statement that investigation has been primarily concerned with aid given by northern neighbors to guerrilla movement makes it clear that Commission itself has interpreted the words border violations and disturbances in its terms of reference as including more than mere border incidents. Sections I and II your

[1] *Supra.*

conclusions appear directly responsive to Commission's terms of reference.

Dept has not received text conclusions; hence some misunderstanding on your conclusion III may derive from differences between your full text and telegraphic summary contained urtel 57.[2] If Section III deals with large number minor incidents of nature common most international borders and without political significance, Dept offers no objection. However if Section III also comprises incidents connected with or flowing from activities described in Sections I and II, Dept can not agree that such incidents evidence no aggressive intentions. If incidents are in former category only, Dept questions whether conclusions thereon should constitute one of five major categories of conclusions.

Dept adheres to its views (Deptel 313 [3]) regarding Section V of conclusions. Use of phrase "Responsibility of Greek Government" unnecessarily ambiguous and confuses the factual account of the reactions of Greek nationals to activities of the Greek Government with assessment of legal and political responsibility regarding border violations and disturbances. It suggests that internal conditions in one country can be used to justify violations of territory by neighboring states which would otherwise be clearly contrary to Charter. It also affords propaganda opportunity which would not be passed over in the Security Council.

Re recommendations. It has always been Dept's policy that terms of reference continuing commission should not and need not be broader than those of present Investigating Commission. We have been and are agreeable to their being just as broad. We do not agree that continuing commission with terms limited to border violations and disturbances as interpreted by us above would lower prestige of present Commission or of SC. Matter has been fully considered since despatch Deptel 200 to Athens. Excellent work of Commission under its terms of reference has confirmed Dept's views that continuing commission need not have broader terms of reference than has present Commission. We recognize impossibility of placing explicit limitations in terms of reference of continuing commission with respect U.S. aid program. We also recognize that restricting continuing commission to frontier violations and disturbances will not provide one hundred percent guarantee that northern neighbors will not attempt raise aid program before commission. Finally, we believe that terms of reference limited to pacific settlement of disputes connected with or arising from frontier violations and disturbances are sufficiently broad to enable SC to fulfill its responsibilities.

Sent Geneva 349; rptd Athens 619, New York 213.

MARSHALL

[2] Dated May 4, not printed.
[3] Dated May 7, p. 840.

501.BC Greece/5–1247 : Telegram

Mr. Mark F. Ethridge to the Secretary of State

SECRET GENEVA, May 12, 1947—4 p. m.

299. Ethridge No. 70. Set forth below is full text of our revised draft of conclusions which we are distributing as a confidential provisional draft this morning. It was shown to British yesterday and agreed to in its entirety. Australia presented us today with draft conclusions which they had prepared for their own use and not for distribution. They are surprisingly similar to our own.

US DRAFT CONCLUSIONS

I. ALBANIA, BULGARIA AND YUGOSLAVIA AND GUERRILLAS IN GREECE

The charge by Greek Govt that its northern neighbors were supporting guerrilla warfare in Greece was directed jointly against Albania, Bulgaria and Yugoslavia. Evidence submitted, however, related primarily to Yugoslav intervention in this regard and only to a lesser degree to that of Albania and Bulgaria. Although liaison representatives repeatedly denied these charges and attacked credibility of witnesses who testified in their support little direct evidence was brought forward [to] disprove them.

A. *Yugoslavia.*

1. Commission heard considerable amount evidence by direct testimony and by deposition that assistance had been rendered in Yugoslavia to guerrillas taking form training refugees from Greece within borders of Yugoslavia, recruiting and dispatching them to Greece for action with guerrilla units there as well as supplying them for this purpose with arms, supplies, transport, guides, hospitalization, et cetera and providing an avenue of escape for guerrillas fleeing from Greek Govt forces.

2. Commission heard the testimony of several witnesses that in spring 1946 special course for guerrilla leaders was established in refugee camp Bulkes, Yugoslavia, which was designed give theoretical and practical training to refugees from Greece in guerrilla warfare. There was presented to Commission copy of a military manual for training guerrilla tactics and several witnesses testified that it was used as text book in Bulkes school. Indeed one witness, a Greek refugee, testified that he was one of authors of manual when it was written in summer of 1945. It seems clear from the evidence that during spring and at least through summer 1946 actual training in Partisan warfare was given to selected personnel among refugees at Bulkes Camp. Furthermore, Commission heard evidence which demonstrated that at

least some of refugees who had received military training returned Greece and participated in operations of guerrilla bands. Evidence was also presented Commission that certain Greek refugees were incorporated in Yugoslav Army and some who had served were later released so that they might return to Greece and join guerrillas.

3. Commission was provided with considerable evidence indicating that preparatory to returning to Greece the Greek refugees at Bulkes Camp and in other places in Yugoslavia were provided with arms and other military supplies, clothing and food. Other refugees testifying before Commission stated that in crossing from Greece into Yugoslavia and from Yugoslavia into Greece transportation was provided them and that they were conducted by Yugoslav guides including Yugoslav soldiers and were provided with a network of liaison agents who facilitated crossings. Evidence also showed that Yugoslav frontier guards permitted guerrilla bands escape into Yugoslavia when pursued by Greek Army.

4. In addition evidence showed that as part of pattern of assistance to guerrilla movement, arrangement was made for transportation guerrillas wounded in Greece into Yugoslavia where hospitalization was provided in infirmaries there.

Three witnesses testified they themselves had transported wounded guerrillas on donkeys to or across Yugoslav border.

5. Commission visited camp at Bulkes April 2, 1947 and there found no evidence of military activities. Accordingly Commission is of opinion that at present time such military training as had theretofore been carried on at Bulkes has been discontinued.

6. Nor is there doubt that at Bulkes Camp refugees from Greece were subjected political indoctrination and propaganda looking toward overthrow Greek Govt. Witnesses uniformly testified that March 25, 1946, Greece's Independence Day, the leader of Greek Communist Party Zachariades visited camp at Bulkes and made speech urging refugees prepare themselves return Greece "When Greek people will need them". Refugees at Bulkes heard similar propaganda from other official personnel including Yugoslav Minister Education for Voivodina and a Bulgarian Commission of several officers who paid visits to camp. While at Bulkes, Djevdjelija and Strumitsa, the Commission witnessed political demonstrations by refugees antagonistic to present Greek Govt which indicated political activity among refugees continued to be sanctioned.

B. *Albania.*

7. In case of Albania evidence presented to Commission indicated that at Rubig, a villiage about 50 miles north of Tirana a camp for Greek refugees had been in existence from spring 1945 to October

1945. During that period refugees there received political instruction as well as pratical and theoretical military training. A military training manual written in Greek at Rubig similar to the one used at Bulkes was presented in evidence to Commission. Moreover, Commission heard testimony that manual which was published in Albania was mimeographed on paper furnished by Albanian Press Ministry.

8. Witnesses testified before Commission that after Varkiza Agreement of February 12, 1945, former members of ELAS (military arm of EAM) were advised by the KKE (Communist Party of Greece) or their ELAS comrades to cross into Albania as well as into Bulgaria and Yugoslavia to avoid persecution. Certain witnesses testified that officers of KKE made arrangements with Albanian security authorities for their reception, transportation, food, and lodging, and it was testified that before returning to Greece these refugees were supplied in Albania with food, clothing, military equipment, and transportation to border. Several witnesses also testified that they were given assistance by Albanian military personnel in their efforts cross frontier between Greece and Albania.

9. Evidence presented Commission indicated there was no military or other training of Greek refugees in Albania after October 1945 when the refugees in camp at Rubig were transferred to Bulkes in Yugoslavia. However, evidence indicated that as late as November 1946 Albanian assistance to Greek guerrillas continued in form of providing arms, ammunition and routes of entry as well as making available guides and liaison assistance for guerrilla groups returning to Greece from both Albania and Yugoslavia.

C. *Bulgaria.*

10. Evidence submitted to Commission re Bulgarian aid to Greek guerrilla movement indicates that Greek guerrillas in groups and individually were assisted in crossing Bulgarian territory from Yugoslavia to Greece and that sizeable Greek guerrilla groups had on a number of occasions taken refuge on Bulgarian soil with assistance of Bulgarian authorities. Evidence was also presented to show that on at least two occasions Greek guerrillas were given arms in or near Sofia while on the way to Greece from Yugoslavia and that hospital facilities were offered to Greek guerrillas who were transferred for this purpose to Bulgarian territory.

11. The Commission is therefore of the opinion that aid was provided the Greek guerrillas by the Bulgarian Government in the form of assistance in entering and leaving Bulgarian territory, provision of transportation for guerrillas crossing Bulgaria to and from Yugoslavia and hospitalization guerrillas wounded in Greece. Less evidence

was provided Commission, however, as to the arming and equipping of guerrillas.

II. MOVEMENT TO DETACH MACEDONIA AND WESTERN THRACE FROM GREECE

1. The Greek Government charged that support was being given by the Yugoslav and Bulgarian Governments through propaganda and otherwise looking towards the detachment of Province of Macedonia from Greece and its incorporation into the Federative Peoples Republic of Yugoslavia.

2. Evidence was introduced in Commission consisting of quotes from speeches by responsible Yugoslav and Bulgarian statesmen and from Government controlled press which indicated in unequivocal fashion that their Governments adopted a policy of support for a separate Macedonian state within the Yugoslav Federation and exploited the aspirations of Slavo-Macedonians in Greece for an autonomous Macedonia. This exploitation had the inevitable result of fomenting dissatisfaction and disturbances among the Slavo-Macedonians.

3. In addition the Commission heard witnesses who testified that there was in Yugoslavia an organization known as NOF (National Liberation Front), one of whose objects was to detach Greek Macedonia from Greece and to incorporate it into Federation of Yugoslavia. These witnesses testified that activities NOF were directed from its headquarters in Skoplje and during its most active phase through a special "Aegean bureau" in Bitolj (Monastir). Its program included propaganda supporting Macedonian movement.

4. There is no doubt of existence of NOF which is, in fact, no more than the name of Greek EAM in Slavic translation. Both Yugoslav and Bulgarian representatives denied, however, that it was engaged in activities of the type described in the Greek charge. Although certain witnesses testified to the Commission that they had not heard of this aspect of the functions NOF, the references to NOF's relationship to the Macedonian movement were so numerous and so uniform as to leave little doubt on this point in the minds of the Commission.

5. In case of Bulgaria, the Greek Government offered the hypothesis to Commission that Bulgaria was willing to give up Bulgarian Macedonia as well as its traditional claim to Greek Macedonia in return for Yugoslav support of her claim to the Greek province of western Thrace. At Paris Peace Conference in 1946, Yugoslavia did support Bulgarian claim, but no other evidence was offered to the Commission in substantiation of the Greek hypothesis.

6. It's nevertheless quite clear that Bulgaria did support movement for unification of the three parts of Macedonia as a republic within the Yugoslav Federation. As late as November 16, 1946, an article in

official Communist paper *Rabotnechesko Delo* welcomed creation of Republic Macedonia within the Yugoslav Federation and asserted that "unification of other parts of the Macedonian nation can take place only on basis of this republic. Such unification is in the interests of the future peaceful development of Bulgaria in close cooperation with Yugoslavia."

7. In explaining attitude of Yugoslav Government with regard to Macedonian question, its representative stated that Yugoslavia could not be indifferent to "terrible state" of Slav minority in Macedonia. He stated that Yugoslavia's interest was in assisting this minority in its achievement of full political and cultural rights and that this was to be achieved within framework of Charter of UN.

8. It was pointed out to Commission and not disputed that after Varkiza Agreement over 20,000 Greek citizens had fled into Yugoslavia either directly or through Albania or Bulgaria and approximately 5,000 into Bulgaria, a substantial proportion in each case being of Slavo-Macedonian origin. Evidence was also presented in support of the charge that Greece had sanctioned persecution of its Slavo-Macedonian minorities. Furthermore, the Commission heard some testimony that the Slavic dialect spoken by Slavo-Macedonians who comprise about 85,000 was not taught in schools, and that in certain areas, use of this dialect by Greek nationals was prohibited.

9. The Commission is of the opinion that as long as such discriminatory treatment continues, there will be unrest and discontent on the part of the Slavic minority in Greek Macedonia which will provide fertile breeding ground for separationist movements. This does not, of course, absolve northern neighbors from their responsibility in this regard.

10. Although it is undoubtedly true that during war the Axis occupying authorities had themselves supported a Macedonian autonomist movement in effort create controversy among Balkan states as pointed out by Yugoslav representative, it seems equally clear that since war the Yugoslav and Bulgarian Governments, by speeches of responsible officials and articles in press have themselves revived and promoted a separationist movement among Slavo-Macedonians.

III. FRONTIER VIOLATIONS NOT INVOLVING AID TO GREEK GUERRILLAS

1. Greek Government charged that Albania, Bulgaria, and Yugoslavia were deliberately provoking incidents on their common frontier. In turn Albania, Bulgaria, and Yugoslavia made similar accusations against Greece. In each case, a substantial number witnesses were heard by Commission as well as extensive documentation in support of charges. The incidents brought to the Commission's attention ranged

from penetrations across border of a few yards to sheep-stealing and exchanges of shots between frontier guards. In report of Commission clear distinction is made between activities of Greece's three northern neighbors in support of guerrillas in Greece as set forth in Chapter I, and frontier provocations and incidents not connected with aid to guerrilla movement as set forth in the present chapter.

The Greco-Albanian frontier.

2. The Greek Government submitted list of 108 incidents on Greco-Albanian frontier during 1946, declaring they were characteristic of a "policy of systematic provocation adopted by Albanian Government." Majority these incidents concerned theft livestock, shooting affrays between Greek and Albanian patrols, and abduction Greek soldiers and civilians into Albanian territory. Total casualties resulting from these incidents amounted between 20 and 30 persons killed, wounded, and captured.

3. Similarly Albania charged Greece with 111 provocations on frontier during year 1946, including as well as traditional sheep-stealing incidents and skirmishes between border patrols, violations of Albanian territorial rights on land, on sea, and in air. Total casualties resulting from these incidents amounted to 4 persons killed, and 2 wounded as well as a certain relatively minor damage property rights. The Albanian liaison representative charged that incidents deliberately provoked by Greek Government in pursuance of its claim to Albanian region of northern Epirus, and further that they were deliberate incursions evidencing aggressive intentions of Greek Government.

The Greco-Bulgarian frontier.

4. It was charged in Greek case that 32 incidents had occurred in 1946 and 2 in 1947 on Greco-Bulgarian frontier, for which it regarded Bulgarian authorities responsible. These incidents had cost the lives of 11 Greeks, although majority them were minor incidents and of non-political character. Bulgarian case in turn made mention of 33 incidents attributed to Greek initiative in 1946 and 46 violations of the frontier from 23 January to end of February 1947, including numerous territorial violations by planes.

5. These charges were denied by Greek and Bulgarian representatives respectively. To the Bulgarian assertion that the provocations were a result of fact, Greek frontier posts had been withdrawn to depth several kilometers and Greek territory along frontier was not under control Greek authorities, it was replied that frontier posts had been withdrawn for very purpose preventing undue friction.

6. In reply to Greek charges on the other hand, Bulgarian representative pointed out that its Government faithfully notified Allied

333-774—72——55

Control Commission in Sofia of all frontier incidents, and that during two years since war, there had been no disturbances or disorders on Bulgarian side of frontier. In case of most incidents cited by two countries, Commission did not find that Governments of Greece and Bulgaria were directly implicated. In spring 1946 Bulgarian Government expressed its willingness put into effect again Greek-Bulgarian frontier accord of 1931 which has been inoperative since 1941, and requested Greek Government to execute a protocol to implement 1931 accord with modifications necessary give effect to changes which have taken place in border service since the original agreement. Greek Government did not respond on ground that diplomatic relations did not exist between the two countries stating however, that it, on its part, had lived up to spirit of 1931 agreement.

The Greco-Yugoslav frontier.

7. It was charged by Greek representative that 57 incidents had occurred along Greco-Yugoslav frontier in 1946, which had cost lives of 19 Greek military personnel. Yugoslav representative in turn cited 35 frontier incidents alleged to have occurred between 13 June 1945 and 18 December 1946 in addition to 43 flights over Yugoslav territory by 77 Greek planes between May 18, 1945, and December 3, 1946.

8. Evidence submitted the Commission shows clearly that there have been since war a large number violations on frontier on each side. On other hand, no evidence of probative value was introduced which tended indicate that frontier violations of type considered in this chapter were deliberately provoked either by Governments of northern neighbors, or by that of Greece, or that there was any policy of systematic provocation on either side, or that incidents themselves were evidence of aggressive intentions of either country.

9. Conclusion is inevitable, however, that large number incidents, the accusations and counter-accusations, were by Governments against one another, and willingness of authorities on both sides magnify minor incidents into important skirmishes accompanied by shooting and bloodshed is clear evidence of strained relations between the countries.

IV. GREEK DOMESTIC POLICY IN RELATION TO FRONTIER INCIDENTS

1. The representatives Albania, Bulgaria, and Yugoslavia charged that the present régime was responsible for state of civil war in Greece, and for disturbed conditions in northern provinces. Greek Government took position that an investigation this charge would involve internal affairs of Greece which were not before Commission, and were not thus within its competence. Accordingly, Greek Government did not

on these grounds present evidence in refutation. It was, nevertheless, felt by Commission that insofar as it might constitute a factor contributing to disturbed conditions northern Greece along Greek frontier, Greek internal situation could not be ignored.

2. Evidence presented to Commission left no doubt that great majority of clashes between guerrillas and forces of Greek Government had occurred in northern Greek provinces of Epirus, Macedonia, and Thrace. Of two estimates submitted to Commission purporting to be based on official Greek sources, one showed that 707 out of 922 clashes had occurred in the three northern provinces of Greece, and the other that out of 1,338, 769 had taken place there. Sufficient number incidents were recorded in central and southern Greece, however, to impress Commission that, while conditions in northern Greece were far more acutely disturbed than elsewhere, there was general condition of unrest in Greece as a whole. Commission does not find, however, that this condition amounts to state of civil war.

3. In connection with present situation, Greek Commission was presented with body of evidence in support of charge that responsibility for situation lies in Greek domestic policy. This evidence was presented not only by representatives of Greece's three northern neighbors but by representatives of EAM, the Left Liberal Party, the Central Committee of General Confederation of Labor, EPON, and a number of individual witnesses. This evidence was to effect that opposition political groups in Greece had been persecuted by Greek *gendarmerie* and by right-wing bands, and that civil rights of the Macedonian and Chamuriot minorities had been restricted. Evidence was also presented indicating that certain opposition elements had been subjected persecution in violation of the Varkiza Agreement, February 12, 1945. Persecution of opposition groups took form of large-scale arrests, of imprisonment or exile, beatings, and other brutalities, and burning of houses as punitive measure. Evidence indicated that this persecution was conducted by some members of Greek *gendarmerie* and by officially tolerated right-wing bands (suppression of which has recently been ordered by Greek Government), and extended to wide variety political groups, especially parties of EAM coalition. In statement to Commission EAM representatives asserted that in period October 1946 to January 1947, 12,000 persons were under detention. These figures were not, however, verified by Commission.

4. Commission also received sufficient evidence to warrant conclusion that immediately after liberation of Greece, the small Slav-speaking and Chamuriot minority in Greco-Macedonia and Epirus had been victims of retaliatory excesses, and Chamuriot minority had virtually fled en masse from the country. As regards treatment of

minorities, Greek Government asserted that the acts in question were committed before it had established control areas concerned, and that many members of these minority groups had collaborated with Axis occupying forces during war.

5. Against this, Commission must record that Rector of University of Athens, who represented some sixty organizations, including certain labor groups, testified to the contrary, asserting that it was Communists who carried on terrorism in Greece, and the disorders were due, not to social or political causes, but to foreign interference. Moreover, there was considerable body evidence to show that EAM had itself violated the Varkiza Agreement by failing carry out its obligation surrender all its arms to Greek Government, and by urging its members to hide their arms and leave Greece or go underground. Furthermore, EAM had refused take part in 1946 elections, although these elections were held under international observation in the spirit of the Varkiza Agreement.

6. Albanian representative charged that numerous war criminals and leading members of quisling régime established while Albania was under Axis domination had been granted asylum in Greece. It was alleged that these war criminals and quislings were not only given exceptionally favorable treatment in Greece as regards rations, housing, and personal liberty, but were encouraged in their political activity by Greek authorities. Similar charges as regards some 40 alleged war criminals and quislings were made by Yugoslav representative who claimed that since war Greece had become "the meeting point" of Yugoslav war criminals and quislings. To a lesser degree, charges of similar character were also made by Bulgarian representative.

7. In reply Greek liaison representative asserted that, while indeed a considerable number refugees from three northern countries had entered Greece since end war, Greek Government had dealt with them under procedure in accordance international practice. It was pointed out that all these refugees had been established in camps in southern part of Greece, and that they had not been permitted engage in any activity whatsoever which could be regarded as inimical to Albania, Bulgaria, and Yugoslavia. A team of the Commission visited number places where these refugees were held and although there was some testimony indicating political activities on part of internees directed against Albania, Bulgaria, and Yugoslavia, the Commission does not feel that Greek Government itself had encouraged it. On basis of team's visit, Commission is also of opinion that the charge that internees received preferential treatment was refuted.

8. Commission is of opinion the discrimination and persecution to which those minorities and political opposition groups had been sub-

jected by Greek Government as result of atmosphere of bitterness and reprisal following civil war of 1944–1945 had caused several thousand persons to flee to mountains or take refuge on soil of Greece's three northern neighbors where they formed groups actively hostile to Greek régime. To this extent, it is the Commission's opinion that this persecution on the part of Greek Government and present general disturbed conditions in Greece are factors which help explain and thus bear an indirect relation to disturbed situation along Greek frontiers. On other hand, it in no way relieves the three northern neighbors of their duty to prevent and suppress subversive activity on their territory aimed against another Government, nor does it relieve them of direct responsibility for their support of Greek guerrillas.

9. In its evaluation of charges made against Greek Government, Commission recognized that disturbed conditions in Greece were heritage of tragic experiences which had been endured during war, and to consequent inability of Greek Government since liberation to stabilize its economy or to carry on a program of economic rehabilitation. Furthermore, the Commission saw and heard evidence especially in Athens and Salonika of a considerable degree of apparent political freedom, freedom of speech, press, and assembly despite the disturbed conditions Greece.

V. TERRITORIAL CLAIMS

1. It was alleged in Albanian case that Greek insistence that a state of war still existed between Albania and Greece and Greece's continued assertion of its territorial claim on southern Albania (northern Epirus) was an important factor contributing to frontier disturbances. In reply Greek representative recalled that it was Albanians who had initiated state of war when they participated in Italian aggression against Greece in 1940, and that such territorial claims as Greeks might have against Albania had been placed before appropriate international bodies.

2. Commission did not investigate the Albanian charges regarding Greek foreign policy as they related more to official territorial claims made before Council of Foreign Ministers, and to traditional Greek-Albanian rivalry than to matters coming within scope of Commission's inquiry. Commission believes, however, that fact that Greece has maintained an uncompromising attitude in its continued assertion of existence of state of war with Albania and has reiterated its claim to Southern Albania has undoubtedly increased the tension between two countries and contributed to psychological atmosphere evidenced in part by frontier clashes.

3. Bulgarian charges with regard to the alleged expansionist foreign policy of Greece made reference both to Greek territorial claims made

at Paris Peace Conference, and to extremist statements which have appeared in Greek newspapers and pamphlets and at public meetings. To these charges Greece replied by pointing out that Greek claims against Bulgaria had been restricted to strategic frontier rectifications while Bulgaria had persistently made claims for whole province of western Thrace.

4. Yugoslav charges regarding Greek territorial ambitions alleging Greece desired annex extensive territories southern Yugoslavia were based on several unofficial statements, and three newspaper articles 1946. These charges categorically denied by Greek representative, and were not investigated by Commission.

5. Commission did not regard official territorial claims which had already been raised before appropriate international bodies as within scope of its work. It nevertheless felt continued reiteration of Greece's claims against Bulgaria and Bulgarian claim to western Thrace after they had been rejected at peace conference, as well as Greece's claim against Albania was factor which tended increase tension between countries. Commission noted EAM coalition had supported Greek territorial claims both against Albania and Bulgaria, and must, therefore, share responsibility of Greek Government in this regard.

[ETHRIDGE]

501.BC Greece/5–1347 : Telegram

The Secretary of State to Mr. Mark F. Ethridge, at Geneva

WASHINGTON, May 13, 1947.

369. For Ethridge. SC on May 12 [1] voted 8–0 with USSR, Poland and Syria abstaining, to invite Balkan Commission's chief delegates, or alternates, to come to New York in connection with Commission's report. Consideration of 4-point USSR resolution,[2] was postponed until May 16. Under this resolution, SC would limit Subsidiary Group to carrying out and reporting on each separate Commission-ordered investigation of facts. Group's headquarters would be Athens and its functions would be limited to those assigned by Commission. It would cease activity with termination of Commission, and Commission would redefine Group's terms of reference in accord with this proposed SC resolution.

Verbatim SC minutes follow by pouch.

MARSHALL

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[1] For discussion by the Security Council on that day, see SC, *2nd yr., No. 39*, p. 825.

[2] For text, see *ibid.*, p. 832.

501.BC Greece/5–1447 : Telegram

The Secretary of State to the United States Representative at the United Nations (Austin)

CONFIDENTIAL WASHINGTON, May 14, 1947—9 p. m.

217. 1. Re para 3 Gromyko's resolution May 12, Dept agrees with Herschel Johnson's suggestion that at early stage of discussion US should make clear in SC that it had never occurred to US that life of subsidiary group should extend beyond life of Commission nor has US any indication that any other member had such intention. Dept, while preferring informal statement to resolution, would not object to SC resolution on this point.

2. Since USSR resolution May 12 does not directly support positions taken by Yugoslavia, Albania and Bulgaria before Commission, difficulties considerably lessened in attaining objective set forth in Dept's 210 of May 8 that matter should not be magnified into major question for UN. Presumably paragraphs 1, 2 and 4 of USSR resolution will be defeated. Thus failure of SC to sustain only objection of any SC member to April 29 directives of Commission to subsidiary group will constiute confirmation by SC that such directives are within Commission's terms of reference. This should remove all doubt concerning obligations of Albania, Yugoslavia and Bulgaria as set forth in para 2, Deptel 210.

3. It is therefore important that Council if possible consider and vote on USSR resolution [1] prior to discussion of broader issues raised by cablegram from Commission dated May 5. You may wish to discuss this situation with President in advance of May 16 meeting.

4. When SC considers May 5 cablegram from Chairman of Commission US position outlined in Deptel 210 should be made matter of record in SC unless position taken in SC by Yugoslavia, Albania and Bulgaria makes this unnecessary.

MARSHALL

[1] The Soviet resolution came to a vote on May 22, when it was defeated by a vote of 6 to 2, with 3 abstentions (SC, *2nd yr., No. 42*, p. 924).

501.BC Greece/5–1647 : Telegram

Mr. Mark F. Ethridge to the Secretary of State

SECRET GENEVA, May 16, 1947—9 a. m.

339. Ethridge 74. [Here follow two paragraphs dealing with a document presented by the French, Belgian and Colombian Representatives on the Commission of Investigation, which they would insert into the Commission's report instead of conclusions.]

I argued that this Commission was instructed to give SC benefit of its conclusions and that SC could on the basis of conclusions reach a determination if an act of aggression has been committed. Without conclusions I said there would be no possibility of SC making such a determination. Another argument which I used was that even if Russians veto permanent commission in SC without conclusions, world public opinion would not be informed at all upon what is going on in Balkans and Russia would have won great victory.[1]

[Here follows a further paragraph of comment and a summary of the document.]

[ETHRIDGE]

[1] In telegram 417, May 18, to Mr. Ethridge at Geneva, the Department expressed its agreement "generally with position taken by you in paragraph 3 urtel 74, May 16." (501.BC Greece/5–1847)

501.BC Greece/5–1247 : Telegram

The Secretary of State to Mr. Mark F. Ethridge, at Geneva

SECRET WASHINGTON, May 16, 1947—6 p. m.

US URGENT NIACT

403. For Ethridge. Impression created here by a reading of your draft conclusions (your 70 [1]) is that they are not as unequivocal as Dept was led to believe by para 5 your 39 of April 13.[2] This appears to be caused by three factors:

A. Conclusions do not distinguish between statements of evidence received on the one hand and Commission's appraisal thereof and conclusions therefrom on the other. For instance in paragraph I–(11) Commission states clearly its conclusions with respect to Bulgarian Government. There is no such clear conclusion, however, with respect to the responsibility of Yugoslavia and Albania, nor is the first full paragraph in Section I clear in this respect. This paragraph would be clearer if following were added: "On the basis of the facts ascertained by the Commission it is the conclusion of the Commission that Yugoslavia and to a lesser extent Albania and Bulgaria, have supported guerrilla warfare in Greece." Similarly paragraph II–(7) appears to us as unnecessary since it is in effect argument of Counsel and not evidence, especially since this stock excuse has been used traditionally as pretext and justification for aggressive acts.

B. Section IV of your conclusions does not appear to us to be entirely in line with Dept's views contained in Deptel 313 and 349.[3]

[1] See telegram 299, May 12, from Geneva, p. 850.
[2] Identified also as telegram 106, from Geneva, not printed.
[3] Dated May 7 and 10, respectively, pp. 840, 848.

Since conclusions have already been distributed it is recognized that drastic changes may not be feasible. However Dept would appreciate your consideration of the following changes:

1. Para. 1. Last sentence might be redrafted along following lines: In view of extensive evidence submitted to Commission on internal affairs of Greece, such evidence is summarized below. Although in the opinion of the Commission the internal situation in Greece has a historical relationship to border violations and disturbances, the Commission considers that evidence with respect to internal conditions in Greece cannot be accepted as legally valid evidence of responsibility of Greek Government for the border violations and disturbances under investigation by the Commission.

2. For paragraph 8, second sentence, suggest substitution along following lines: It is the Commission's opinion that persecution and disturbed conditions in Greece have been factors which help explain existing situation along Greek frontier. But there must be clearcut distinction between general conditions in countries concerned, which make frontier violations easy or possible, and actual direct responsibility for such violations. End paragraph with your final sentence.

3. Paragraph 9. We think word "apparent" should be omitted.

C. Dept notes that conclusions with respect to Greece refer to present and continuing situation rather than past (see II–(9) and IV–(8)), whereas conclusions on responsibility of northern neighbors relates to past only. This focuses attention on present situation in Greece rather than on primary responsibility of northern neighbors.

Unless in your opinion these changes are in contradiction to the facts it is hoped that you will be able to incorporate them in the US draft during course of Commission's deliberations. Since views of British FonOff coincide with ours in large part, seems probable British suggestions may give opportunity to effect changes suggested above.

Sent Geneva. Repeated New York and London for communication of substance to FonOff.

MARSHALL

501.BC Greece/5–2047 : **Telegram**

Mr. Mark F. Ethridge to the Secretary of State

CONFIDENTIAL GENEVA, May 20, 1947—11 a. m.

373. Ethridge 80. Full text of recommendations accepted by nine delegations follows.

[Here follow introductory portions.]

(A) The Commission proposes to the Security Council that it should recommend to the governments of Greece on the one hand and Albania, Bulgaria and Yugoslavia on the other, to do their utmost to establish normal good neighborly relations, to abstain from all action direct or

indirect which is likely to increase or maintain the tension and unrest in the border areas and rigorously to refrain from any support overt or covert of elements in neighboring countries aiming at the overthrow of the lawful governments of those countries. [Here follows remainder of paragraph A.]

(B) With a view to providing effective machinery for the regulation and control of their common frontiers the Commission proposes that the Security Council recommend to the governments concerned that they enter into new conventions along the lines of the Greco-Bulgarian convention of 1931, taking into account the needs of the present situation.

(C) For the purpose of restoring normal conditions along the frontiers between Greece on the one hand and Albania, Bulgaria and Yugoslavia on the other, and thereby assisting in the establishment of good neighbourly relations the Commission recommends the establishment of a body with the following composition and functions:

[Here follow the composition and functions of the proposed commission.]

(D) The Commission recognizes that owing to the deep-rooted causes of the present disturbances and to the nature of the frontiers it is physically impossible to control the passage of refugees across the border. As the presence of these refugees in any of the four countries is a disturbing factor, each government should assume the obligation to remove them as far from the country from which they came as it is physically and practically possible. [Here follows remainder of paragraph D.]

(E) The Commission proposes that the Security Council recommend to the governments concerned that they study the practicability of concluding agreements for the voluntary transfer of minorities. In the meantime, minorities in any of the countries concerned desiring to emigrate should be given all facilities to do so by the government of the state in which they at present reside. [Here follows remainder of paragraph E.]

Repeat New York for Austin.

[ETHRIDGE]

Editorial Note

The report of the Commission of Investigation was signed at Geneva on May 23, 1947, and was mimeographed by the Security Council as document S/360 four days later. The conclusions and proposals (pages 167 and 248) paralleled those contained in telegrams 299, May 12, and 373, May 20, from Geneva. The sentence "On the basis of facts ascertained by the Commission, it is its conclusions [*sic*] that Yugoslavia, and to a lesser extent, Albania, and Bulgaria, have supported the guerrilla warfare in Greece" appears in the report on page 167. The conclusions were subscribed to by the Delegations of Australia, Bel-

gium, Brazil, China, Colombia, Syria, the United Kingdom, and the United States. The Delegations of the Soviet Union and Poland did not approve the conclusions and the French Delegation abstained. The United Nations has published the Commission's report in *Official Records of the Security Council, Second Year, Special Supplement No. 2.*

For a summary statement of the work of the Commission and the texts of its conclusions and proposals, see Department of State *Bulletin*, July 6, 1947, pages 14–24.

501.BC Greece/6–947 : Telegram

The Secretary of State to the United States Representative at the United Nations (Austin)

SECRET WASHINGTON, June 9, 1947—8 p. m.

252. 1. Dept's principal objective in Greek case is to enable SC to fulfill its responsibilities with respect to settlement of the dispute by terminating border violations by Greece's northern neighbors through adoption of substance of Investigation Commission's proposals.

2. Dept considers essential proposals of Commission are those contained in paragraphs A through E.[1] Introductory material preceding proposals A through E included in text of Commission proposals consists of conclusions of fact and should not be adopted by SC as recommendations. Furthermore, viewed as conclusions of fact, this material is considered inadequate by Dept. It should be omitted from SC recommendations if this can be accomplished without loss of any supporting votes or without jeopardizing adoption of proposals by SC.

3. The Investigation Commission has found acts by Yugoslavia, Albania and Bulgaria which in our view constitute aggression. We believe that most members of SC and world opinion will agree. Although this aggression is real and if continued might require enforcement measures, the nature of the aggression is such as not to create a military emergency necessitating immediate action under Chapter VII. In this case there is an opportunity for pacific settlement if Greece's northern neighbors are willing to end their aggressive actions against Greece. In a case of this kind the Charter contemplates exhaustion of the means of pacific settlement prior to taking enforcement measures. We believe that USSR would veto any recommendation for the settlement of the dispute which contained a finding of aggression under Article 39 or of direct responsibility of Greece's

[1] Of telegram 373, May 20, p. 863.

northern neighbors. However, it is much less likely that USSR would veto constructive proposals for settlement not containing such findings and approved by a large majority of SC. We realize that failure of SC to make an immediate finding of aggression might have unfortunate effects on UN. However, if SC effects a settlement of the dispute and puts an end to violations of Greece's border by her northern neighbors, any unfortunate results from its failure to make such finding would be minimized.

4. In Dept's view, therefore, objective set forth in para 1 above is most likely of attainment if SC does not attempt to make (*a*) any decision with respect to "conclusions" (Ethridge 65 [2]), (*b*) any formal finding within the meaning of Chapter VI with respect to responsibility, or (*c*) any determination under Article 39.

5. In our view, subject to your concurrence, the most effective way in which to obtain agreement in SC to Commission's proposals would be for US representative to carry on comprehensive consultations with all permanent and most other members of SC in advance of SC proceeding. These consultations should take place as early as practicable in order that other representatives may have time to obtain instructions from their govts. In these consultations you should make it clear that if SC is prevented by a veto from adopting the Commission's proposals, the US is determined to pursue the matter until a satisfactory solution is reached.

6. For your info only in case of a veto we are considering what other remedies can be sought in UN, specifically the possibility of asking SC to make a finding under Article 39 and the possibility of action in the GA. Dept is also considering what additional action in its international relations consistent with the purposes and principles of the UN should be taken to prevent recurrence of actions of aggression against Greece by her northern neighbors in contravention of the Charter.

MARSHALL

[2] See telegram 274, May 8, from Geneva, p. 845.

501.BC Greece/6–2647 : Telegram

The Secretary of State to the United States Representative at the United Nations (Austin)

TOP SECRET
US URGENT

WASHINGTON, June 26, 1947—6 p. m.

280. For Senator Austin. Following the helpful discussion between you and members of the Department on last Friday, the following

guidance is provided as to the presentation of the United States position on the Greek case before the Security Council.[1]

The case is one of peculiar difficulty for the Security Council because the acts complained of by Greece and substantiated by the report of the Commission of Investigation are a part of a world-wide Communist effort to subvert governments and institutions not subservient to the Soviet Union. The Government and Communist Party of Yugoslavia, and to a lesser extent those of Bulgaria and Albania, have been carrying on activities under the direction of the USSR the purpose of which is (1) to separate Macedonia from the remainder of Greece in order to make Grecian Macedonia a part of a new Macedonian state, and (2) to set up eventually in the remainder of Greece a Communist-controlled government which would force Greece into a Soviet-dominated Balkan bloc. These activities have included the despatch of arms and military equipment to Greek guerrillas, the training and sending to Greece of reinforcements for the Greek guerrillas and the extension of aid through many other means to the Greek subversive Communist movement. There is some possibility that organized Communist groups are now being made ready in other countries to go to Greece to furnish direct military support to the guerrillas.

The above information is for your background only. In the light of this background, it is of the greatest importance that you have before you the following considerations during the discussions of the Greek case in the Security Council:

(1) A clear line of differentiation should be drawn at all times between the role of Greece on the one hand, and the role of the three northern neighbors on the other. We cannot concede in any way that Greece is guilty of interference in the internal affairs of the other three countries. These three countries, however, are guilty of armed intervention in Greece and we can not agree that any developments which may have taken place or are taking place in Greece can be regarded as any justification whatsoever for such intervention.

(2) In keeping with the Commission's report, criticism should be directed principally against Yugoslavia, and to a lesser extent against Bulgaria and Albania.

(3) Security Council should not permit itself to be drawn into a long debate about either the domestic or foreign policies of Greece. While the U.S. Representative should not attempt to justify all acts of the Greek Government, he should defend the Greek Government as

[1] The Security Council, on June 27, began formal consideration of the Report of the Commission of Investigation. For Ambassador Austin's remarks that day and the text of his draft resolution, which was based on the recommendations of the Commission, see SC, *2nd yr., No. 51*, pp. 1117, 1124.

expressive of the will of the Greek people and as a government struggling in adverse circumstances to preserve the independence and integrity of Greece. In assessing the various actions of the Greek Government, the Security Council must bear in mind the situation in which the Greek Government is endeavoring to carry on the reconstruction of Greece.

(4) The occurrence of a large number of typical Balkan border incidents should not be allowed to divert attention from the systematic, aggressive policies of the three northern neighbors, expressed in support for guerrilla warfare in Greece and directed toward the overthrow of the Greek Government.

(5) U.S. participation in the Security Council debate should clearly establish an American view which lays the ground-work for further action in the Security Council or the General Assembly if the policies and activities complained of continue.

(6) During the proceedings, we should not accept any kind of a resolution the purpose of which would be to place any blame whatsoever upon Greece for the armed interference by other countries in Greece's internal affairs.

(7) During the proceedings relating to the terms of reference of the Continuing Commission, we should steadfastly refuse to agree to amendments which would permit such a commission to concern itself in any way in Greek internal affairs and with the work of the American Mission for Aid to Greece, and which would seriously reduce the effectiveness of the American Mission for Aid to Greece. Care should be taken in this connection to prevent the Soviet Union and its satellites from using the threat of a veto in order to bring about the setting up of a Continuing Commission which, because of its terms of reference or composition, would be of questionable value. A Soviet veto of a resolution providing for the setting up of a Commission would be preferable to the acceptance of compromises which would reduce the effectiveness of such a Commission. Specifically, the U.S. Representative should insist that the Continuing Commission should have complete freedom of entry into all areas in which it wishes to conduct investigations.

You are authorized to support on behalf of the United States the recommendations of the Commission of Investigation, particularly that portion contained in paragraphs A through E on pages 248–251 of the Commission's report.

MARSHALL

501.BC Greece/7–747 : Telegram

The Secretary of State to the United States Representative at the United Nations (Austin)

TOP SECRET WASHINGTON, July 7, 1947—8 p. m.

298. For Senator Austin. Problem posed in urtel 628 July 2 [1] was discussed in meetings in Dept on July 5 and 7 at which Herschel Johnson, Mark Ethridge and J. C. Ross [2] were present. Unless you perceive any objection, Dept believes U.S. position should be as follows:

1. The United States should stand firmly by the draft resolution submitted by the United States Representative to the Security Council on June 27. The United States should make clear that any proposal designed to narrow or eliminate either (*a*) the investigatory powers of the proposed commission, or (*b*) its authority to conduct its investigations in the territory of the three northern neighbors of Greece would be totally unacceptable and vigorously opposed. The fact that the U.S.S.R. may veto the resolution in its present form should not be a cause for deviating in the slightest from this position. Suggested changes of form or minor substantive character may be acceptable depending on their nature. They should, however, be most carefully scrutinized.

2. Should the United States resolution be vetoed and a proposal then be made that a commission be established whose power to investigate would be restricted geographically to Greek territory, the United States should take the position that such a plan is unacceptable (unless the circumstances set forth in paragraph 3 below are present).

3. Should the United States resolution be vetoed and should the Greek Government specifically request that a Security Council Commission be established with power to investigate in Greece incidents stemming from violations of Greek territory, the United States should support such action but only on the following basis:

(*a*) If there is continuance of the aid to the guerrillas given by Albania, Bulgaria or Yugoslavia referred to in the majority conclu-

[1] Not printed; it advised that "Although feeling here is that there is good chance Soviets will refrain from veto of our resolution on Balkan commission report, we think delegation should be prepared for further action in case veto materializes. This question was discussed today in meeting with Ethridge and Department representatives. The following possibilities were discussed: A. US could introduce or accept resolution providing for semi-permanent commission limited to action in Greece alone, and with terms of reference confined to investigation of border violations . . . . B. US would state in SC its intention to introduce in GA resolution along lines approved by majority of SC . . . . C. US could introduce or accept resolution calling for action under chapter 7, based on new evidence gathered by subsidiary group . . . . D. US could announce that it intends to take matter to GA and propose that the subsidiary group remain in existence until GA considers question." (501.BC Greece/7–247)

[2] Deputy to Ambassador Austin.

sions of the Report of the Investigating Commission, the United States will itself bring the matter to the attention of the Security Council under Chapter VII of the Charter.

(*b*) The terms of reference of such a commission should be so worded as to ensure that the Commission cannot be used to interfere with the American Program for aid to Greece, or as a platform for Communist attacks against the Greek Government.

(*c*) In accepting such a proposal, the United States Representative should, at an appropriate occasion, make a statement strongly condemning the attitude of the U.S.S.R. and the three Balkan nations to the north of Greece. The intention of the United States to follow closely all events in the area and to use every available means within the framework of the United Nations to ameliorate the situation should also be made clear.

MARSHALL

501.BC Greece/7–947 : Telegram

The Secretary of State to the Embassy in Colombia

SECRET WASHINGTON, July 9, 1947—8 p. m.

US URGENT NIACT

354. There follows excerpt from tel 636 July 8 from US Mission to UN to Dept [1] reporting attitudes of various members of SC concerning recommendations of SC Balkan Investigating Commission (these recommendations are embodied in US Resolution now before SC copy of which is sent you by separate tel).

[Here follow three paragraphs quoted from telegram 636, which noted that the Colombian Delegate was considering proposing an amendment to the United States resolution which would eliminate the investigatory features of the proposed semi-permanent commission and emphasize exclusively its conciliatory features.]

Unless you see objection please urgently approach FonOff on following lines: US Govt attaches great importance to solution of Greek question, both from point of view of specific situation in question and that of UN prestige and future effectiveness. Failure of Council to act effectively now may be fatal to UN as organ of international security. We think, and assume Colombian Govt agrees, that recommendations of investigating commission as embodied in our resolution in SC provide satisfactory means of settlement but we believe any weakening

[1] Not printed; Ambassador Johnson advised that during the afternoon session of the Security Council the United States Delegation was informed of the weakening of certain delegations in their support of the recommendations of the Commission of Investigation. He concluded that "It is important that the majority of nine approving the Balkan Commission's recommendations be maintained since this solid majority increases the onus on USSR should it veto and enhances our ability to take further steps regarding the Greek case if USSR should veto." (501.BC Greece/7–847)

of substance of resolution would be extremely injurious. Consequently we consider it important that all members who signed majority report of commission (including Colombia) should stand firm on position already taken and avoid any appearance of willingness to compromise on such substantial questions as investigatory powers of proposed new commission or its authority to conduct its investigations in the territory of all four nations concerned. We consider it most important that commission have these powers. We hope Col Govt will urgently instruct its Council representative this sense. You may point out that as Council debate seems nearing climax and as we understand Lopez may speak tomorrow or in next day or two, time is of essence.[2]

MARSHALL

[2] In telegram 470, July 11, the Embassy in Bogota reported information from the Colombian Foreign Office that categorical instructions had been sent to New York embodying the Government's view that the proposed new commission have full and complete authority with unhampered investigatory powers (501.BC Greece/7–1147).

501.BC/7–1147 : Telegram

The Secretary of State to the United States Representative at the United Nations (Austin)

TOP SECRET WASHINGTON, July 11, 1947—8 p. m.

308. In the Dept's view, should it be necessary to make the statement which is contemplated in the final paragraph of Deptel 298 to New York,[1] the statement might well contain the following points:

(*a*) It is the opinion of the United States Government that the use of the veto in this case is especially regrettable, since the United States resolution of June 27 avoided raising the question of responsibility on which there is a difference of opinion among the permanent members of the Security Council. The United States resolution did not differentiate among any of the states concerned but merely attempted to set up machinery for investigation and conciliation, the kind of action which the Security Council should normally take on the basis of Chapter VI of the Charter in a case of this kind. A proposal of this nature does not raise major political issues and the use of the veto on such a proposal is contrary to the spirit of Part I, paragraph 8 of the Four Power Statement of June 7, 1945.[2] The use of the veto in this case likewise obstructs the operations of the Council, contrary to the recommendations contained in the General Assembly resolution of December 13, 1946,[3] and frustrates the desires of nine of the eleven members of the Security Council to set up machinery for pacific settlement in one of the disturbed areas of the world.[4]

[1] Dated July 7, not printed.
[2] For text, see Department of State *Bulletin*, June 10, 1945, p. 1047.
[3] For text, see editorial note, *Foreign Relations*, 1946, vol. I, p. 355.
[4] For a further expression of the Department of State attitude toward a possible Soviet veto of a proposal for an effective border commission, see telegram 434, July 29, to Tehran, p. 924.

(*b*) When a Member of the United Nations comes to the Security Council seeking protection from the intervention of its neighbors and when a majority of the members of the Security Council find that such intervention is taking place, the United States Government believes that the Security Council must find a way to afford such protection. If it is not able to do so, its fundamental purpose is lost.

This Government will not sit idly by while the territorial integrity and political independence of a Member of the United Nations are challenged. We wish to make it very clear that we shall not hesitate to exhaust every available means within the framework of the Charter to provide Greece with whatever protection she may need in the future. We do not consider that our obligations in this regard are ended merely because the Soviet Union has seen fit to block the passage of constructive proposals which would have afforded Greece the protection the Charter guarantees to her.

(*c*) The continued failure of the Security Council to take effective action in this case would not, in the opinion of the United States Government, forbid or preclude individual or collective action by States willing to act, so long as they act in accordance with the general purposes and principles of the United Nations. This is particularly true when such individual or collective action is in support of a policy or course of action which has the approval of a clear preponderance of the permanent and non-permanent members of the Security Council.

(*d*) The United States Government believes that Greece had every right to expect the protection which would have been afforded by the United States resolution and it is apparent that the majority of the members of the Security Council agreed with us. We do not believe that the present resolution affords the degree of protection which we feel the situation actually demands. It is thus the intention of the United States to continue to follow very closely the situation which now exists in the area. We recognize, however, that a commission with investigatory powers limited geographically would, in a sense, serve as an international witness in Greece to any further assistance to guerrillas from Greece's northern neighbors and we are therefore willing to accept such a commission.

MARSHALL

501.BC Greece/8–2647

Memorandum by Mr. Cyril E. Black of Mr. Mark F. Ethridge's Staff [1]

SECRET [NEW YORK,] July 21, 1947.

Subject: Policies of Security Council Members as Reflected in the Work of the Balkan Commission of Investigation

[Here follow sections on Australia, Belgium, Brazil, China, Colombia, France, Poland, and Syria.]

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[1] Transmitted in a memorandum of August 26, 1947, to four officers of the Department by Harding F. Bancroft, Associate Chief of the Division of International Security Affairs; the transmitting paper noted that Mr. Black's memorandum had been approved by Mr. Ethridge.

USSR

It was clear from the start that the aim of the Soviet Delegation was to keep the work of the Commission focused on the Greek domestic situation and to take advantage of every opportunity to use the Commission as a springboard for propaganda directed against the Greek Government. This attitude was clear from the insistence of the Soviet Delegate that the Commission remain at Athens for the entire period of its work, including the writing of its report. The Soviets objected from the start to the Commission's moving to Salonika to hear Greek witnesses and objected strenuously to the U.S. proposal that it visit Bulgaria and Yugoslavia.

Once it had sensed the trend of Commission feeling, however, the Soviet Delegation conceded the necessity that the Commission leave Athens and concentrated its efforts on obtaining a maximum hearing of the EAM case against the Greek Government. Also, once it had accepted the principle of sending Commission teams out to make such investigations, it took steps to assure that the number of visits made to villages allegedly destroyed by the Greek *gendarmerie*, or other places connected with the alleged reactionary policy of the Greek Government, be visited roughly in equal proportion to the trips requested by the Greek Government to places connected with guerrilla attacks. In addition to their efforts made in this direction through the regular Commission machinery, the Soviet Delegation also went to considerable lengths to introduce into the Commission's work materials useful for EAM propaganda such as letters from captured guerrillas held in jail or sentenced to death by the Greek Government.

Of equal importance to these tactical efforts to direct the attention of the Commission to domestic conditions in Greece was the strong opposition expressed by the Soviet Delegation to the United States efforts to introduce the Macedonian question into the Commission's debates. While the Macedonian question was introduced merely for the purpose of clarifying the political objectives of the guerrillas, the Soviet Delegation declared that it did not come within the competence of the Commission because it was a territorial question. The great sensitivity of the Soviet Delegation on this point was generally regarded at the time as a reflection of its deep concern lest the Commission pry further into the propaganda directed by the Yugoslav and Bulgarian Governments with a view to detaching the province of Macedonia from Greece. While the Soviet Delegation did not succeed in its efforts to prevent the Commission from introducing the Macedonian question, it prevented a fuller investigation on the part of the Commission which might have uncovered a great deal more material than was actually included in the Commission's report.

The decisive evidence regarding the Soviet attitude toward the subject of the Commission's investigation, however, was its preparation of minority conclusions (*Report*, Vol. I, pp. 183–238), and its refusal to subscribe to the proposals approved by nine members of the Commission. (For the Soviet objections to these propposals, see *Report*, Vol. I. pp. 252–253.)

[Here follows a section on the United Kingdom.]

501.BC Greece/7–2147 : Telegram

The Secretary of State to the United States Representative at the United Nations (Austin)

CONFIDENTIAL WASHINGTON, July 23, 1947—3 p. m.

US URGENT

324. Re question as to whether Commission and Subsidiary Group remain in existence after possible veto of US resolution and SC rejection of USSR resolution (urtel 667 July 21 [1]).

In the Dept's view, unless the Council calls upon the Commission or the Subsidiary Group to assume further tasks, both should be dissolved when the Council takes final action with respect to the Commission's report.

The US may introduce or support further proposals in the Council in the event of a veto of the present US resolution which would involve continued consideration by the Council of the Commission's Report. Thus, in the Dept's view, final action will not necessarily have been taken by the Council when it votes on the present US and USSR resolutions.

The exact nature of the proposals the US may introduce or support in the event of a veto and whether such proposals will involve continued consideration of the Commission's Report will not be finally determined until a veto has actually occurred.

If there is a veto of the US resolution, the Dept hopes that a brief interval can be obtained in the Council's proceedings before it undertakes consideration of the USSR resolution. During such an interval, the Dept could determine what further Council action on the Greek case is desirable. This would enable the US representative to act, im-

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[1] Not printed. The Soviet Representative at the United Nations, on July 8, had introduced a draft resolution in the Security Council, which called the Greek authorities responsible for the frontier incidents, described the internal situation in Greece as the main factor in the tense situation in the northern frontier regions of Greece and ascribed to foreign interference in the internal affairs of Greece a considerable degree of responsibility for the existing situation in Greece. For Ambassador Gromyko's remarks and the text of his draft resolution, see SC, *2nd yr., No. 55*, pp. 1232, 1254.

mediately upon the Council's rejection of the USSR resolution, to initiate further action by the Council which might either involve further tasks for the Commission and the Subsidiary Group or which might involve agreement as to their dissolution.[2]

A memorandum setting forth some arguments with respect to the existence of the Commission and the Subsidiary Group has been sent by courier to Harding Bancroft's attention. Additional argumentation will be forwarded as quickly as possible.

MARSHALL

[2] Nine of the eleven members of the Security Council approved the United States resolution on July 29. The resolution was defeated, however, by a Soviet veto; see SC, *2nd yr., No. 66*, p. 1612. Ambassador Johnson's motion for immediate adjournment was carried (telegram 695, July 29, 4:55 p. m., from New York, 501.BC Greece/7–2947).

The Soviet resolution was defeated on August 4 by 9 votes to 2, only the Soviet Union and Poland voting affirmatively; see SC, *2nd yr., No. 69*, p. 1730.

501.BC Greece/7–3047 : Telegram

The Secretary of State to the Acting United States Representative at the United Nations (Johnson)

SECRET WASHINGTON, July 30, 1947—11 p. m.

U.S. URGENT NIACT

333. For Herschel Johnson from Rusk. On basis conversations between you and Dept officers Wednesday Dept suggests that following points might be covered by you in statements to SC at appropriate times upon resumption of Greek case:

1. *Nature of Greek Complaint*

Original Greek complaint of December 3, 1946 alleged that Albania, Bulgaria and Yugoslavia were supporting guerrillas fighting against Greek Govt by training them and supplying them with arms, equipment and bases from which to conduct their attacks. On basis of these allegations before SC and in conformity with fundamental principle of sound procedures, SC established commission to find the facts before it decided what action should be taken.

2. *Nature of Facts Developed by Commission and Subsidiary Group*

The commission of investigation after four months of intensive work submitted complete and well-documented report. Conclusions supported by eight of eleven commission members were fully substantiated by facts. (Refer to Austin statement, June 27.)[1]

Pursuant to SC resolution establishing commission and based on facts disclosed by its investigation, commission made proposals to SC,

[1] Not printed; but see footnote 1, p. 867.

substance of which were incorporated in US resolution under Chapter VI of Charter defeated by Soviet veto. Commission regarded situation as sufficiently serious to include among its proposals recommendation that if future support were given guerrillas in area SC should regard it as threat to peace within meaning Chapter VII. Since Commission left Greece on March 22, 1947, subgroup has uncovered facts which show convincingly that aid to guerrillas has not stopped. Indeed, most recent investigations of Subgroup indicate that in area of Yaninna, Konitza and Beles–Prokhoma dimensions of assistance have increased. (See Howard memorandum "current incidents on Northern Greek frontier" July 28 [2]).

It is a well established doctrine international law, incorporated in Havana Convention of 1928 and the various treaties of 1933 between the Soviet Union and several European states, that aid given by a country to armed bands formed on its territory and dispatched across a frontier with a view to overthrowing the government of the second state is an act of aggression or threat to the peace. Surely under UN Charter similar action brings into play provisions of Chapter VII.

3. *Defiance of Subgroup*

US believes that contumacy of Albania, Bulgaria and Yugo and their express refusal to permit subgroup to make investigations within their territory even after a prima facie case of their assistance to the guerrillas was established by subgroup was clear violation of Charter in case of Yugo and, in case of Albania and Bulgaria, of express assumption of obligations of pacific settlement by them to SC last December. Defiance of subgroup by these countries in utter contradiction of their claims that they are cooperating in effort to find peaceful solution, and evidence reckless disregard of purposes and principles of UN Charter. (See Harry Howard memo "Defiance of SC by [*sic*] Subgroup by Albania, Bulgaria and Yugo" July 30, 1947 [2])

4. *Failure of SC to Reach Solution*

Report of commission of investigation disclosed facts which would from the outset have warranted action by SC under Chapter VII. Despite this and in effort to give full effect to those provisions of Charter providing for the pacific settlement of disputes, majority of SC sought decision under Chapter VI of Charter in spirit of conciliation and without prior determination of guilt or responsibility on the part of any of the four nations involved. This effort on the part of nine members of the SC has been frustrated by Soviet veto. That veto does not however remove obligations of members of UN nor does it prevent

[2] Not printed.

them from supporting to fullest extent purposes and principles of Charter. (See Austin statement GA during Fall 1946 meetings).

5. *Necessity for SC Action*

SC has been faced with case which requires affirmative action on its part in order to protect territorial integrity and political independence of Greece and to halt injuries which Greece has so long suffered. Evidence supporting existence of threat to peace along northern frontiers of Greece has been accumulating before SC for more than six months. It is essential that SC in discharge of its responsibility take appropriate action. In event that SC fails to take action necessary under the circumstances, US believes that matter will have to be considered by all the members of the UN at the next GA session. [Rusk.]

MARSHALL

501.BC Greece/7–3147 : Telegram

The Secretary of State to the United States Representative at the United Nations (Austin)

CONFIDENTIAL WASHINGTON, July 31, 1947—9 p. m.

334. 1. In light of Soviet veto, continued existence of Subsidiary Group, at least until completion SC consideration Greek complaint under Chapter VII, is contemplated. Since evidence of Subsidiary Group is important element in any future course of action, every effort must be made to obtain maximum possible effectiveness of Subsidiary Group.

2. We also feel that defiance by Albania, Bulgaria and Yugoslavia of SC authority as such cannot be ignored by SC much longer.

3. We agree with your position that Soviet interpretation that SC decision to investigate under Article 34 is of the nature of a recommendation only would stultify any future investigatory action under Chapter VI. In view of importance of this matter to future of UN we consider it highly desirable at this time to require that Soviet position be made a matter of record by a veto.

4. In order to obtain these objectives Dept is of the opinion that unless you disagree as to advisability of so doing, a resolution along the following lines should be voted on by SC:

[Here follow the remainder of paragraph 4 and paragraphs numbered 5 and 6 in which the Department supplied the wording of a resolution and discussed the questions of timing and tactics.]

MARSHALL

501.BC Greece/8–547 : Telegram

The Secretary of State to the Acting United States Representative at the United Nations (Johnson)

SECRET WASHINGTON, August 5, 1947—6 p. m.

US URGENT

337. For Herschel Johnson. There follows a res which you may wish to introduce at appropriate time in SC discussion of Greek complaint under Chap VII. Dept does not believe that inclusion of para relating to subsidiary group would mean that veto of res would imply SC decision terminating existence subsidiary group.

Dept shares your view that it is not essential res be introduced as part of your opening speech in new phase of case. There may be advantage in delaying introduction until discussion has had chance to develop.

"The SC having considered the report of the Commission of Investigation established by resolution of the Council of December 19, 1946, and having considered the information supplied by the Subsidiary Group of the Commission of Investigation and the oral and written statements made to the Council by Albania, Bulgaria, Greece and Yugoslavia.

Finds that Albania, Bulgaria, and Yugoslavia have continued to give assistance and support to the guerrillas fighting against the Greek Government subsequent to the period covered by the report of the Commission of Investigation.

Determines that such continued assistance and support to the guerrillas by Albania, Bulgaria, and Yugoslavia constitutes a threat to the peace within the meaning of Chapter VII of the Charter.

Calls upon Albania, Bulgaria and Yugoslavia to cease and desist from rendering any further assistance or support in any form to the guerrillas fighting against the Greek Government.

Directs the Subsidiary Group to report to the Security Council on the compliance of Albania, Bulgaria and Yugoslavia with this order.

Calls upon Albania, Bulgaria, and Yugoslavia to cooperate with Greece in the settlement of their disputes by peaceful means and to keep the Security Council informed of the progress of the settlement.

The Security Council remains seized of the question and will take such further action in connection with the enforcement of its order and the settlement of the dispute as may from time to time be necessary."

MARSHALL

501.BC Greece/8–647 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

SECRET NEW YORK, August 6, 1947—2:15 p. m.

URGENT

712. Re Greek case. There now exists a general feeling of frustration on the part of several friendly SC members. Foreseeing a second veto on whatever resolution is introduced under Chapter 7, they do not know which way to turn and do not readily see the necessity of supporting a Chapter 7 case even as a build-up for GA action. In the light of the anticipated veto, they are inclined to regard Chapter 7 case as essentially a useless act. This skepticism might be modified if they were told with more precision what further steps US is prepared to take.

Accordingly, I do not propose to introduce the resolution contained in Deptel 337 [1] until further development of discussion in SC. Furthermore, as there is apparent necessity of persuading other members to support US position, I do not propose to encourage acceleration of debate or of frequent meetings on case for the moment unless there is drastic deterioration in situation on Greek frontier.

In an effort to persuade friendly members of SC, I propose to use the following arguments:

(1). In event of second veto the US is prepared to press case in GA. Accordingly maximum majority in SC in Chapter 7 phase is essential to mobilize world opinion as to seriousness of case against Albania, Bulgaria and Yugoslavia and thus to further case in GA.

(2). Precise action to be urged in GA by US will depend on developments in area; probable minimum would be proposing the substance of the US resolution already vetoed and the one contained in Deptel 337, August 5.

(3). In intervening period before GA meets, SC should refuse to dissolve Subsidiary Group and Commission.

It may be necessary in order to persuade some delegates to indicate what further action we might be prepared to take in GA. Are we authorized to tell them that if assistance to guerrillas does not cease US would consider pressing for severance of diplomatic relations and perhaps more serious measures indicated in Article 41.

In my view, Department should reach policy decision, promptly that US will be willing to press strong case in GA including, if developments warrant, measures indicated in Article 41. If such decision is reached, consultation should commence forthwith on when-as-and-if

[1] *Supra.*

basis to line up the GA members so that necessary two-thirds majority will be forthcoming.

I should appreciate Department's reaction to this proposed course.

AUSTIN

501.BC Greece/8–947 : Circular telegram

The Secretary of State to Certain Diplomatic Missions [1]

SECRET WASHINGTON, August 9, 1947—2 a. m.

Please deliver orally to foreign minister message given below, explaining that it is intended as informal statement of US position on Greek case before Security Council and as explanation of our reasons for giving support to Greek request for action under Chapter 7 of UN Charter. Inform FonMin that same communication is being made to Govts. of other seven members of Council who joined with us in voting for US resolution of June 27 and who have shown they share our belief in need to act positively to preserve Greek independence and Balkan peace. It is not being made to Govts. of Poland or USSR. Communication should be regarded as secret.

For your info, our purpose is to assure Govts. concerned that we have definite plan of action in mind and to counteract attitude of hopelessness or uncertainty recently displayed by some of them in face of Soviet veto. However, message is not meant to elicit direct instructions to representatives on SC and you should refrain from suggesting such action.

"It is the view of the US Govt that Greece is in grave peril. This peril results from the guerrilla warfare being waged against the Greek Govt by communist-led bands actively supported by Albania, Bulgaria and Yugoslavia and by the Communist Party of Greece. It is perfectly clear that the govts of the three northern countries are working in close conjunction with the Greek communists with a common objective: the establishment in Greece of a minority, totalitarian govt which would be subservient to the communist-controlled countries.

The US Govt considers that the evidence obtained by the Subsidiary Group of the Security Council Investigating Commission, as set forth in a series of reports to the Commission and the Council, unquestionably proves that substantial assistance is being received by the Greek guerrillas from the northern countries and further shows that this assistance is of such importance as to constitute a very serious threat to Greek independence and integrity. In addition, the US has reports from its own and other sources which provide reason to believe that preparations are being made for the use, in support of the Greek

[1] Sent for action to the diplomatic missions in London, Paris, Brussels, Bogotá, Nanking, Damascus, Canberra, and Rio de Janeiro. It was repeated for information to the United States Mission at the United Nations and to the Embassies in Moscow, Warsaw, and Athens.

rebels, of foreign armed forces on the pattern of the international brigades which served in the Spanish civil war. The US Govt believes that the potential intervention of such international brigades in the Greek situation seriously increases the grounds for apprehension that Greece will lose its independence or that even more serious consequences will ensue.

It is because of the obvious seriousness of the situation that this Govt has taken so active an interest in the Greek complaint to the SC. We believe that with the American assistance now being made available, and with the assistance which other nations and international organizations may be able to provide in the future, Greece can solve her domestic difficulties, provided she is relieved from the constantly growing threat from the north. We further believe that this threat can be checked if it is firmly faced by the great body of world public opinion which can be mobilized in the UN.

When the report of the Investigating Commission was first submitted to the SC, the US thought that the measures proposed in its Resolution of June 27 would prove adequate to reestablish order along the northern Greek frontier and that these measures were at the same time designed to offer maximum possibility of acceptance by the Council. They did in fact command the support of 9 of the 11 members of the Council, clearly showing that our views were shared by nearly all of the govts represented. However, the implementation of these proposals was frustrated by the veto of the Soviet Union.

During the debate on the US resolution, the situation along the Greek border grew worse rather than better. We believe that the evidence laid before the Council by the Subsidiary Group, taken in conjunction with the renewed request of the Greek Govt and the continued defiance of the SC and its Subsidiary Group by Albania, Bulgaria and Yugoslavia, now more than ever obligates the Council to seek positive measures which would, if adopted, have a reasonable prospect of success. We believe that this course is required by the terms of the Charter, by common logic, and by the necessity for preserving the prestige of the Council. This Govt is firmly convinced that the standing of the Council before the world can never be maintained by avoiding the issues or by attempting to take measures which are obviously inadequate.

It is the conviction of the US that each member of the Council has a duty in a case of this kind to act in accordance with the facts and in conformity with the high principles of the Charter. Each member must live up to the trust reposed in it by the UN. Each member must take a stand for what it conceives to be the right, in the interest of international justice and peace.

Even though the efforts of the majority of the Council should be blocked by the exercise of the veto, the US does not consider that these efforts would thereby prove fruitless. On the contrary, a firm stand by the majority on this issue would demonstrate to the world the determination of nine of the eleven members of the Council to prevent aggression, whereas a failure by the Council to meet the issue squarely would be a signal to aggressors and potential aggressors that they could act with impunity, secure in the belief that their actions would be tacitly condoned.

We hope that the majority of the Council will join with us in supporting a finding and action under Chapter 7, not only for the fundamental reasons given above but also for the tactical reason that a clear decision by the majority of the Council, even though frustrated by a veto, would provide an almost indispensable foundation for effective future action within the framework of the Charter.

It is our thought that should the Council, having done all in its power to cope with the situation, for the present at least, be unable to afford Greece the necessary protection, the problem must inevitably be carried to the GA. If a substantial majority of the Council declares by its words and its votes that there exists in the Balkans a threat to the peace requiring action by the UN, this action by the majority will provide a powerful impetus for the Assembly and for the mobilization of world opinion. In case of continued failure of the SC to act we are confident that the GA will exercise its powers to the limit for the protection of Greece.

We do not propose at this early stage to harden our thinking with respect to the exact type of action which the GA might take, since much depends on the development of the situation in Greece. We would hope that the great majority of members of the GA would view the situation with the same degree of seriousness as the US Govt and we would count on an exchange of views with regard to proposals for action.

The US, for its part, would be prepared to comply with any GA recommendations for the solution of this problem. It would also be prepared to cooperate with likeminded members of the UN in taking any steps which might become necessary within the terms of the Assembly recommendations or within the provisions of the Charter to afford Greece the protection to which she is entitled under the Charter." [2]

MARSHALL

[2] The Department noted in telegram 3024, August 13, to Paris that Ambassador Johnson, on August 12, made a statement before the Security Council along the lines set forth in the circular telegram of August 9, "omitting reference to possibility of international brigades intervention and adding statement that failure of SC to act as result of Soviet veto cannot preclude individual or collective action by nations willing to act so long as their action in accord with general principles and purposes of UN, especially when such action is in support of policy having approval of preponderance of non-permanent and permanent members of SC." (501.BC Greece/8–1347)

Ambassador Johnson presented, at the same time, a resolution which closely paralleled the Department's instruction in telegram 337, August 5, p. 878. The texts of his statement and of the resolution he introduced are found in SC, *2nd yr., No. 74*, pp. 1907 and 1910.

501.BC Greece/8–1647 : Telegram

The Acting Secretary of State to the Legation in Syria

SECRET WASHINGTON, August 18, 1947—11 a. m.

US URGENT NIACT

178. Syrian Representative on Security Council has indicated to USUN that he will abstain on vote on US resolution re Greek case

unless he receives specific instructions from his Govt. His abstention might result in failure of resolution to receive required majority of seven.

Please urgently inform FonOff that we consider this particular question so important that we hope it will send necessary instructions to its representative New York to make sure he fully understands position of Syrian Govt. If you think it necessary you may point out that on this issue we are taking lead in defending small nations against outside interference and that to carry this defense to successful conclusion we must have support of all countries who desire to see freedom of small nations maintained. By virtue of her membership on Security Council Syria is in especially good position to give support and in our view should do so in her own interest as well as in interest of general principles international security.

Since vote on resolution may occur Tuesday, April [*August*] 19, time is important.

Sent Damascus as 178; rptd New York as 358.

LOVETT

501.BC Greece/8–2947 : Circular telegram

The Acting Secretary of State to Certain Diplomatic and Consular Missions[1]

CONFIDENTIAL WASHINGTON, August 29, 1947—1 a. m.

[Here follows a paraphrase of Ambassador Johnson's statement before the Security Council on August 12.]

Following Aug 19 vote on Australian and US resolutions, both of which received nine affirmative votes but were defeated by Soviet veto,[2] US requested that "threat to political independence and territorial integrity of Greece" be placed on GA agenda.[3]

US position that UN Subsidiary Group in Salonika still exists as *de jure* SC organ upheld by ruling of SC President (Syria) and by opinion of SYG that affirmative SC action necessary to dissolve Investigating Commission and hence Subsidiary Group. Although Soviet and Polish disagreement this point may mean withdrawal their reps from Subsidiary Group, we consider it important that Group continue functioning at least until GA discussion Greek item. Action to drop Grk case from matters of which SC seized might be simultaneous with interim GA decision to designate, as temporary GA agency, either

[1] Sent to 44 Missions.

[2] See SC, *2nd yr., No. 79*, pp. 2094, 2098. The Australian resolution had been introduced on August 6; for text, see *ibid., No. 71*, p. 1808.

[3] The United States request was embodied in a communication of August 20 from Ambassador Johnson to the Secretary General of the United Nations; the text is printed in General Assembly document A/344, dated August 21.

entire present Subsidiary Group or as many as are willing to remain. Group could have substantially same authority as at present with proviso that its existence would terminate when GA disposes of case.

On assumption that no radical change takes place in Balkan situation before GA consideration Grk item, US proposes, after appropriate consultations, to introduce resolution embodying substance two previous US resolutions submitted SC June 27 and Aug 12. Following is summary points now being considered for inclusion in resolution:

Begin Summary Having considered SC proceedings on Grk complaint, including Commission report and info from Subsidiary Group, GA considers that Alb, Bulg and Yugo have assisted guerrillas fighting against Grk Govt and that such assistance in violation of UN Charter constitutes a threat to peace and acts of aggression and use of force against Grk territorial integrity and political independence.

GA calls upon three countries to cease and desist rendering such assistance and calls upon all four countries to cooperate in settling disputes by peaceful means.

It is recommended specifically that (1) normal diplomatic relations be established in near future; (2) frontier conventions be concluded for regulation and control common frontiers and pacific settlement frontier disputes; (3) arrangements be made for voluntary repatriation refugees and establishment measures to prevent political or military activity of refugees; (4) study be made of possible agreements for voluntary transfer of minorities.

GA establishes special committee with power to investigate and record facts concerning compliance by four countries with foregoing recommendations. Special committee empowered to question nationals and officials of four govts and to use its good office to assist in implementation foregoing recommendations. *End Summary*

Possibility also being considered of including provision for border patrol to report violations to special committee. Such patrol, if large enough to do effective job of reporting on conditions, would also, in our opinion, be powerful deterrent to aggressive intentions Greece's northern neighbors. Units for this patrol duty might be furnished by countries represented on committee or by "neutral" UN members not primarily interested in area.

You should discuss foregoing informally and confidentially with MinFonAff or other appropriate officials stating that same info is being transmitted through US missions to almost all UN member nations with request that they give us comments and suggestions prior to GA meeting. You should also make clear that present US thinking does not preclude possibility of different approach in GA if warranted by circumstances.

Although pointing out that content of foregoing draft resolution still tentative, you should stress importance US attaches to constructive action by GA in Grk case. Intransigence of Soviet position in SC;

defiance of Subsidiary Group by Alb, Bulg and Yugo; continued rumors of international brigade recruitment; possibility that guerrilla announcement of "free Grk Govt" may serve as pretext for some countries to give increased aid to Grk guerrillas—all indicate very real and imminent threat to Grk independence. We believe a moral obligation under the Charter rests on member nations to seek solution in accord with clearly expressed wish of overwhelming majority SC. You should make it clear that our purpose in urging vigorous GA action is not to win mere moral victory for record but honest desire to remove by UN action a threat to the peace and to give a member nation the protection against aggression to which she is entitled under solemn Charter pledges.[4]

Report to Dept results your discussions as soon as possible.

For your confidential info, the members not receiving this circular are Byelorussia, Czecho, Ukraine, USSR, Yugo and Poland.

LOVETT

[4] An information paper, entitled "Threats to the Political Independence and Territorial Integrity of Greece", dated September 4, 1947, records that the Department considered that the circular telegram of August 29 marked the beginning of the diplomatic preparation of the United States in connection with consideration of the Greek case by the General Assembly (SD/A/C.1/75, IO files). The paper noted also that "A white book on the Greek frontier question is being prepared with a view to distribution to the Members of the United Nations within the next ten days or two weeks." This document, entitled "The United Nations and the Problem of Greece", was released in September 1947 as Department of State Publication 2909.

501.BC Greece/9–947 : Telegram

The Secretary of State to the United States Representative at the United Nations (Austin)

CONFIDENTIAL WASHINGTON, September 9, 1947—noon.

392. Our object in Greek case is to free GA to make recommendations. If at same time SC Subsidiary Group could be continued, this would be desirable. Accordingly, prior to Sept 16 you might propose or support resolution in SC under Art 12 requesting GA to make recommendations in Greek case and place all records and documents of case at disposal of GA.

If it appears from prior consultation with other representatives that there is considerable support for view that this is procedural, you might support this view in Council. This is in line with Art 8 and 13 of proposals on voting procedure already made by U.S. in Council. If Soviets veto this resolution as well as decision that this is procedural matter you should propose or support resolution similar to Spanish case (SC Official Records No. 21 p. 493) to effect that Greek case be taken off list of matters of which Council is seized and that all records

and documents of the case be put at disposal of GA. This we consider clearly procedural.

Latter resolution in our view would constitute decision terminating existence of Subsidiary Group and Balkan Commission.[1]

MARSHALL

[1] Ambassador Johnson, on September 15, placed a draft resolution before the Security Council which called on the Council to request the General Assembly to consider the Greek question and to make appropriate recommendations. Despite the 9 to 2 vote in favor of the resolution, it failed of adoption because of the negative vote of the Soviet Union. Ambassador Johnson, thereupon, introduced another resolution calling for removal of the Greek question from the list of matters of which the Council was seized. The Council voted affirmatively by the same 9 to 2 vote. The resolution was deemed approved, however, as dealing with a procedural rather than a substantive matter (SC, *2nd yr., No. 89*, pp. 2369–2405 *passim*).

The Department, on September 20 in telegram 104, informed Arthur W. Parsons, alternate United States Delegate on the Subsidiary Group, at Salonika, that the Council's action in disseizing itself of the Greek case automatically ended the Subsidiary Group. Mr. Parsons was directed not to attempt to hold the group together, even to complete its report (501.BC Greece/9–2048).

501.BC Greece/9–2347 : Telegram

The Secretary of State to the Acting Secretary of State

CONFIDENTIAL NEW YORK, September 23, 1947—10 p. m.

868. Following is text of draft resolution on Greek case which will be presented to [*by*] United States Delegation to General Assembly for consideration tomorrow morning, September 24:[1]

"Whereas

"The peoples of the United Nations have expressed in the Charter of the United Nations their determination to practice tolerance and to live together in peace with one another as good neighbors and to unite their strength to maintain international peace and security; and to that end the members of the United Nations have obligated themselves to carry out the purposes and principles of the Charter;

"The General Assembly of the United Nations having considered the record of the Security Council proceedings in connection with the complaint of the Greek Government of December 3, 1946, including the report submitted by the Commission of Investigation established by the Security Council resolution of December 19, 1946, and information supplied by the subsidiary group of the Commission of Investigation subsequent to the report of the Commission:

"Finds that Albania, Bulgaria and Yugoslavia, in contravention of principles of the Charter of the United Nations, have given assistance and support to the guerrillas fighting against the Greek Government;

[1] In telegram 835, September 14, from New York, the Secretary of State had informed President Truman of the nature of this resolution, calling special attention to the proposed creation of a special committee of the General Assembly and its functions (501.BB/9–1447).

"Calls upon Albania, Bulgaria and Yugoslavia to cease and desist from rendering any further assistance or support in any form to the guerrillas fighting against the Greek Government;

"Calls upon Albania, Bulgaria and Yugoslavia on the one hand and Greece on the other to cooperate in the settlement of their disputes by peaceful means, and to that end recommends:

"(1) That they establish normal diplomatic and good neighborly relations among themselves as soon as possible;

"(2) That they establish frontier conventions providing for effective machinery for the regulation and control of their common frontiers and for the pacific settlement of frontier incidents and disputes;

"(3) That they cooperate in the settlement of the problems arising out of the presence of refugees in the four states concerned through voluntary repatriation wherever possible and that they take effective measures to prevent the participation of such refugees in political or military activity;

"(4) That they study the practicability of concluding agreements for the voluntary transfer of minorities;

"Establishes a special committee:

"(1) To observe the compliance by the four governments concerned with the foregoing recommendations;

"(2) To be available to assist the four governments concerned in the implementation of such recommendations;

"Recommends that the four governments concerned cooperate with the special committee in enabling it to carry out these functions;

"Authorizes the special committee, if in its opinion further consideration of the subject matter of this resolution by the General Assembly prior to its next regular session is necessary for the maintenance of international peace and security, to recommend to the members of the United Nations that a special session of the General Assembly be convoked as a matter of urgency."

Note: A member of the delegation has suggested that the balance of the resolution be incorporated in an annex. In such event the following language might appropriately be inserted here: "The composition and additional terms of reference of the special committee are set forth in the annex of this resolution."

"The special committee shall consist of representatives of——

"The special committee shall have its principal headquarters in Salonika and with the cooperation of the four governments concerned shall perform its functions in such places and in the territories of the four states concerned as it may deem appropriate.

"The special committee shall render a report to the next regular session of the General Assembly and to any prior special session which might be called to consider the subject matter of this resolution; and shall render such interim reports as it may deem appropriate to the Secretary General for transmission to the members of the organization.

333-774—72——57

In any reports to the General Assembly the special committee may make such recommendations to the General Assembly as it deems fit.

"The special committee shall determine its own procedure.

"The General Assembly requests the Secretary General to assign to the special committee staff adequate to enable it to perform its duties, and to enter into a standing arrangement with each of the four governments concerned to assure the committee, so far as it may find it necessary to exercise its functions within their territories, of full freedom of movement, and all necessary facilities for the performance of its functions.

"The special committee shall commence its work as soon as practicable after _____, 1947. It shall remain in existence pending a new decision of the General Assembly."

MARSHALL

Editorial Note

The First Committee of the General Assembly began consideration of the Greek case on September 25. Ambassador Johnson, the same day, introduced the United States draft resolution; see United Nations, *Official Records of the General Assembly, Second Session, First Committee, Summary Record of Meetings, 16 September–19 November 1947*, pages 14, 591.

Paragraphs 3 and 4 of the draft resolution received extended discussion. They dealt with the responsibility of Greece's northern neighbors for the situation in northern Greece and were sometimes referred to as the "guilt clause". The French Delegation took the lead in softening such judgment and proposed, on September 29, the substitution of the following for the two paragraphs:

"*Whereas* the Commission of Investigation sent by the Security Council has found by a majority that Albania, Bulgaria and Yugoslavia have given aid and assistance to the partisans fighting against the Greek Government;

"*Calls* upon Albania, Bulgaria and Yugoslavia to do nothing which could furnish aid and assistance to the said partisans." (*ibid.*, page 597)

The United Kingdom Delegation, on October 8, proposed an amendment to the United States proposal, whose intent was the same as that of the French amendment, but with slightly different phraseology (*ibid.*, page 600).

The language of the Franco-British amendments was decided on by the United States, French and British Delegations on October 10 (telegram 983, October 10, 12: 21 a.m., from New York, 501.BC Greece/10–1047). Ambassador Johnson, the following day, stated to the First Committee that the United States, "in a spirit of conciliation", would support the Franco-British amendments (GA (II), *First*

Committee, page 108). Later the same day, the Committee adopted the United States resolution, as amended, by a vote of 38 to 6, with 10 abstentions (*ibid.*, page 114). The text of the resolution as finally adopted is printed *ibid.*, page 115.

Consideration of the Greek case began in the General Assembly on October 20, as the first order of business of the Second Session in connection with a security issue. Ambassador Johnson addressed the Assembly the same day, in support of the resolution adopted by the First Committee (GA (II), *Plenary*, volume I, page 401). The following day, the Assembly adopted the United States resolution, as amended, by 40 votes to 6, with 11 abstentions (*ibid.*, pages 461, 462). For the official text of the resolution, numbered 109 (II), see United Nations, *Official Records of the General Assembly, Second Session, Resolutions, 16 September–29 November 1947*, page 12. It established a Special Committee (which became known as the United Nations Special Committee or UNSCOB) to observe the compliance of Albania, Bulgaria, Greece, and Yugoslavia with the recommendations of the resolution and to be available in implementing them.

President Truman appointed Admiral Alan G. Kirk United States Representative on the Special Committee and Gerald A. Drew Deputy Representative (circular telegram, November 5, 4 a.m., to 13 Missions, 501.BC Greece/11–547).

The Special Committee adopted its first interim report on December 31, 1947; for text, see United Nations document A/521, dated January 9, 1948. Excerpts of the report were included in Department of State, *Documents & State Papers*, September 1948, page 372.

THE SOVIET-IRANIAN IMPASSE OVER THE AGREEMENT OF APRIL 1946 REGARDING THE EXPLOITATION OF OIL RESOURCES IN NORTHERN IRAN; THE QUESTION OF FURNISHING CREDITS TO IRAN FOR THE PURCHASE OF AMERICAN MILITARY SUPPLIES[1]

891.51/1–347

The Secretary of War (Patterson) to the Secretary of State

SECRET

WASHINGTON, 3 January 1947.

DEAR MR. SECRETARY: Reference is made to the recent decision to provide military assistance to the Government of Iran by making available noncombat matériel in reasonable quantities, and nonaggression combat matériel within the limits of a credit of ten million dollars allocated to Iran for this purpose.

Pursuant to the foregoing decision, General Mazhari [2] of the Iranian Army has presented a list of equipment and supplies desired by the Iranian Government (Inclosure 1 [3]). The War Department has reviewed the Iranian request for nonaggression combat type items (this excludes such items as medium tanks and bombers) and has given General Mazhari a list of equipment (Inclosure 2 [3]) which, it is believed, may be made available substantially as shown therein. In addition, although not shown in Inclosure 2, the Iranian request for aircraft can also substantially be met.

Preliminary examinations indicate that except for such items as those currently under procurement, the War Department can make available a substantial portion of the items requested by the Iranians. Every attempt will be made to meet this program with surpluses overseas. It is hoped that most of these will be already in the hands of the disposal agency, Foreign Liquidation Commission. Items to be furnished from the Zone of the Interior will be processed through War Assets Administration. It is understood that, in accordance with existing procedure, the matériel will be turned over to the Iranians on site and that they are to be responsible for its transportation by commercial carrier or otherwise.

[1] For previous documentation on these subjects, see *Foreign Relations*, 1946, vol. VII, pp. 289 ff.

[2] Brig. Gen. Mohammed Mazhary, Chief of the Iranian Military Purchasing Mission in the United States.

[3] Not printed.

It is requested that the War Department be informed of your concurrence in the continuation of present arrangements whereby the disposal agency reimburses the War Department for the costs incident to care, handling, packaging, and preparation for shipment, in so far as the Foreign Liquidation Commission is concerned.[4] A copy of a letter to War Assets Administration[5] on this same subject is inclosed.

Sincerely yours, ROBERT P. PATTERSON

[4] The Secretary of State expressed his concurrence in these arrangements in a letter of January 21 to the Secretary of War (891.24/1–1547).
[5] Not printed.

891.6363/1–1147 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

SECRET TEHRAN, January 11, 1947—3 p. m.

22. Le Rougetel[1] has been to see me twice recently on subject of "grave danger" of Majlis[2] refusal to grant Soviet oil concession[3] (Department's 15, January 9[4]). I agree fully that Iranians would make serious error if they refused flatly to grant petroleum rights to USSR under any conditions, as some anti-Soviet Iranians would now like to do. However, I think we would make an equally grave mistake if we went over to the other side and made representations which could be construed by Iranians as pressure on them to grant such rights.

I have informed both Shah[5] and Qavam[6] that US does not object in principle to Soviet petroleum interests in northern Iran and that from economic and geographic point of view we recognize that normal outlet for oil of northern Iran is to USSR. Moreover I have expressed personal opinion that Saed[7] Government handled petroleum negotiations with Soviets badly in 1944 and that they should not repeat this mistake. Instead of informing Kavtaradze[8] in 1944 that Iran would not consider any Soviet request for oil rights at that time, it would have been better if Iranians had either asked for detailed Soviet proj-

[1] Sir John H. Le Rougetel, British Ambassador in Iran.
[2] The Iranian Parliament.
[3] For text of the agreement entered into by Iran and the Soviet Union in April 1946, see telegram 485, April 9, 1946, from Tehran, *Foreign Relations*, vol. VII, p. 413; see also telegram 460, April 4, 1946, from Tehran, and footnote 72, *ibid.*, p. 405.
[4] Not printed.
[5] Mohammed Reza Shah Pahlavi.
[6] Ahmad Qavam, Iranian Prime Minister.
[7] Mohammed Saed, who resigned as Iranian Prime Minister on November 9, 1944. It was widely believed that his resignation was forced by Soviet pressure; see *Foreign Relations*, 1944, vol. v. pp. 456–472, *passim*.
[8] Sergey Ivanovich Kavtaradze, Soviet Vice Commissar for Foreign Affairs, who headed the Soviet delegation which came to Iran in September 1944 seeking oil concessions for the Soviet Union.

ect or else have drafted provisions themselves which they would be willing to accept. If USSR had refused to agree to reasonable and proper conditions Iran would at least have shown its willingness to negotiate. I do not believe there is much likelihood of Qavam's repeating Saed's mistake.

The fact that the British are so greatly disturbed lest the Iranians refuse the Soviet proposals is significant. The British hope the USSR will obtain petroleum rights in Iran because the British think their own concession will be safer and that no future Iran Government will be likely to nationalize the oil of the country if the British [*Russians*] have a concession here too. I believe one can even say that British are not deeply concerned whether Iranian political and economic interests are fully safeguarded in the matter or not. This attitude means, in essence, a return to the 1907 policy of disregarding the interests of the country as long as the great powers are satisfied.[9]

I am very much afraid Qavam will construe Le Rougetel's representations as British pressure on behalf of the Soviet proposals, even though Le Rougetel will add that Iran should "of course" ask for adequate safeguards. The British would like for US to make similar representations. But if we do, the Iranians will feel they have no support and must give the Soviets very nearly whatever the Soviets ask for. It seems to me we should allow our position to stand on the representations I have already made.

I hope the Department will bear in mind that Soviet action in Iran during the past few months as regards petroleum has not been such as to inspire confidence among the Iranians. The promise to submit the oil proposals to the Majlis was forced out of Qavam last April at the point of the bayonet. The Soviets appear to have the 50–50 caviar agreement in mind as a precedent for their oil proposals. If so all the oil from Iran which goes to Russia will be paid for in blocked rubles, at an artificial price set in Moscow, without any reference to the world market price. Efforts by Iran to use those rubles will be in vain. The concession itself, instead of showing a profit, will never repay development costs and Iran may very probably have to put up cash in one way or another to keep it going, in addition to losing its oil. Since the agreement will be with the Soviet Government rather than a private company, all conversations regarding day to day operations will be on a government to government basis, and any Iranian official who presumes to ask that the interests of Iran be considered equally with those of the Soviet Union will be considered unfriendly by the Kremlin.

[9] The reference is to the Convention between Great Britain and Russia relating to Persia, Afghanistan and Tibet, signed at St. Petersburg on August 31, 1907; for text, see *Foreign Relations*, 1907, Pt. 1, p. 550.

There is little adequate basis to judge whether the new Majlis will turn down the Soviet proposals or not. A few of the candidates who seem likely to be elected will favor a flat refusal, but Qavam will recommend passage and his party will probably have a substantial majority.

I am inclined to think that the primary danger is not that the Iranians will turn the Soviets down too brusquely but rather that the Majlis will agree to provisions detrimental to Iranian interests and sovereignty.

Soviet insistence upon petroleum rights in Iran brings to a focus the broad question whether a government like that of the USSR is capable of owning economic concessions in foreign countries without inevitably violating the sovereignty of that country. Under the system of private enterprise, a foreign petroleum, aviation, or other corporation can operate in Iran subject to the laws of the country, can sue and be sued, etc. I am not certain that a small and weak country like Iran can adequately safeguard the interests of the local people in this important natural resource, no matter how carefully the terms of the agreement with the USSR are drawn. Some kind of supervison over these matters by the United Nations may be inevitable.

Sent Department 22, repeated London 4 and Moscow 2.

ALLEN

891.6363/1–2847 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

SECRET TEHRAN, January 28, 1947—3 p. m.

77. Moscow radio, as monitored in Tehran broadcast talk on January 26 entitled "oil and politics", in which American oil companies were described as "closing their grip" on oil of Iran and Saudi Arabia:

Speaker said allegation of American officials that recent petroleum contracts [1] were private was "contradictory to the facts" and that it was now clear that American support of "Iranian case" [2] had been to prepare soil for expansion of American influence in Iran. "It is also evident that the new agreements between oil companies will not prove favorable to the independence of Middle and Near East, and particularly the Arabian countries".

It is interesting to note that while the Soviet radio is thus attacking American oil interests in Middle East, this Embassy has scrupulously

[1] For the nature of the contracts of the Anglo-Iranian Oil Company with the Standard Oil of New Jersey and the Socony-Vacuum interests and between the Gulf and Shell interests, see telegram 13, January 8, 1947, to Tehran, *Foreign Relations*, 1946, vol. VII, p. 49.

[2] Before the Security Council in 1946.

refrained from exerting any influence opposed to Soviet desire to obtain a concession in Iran, despite frequent pleas from numerous Iran officials for American help in finding a means of refusing the Soviet request. We could easily kill the Soviet Union's chances of getting such a concession in Iran with a statement not half as critical of the USSR as the Soviet accusation against the US quoted above.

Last night the Shah said he had received another urgent suggestion from Ambassador Ala in Washington that the Iranian Govt propose the international development of oil, under UN supervision, for all of Iran, including the British concession area. Ala recommended against any bilateral agreement with Soviet Union under any circumstances.

Shah says he pressed Qavam yesterday regarding details of Soviet agreement. Shah favors limiting territory covered by agreement to very small area after two years of exploration. Most likely place for the north is small triangle near Gorgan. Shah says it is unthinkable to allow Soviet technicians to wander freely over five northern provinces during 50-year life of agreement. Shah would much prefer to enter into no oil agreement with USSR whatever and accused Qavam of wanting to create another agreement like the caviar concession.

The Iranians would probably pursue the international angle if we gave them any encouragement. I explained again that we could not concur in any attack against established concessions.

Sent Dept 77, repeated London 11, and Moscow 7.

ALLEN

891.7962/2–1747 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

SECRET TEHRAN, February 17, 1947—10 a. m.

117. During conversation with Minister of Finance [1] concerning sale of Abadan Airfield,[2] I took occasion to stress once again our expectation that American airlines would receive no less favorable treatment in Iran than lines of any other foreign country. Minister asked if we had any reason to think this would not be the case. I said we had very good reason to think that planes of the Soviet Union would be treated better than ours if present Iran practice continued.

I pointed out that Pan American Airways would soon extend its line from Ankara to India. We had hopes that at least a branch or

[1] Abdol Hosein Hajir.

[2] The Abadan Airfield was sold by the United States to the Iranian Government on March 11, 1947, for $136,682. A copy of the contract is filed under 891.24 FLC/3–1147.

alternate route might eventually come from Ankara to Tehran and then on to Kabul and India. Stops might occassionally have to be made at Tabriz and Meshed. I asked the Minister whether we could assure Pan American that it would be permitted to carry passengers between Tabriz, Tehran, Meshed; that it could bring in free of duty or taxes its airplanes, parts and gasoline for this internal traffic even though it competed with an Iranian line which paid high duty and taxes on everything; whether he would permit Pan American to establish radio and weather stations wherever it liked in Iran without even notifying Iranian authorities; bring in its passengers, cargo and personnel without any visa or customs formalities; and pay no attention to the Iranian passport or customs or aeronautic authorities at Iranian airports; and above all do all these things without any kind of air transport agreement with Iran and without any reciprocal permission being granted to Iranian planes to fly to the US under any circumstances. I added that no American line would expect such privileges but that under most favored nation treatment, we could demand them since all of these privileges were being accorded planes of another country.

The Minister, who is one of the strongest members of the Cabinet and a patriotic Iranian, expressed appreciation for these remarks and said they would materially strengthen his efforts to regularize Soviet air operations in Iran. He said that after much difficulty he had succeeded only last week in obtaining a written commitment from the Soviet Ambassador in connection with trade negotiations, that the USSR would henceforth respect Iranian customs in the importation of Soviet goods into Iran. Minister hoped now to have further success in obtaining respect by the Soviet Union for Iranian laws and regions [*regulations*].

Whenever I have discussed aviation matters with Iran officials, I have emphasized that the US as an air-minded nation has no desire to hamper developments of air traffic between Iran and the USSR, but on the contrary wishes to encourage such traffic all over the world, on an equitable basis. I have expressed the hope, however, that the time would come when Iran, while welcoming Soviet planes to Iran, would insist upon reciprocal right for Iranian planes to fly to USSR. Without reciprocity there should be no Soviet planes in Iran.

If this policy is eventually followed by all states bordering the USSR, perhaps the USSR may gradually be persuaded to liberalize its aviation policy.

Sent Department 117; repeated Moscow 12 and London 17.

ALLEN

891.24 FLC/2–2247 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

SECRET TEHRAN, February 22, 1947.

128. Colonel Shields [1] requests copy be given General Connolly [2] of following letter which I addressed to Minister of Finance today:

"Excellency: I have the honor to refer to conversations which took place in the office of the Ministry of War on February 16, 1947 attended by Colonel Shields concerning the question of the utilization by the Iranian Government of credit for the purchase of military supplies which the American Government expressed its willingness to extend to Iran in the letter from General Connolly to General Mahzari dated November 26, 1946.[3]

During this conversation various questions were raised by Your Excellency and other Iranian officials concerning the terms of the credit as set forth in General Connolly's letter and concerning the possibility of an alteration or modification of these terms. You asked specifically whether it might be possible for the Iranian Government to utilize the credit through individual purchase contracts in which interest payments would be included as a part of the principal. You also questioned the rate of exchange provisions in the standard form of US credit agreement applicable to credits of this kind.

The Embassy has received telegraphic instructions from the Department of State in Washington pointing out that the American Government desires that the arrangement for this credit be negotiated in Washington. Consequently any suggestions of the Iranian Government for alterations in the terms of the offer contained in General Connolly's letter of November 26th should be taken up through the Iranian Embassy in Washington with the competent American authorities. This Embassy does not know whether any alteration in the terms of the offer would be possible or not.

I feel that I should add that I personally am doubtful that my Government would be able to accept any substantial changes in the terms as contained in General Connolly's letter. It is my belief that if the Iranian Government desires to take advantage of the offer made in General Connolly's letter it will be necessary for the Government of Iran to accept substantially the terms contained in that letter.

I should point out moreover that General Connolly's letter still appears to have remained unanswered or unacknowledged. I suggest that prompt action be taken by the Iranian Government if it wishes to utilize this credit offer.

I should also refer to the conversation which Colonel Shields and and I had with you in your office on February 12th in which you expressed doubt that the Iranian Government could legally enter into a credit agreement calling for the payment of interest without the approval of the Majlis. If this is true it would seem to me desirable for the proposed credit agreement to be drawn up now in order to be

[1] Col. Charles J. Shields, OFLC Field Commissioner for the Persian Gulf area.
[2] Maj. Gen. Donald H. Connolly, Foreign Liquidation Commissioner.
[3] Not printed, but see footnote 20, *Foreign Relations*, 1946, vol. VII, p. 546.

ready for prompt submission to the Majlis when it convenes. I am confident that the American Government will find it necessary to include in any credit arrangement with the Government of Iran as in all other credit agreements of this nature a provision for interest to be paid on outstanding balances.

In order to assure the proper coordination of the discussions in connection with this credit, I am sending the text of this letter to my Government by telegraph."[4]

ALLEN

[4] Subsequent to sending this letter to the Minister of Finance, Ambassador Allen discussed the arms question on several occasions with the Shah, the Prime Minister, and other Iranian officials. In telegram 132, February 25, 1 p. m., from Tehran, the Ambassador reported on a conversation with the Prime Minister the previous day during which the latter made it clear that he had not realized previously how much the supplies would cost Iran. He expressed doubt that Iran needed or could afford such large expenditures. The Ambassador reminded the Prime Minister that the U.S. offer had followed his urgent request for assistance. (891.24 FLC/2–2547)

In reply to a query in Department telegram 109, March 5, 7 p. m., Ambassador Allen stated in telegram 175, March 10, 6 p. m., from Tehran; "I consider it in the over-all Iranian interest to take advantage of at least a considerable part of the military credit offered by US, and the Embassy does not believe that the proposed rapid repayment [in three years] would have any significant effect on economic development plan for benefit of Iranian people, provided Iran obtains credits from International Bank for development plan. However, [if] economic development here must be financed without international loan, repayment of arms credit would substantially reduce funds available for economic plans during next three years." (891.24 FLC/3–447; 891.51/3–1047)

891.6363A/3–347 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

TOP SECRET
URGENT

TEHRAN, March 3, 1947—4 p. m.

154. During conversation with Prime Minister this morning, held at his request, Qavam said he felt in need of expert technical advice on petroleum question, especially as regards the northern provinces, and would like to employ a qualified American for this purpose. He asked me to ascertain urgently whether my Govt perceived objection to his doing so. He emphasized that matter should be kept most highly confidential until announced. If Dept does not object, he will immediately instruct Ala to find one. I suspect he may have Hoover and Curtice[1] in mind since they are familiar with Iran, but he said he felt that one American expert in Iran would be sufficient.

In reply to my inquiry he said he had in mind an employment contract with a private individual, perhaps along the lines of Dr.

[1] Herbert Hoover, Jr., and A. A. Curtice, petroleum geologists, who had been advisers on petroleum to the Iranian Government; see telegram 316, May 20, 1944, to Tehran, *Foreign Relations*, 1944, vol. v, p. 450.

Avery's [2] contract, or else a contract such as was made with Hoover and Curtice in 1944. He had little idea how long the expert would be needed.

All he is interested in learning now is whether in principle he can go ahead with the idea.

I believe Qavam desires to reach a petroleum agreement with USSR and at same time defend legitimate Iranian interest and he is inclined to a favor granting a straight concession rather than a mixed company. His wish to employ an American expert is motivated in part by an honest desire for technical help and in part, I feel confident, by desire to have an expert share the responsibility when he attempts to persuade the Soviets to accept a concession rather than the mixed company idea to which Moscow seems much attached. Hoover and Curtice showed clearly when they were here in 1944 that they favored a Soviet concession in Northern Iran, under proper safeguards.

As Dept knows, petroleum is the principal problem before Iranian Govt at the moment and one on which they are most eagerly seeking advice. An American petroleum expert in Iran would almost inevitably involve US in some newspaper controversy. At the same time it would be rather difficult for US to agree that Iran can have 25 American Army Officers as advisors to their army and *gendarmerie*, and can employ private Americans in their Finance, Health and other Ministries, but cannot buy petroleum advice from the US.

Moreover, we have given Iran certain assurances of assistance. Expert advisors, especially in questions on which countries like Iran seek and need advice greatly, are often the most beneficial type of assistance we can give.

I suggest that I be authorized to inform Qavam that the question of employment of American experts in the petroleum as in other fields, is one entirely for the Iranian Govt to determine. Urgent reply would be appreciated.

ALLEN

[2] Bennett F. Avery, who became adviser on public health to the Iranian Government early in 1944.

891.24/3–347 : Telegram

The Secretary of State to the Embassy in Iran

SECRET WASHINGTON, March 3, 1947—6 p. m.

101. Schwarzkopf [1] has informed War [Department that] *Gendarmerie* needs half million worth equipment and expressed dissatisfaction exclusion *Gendarmerie* from benefits pending arms arrangement. As indicated Deptel 37 Jan 23 [2] we have assumed purchase

[1] Brig. Gen. H. Norman Schwarzkopf, Chief of the American Military Mission with the Iranian *Gendarmerie*.

[2] Not printed.

program makes provision for both branches Iranian security force. Ref Schwarzkopf's letter to Pottenger Dec 28, it appears present Army plan represents continuance effort absorb *Gendarmerie* and should be considered in light traditional conflict between Army and *Gendarmerie*. We wish make clear we using no pressure Iran take US arms and taking no sides in Army—*Gendarmerie* situation. However, Army action absorb *Gendarmerie* or eliminate *Gendarmerie* from arms program might bring about situation wherein continuance *Gendarmerie* Mission would be inadvisable. While we do not wish inject ourselves into entirely internal Iranian affair, decision being for Iran Govt alone, you may if appropriate point out that general experience in this and most democratic countries has proved desirability keeping police forces under civilian control.

Please discuss matter with Schwarzkopf then with Grow.[3] You may, in your discretion, bring matter to attention Qavam and Shah.[4]

MARSHALL

[3] Brig. Gen. Robert W. Grow, Chief of the American Military Mission with the Iranian Army.

[4] In telegram 283, April 16, the Embassy in Tehran reported the assurances given to General Schwarzkopf by the Prime Minister and Minister of Finance that the U.S. credit would be used to purchase supplies for the *Gendarmerie* (891.24/4–1647).

891.6363A/3–347 : Telegram

The Acting Secretary of State to the Embassy in Iran

TOP SECRET
US URGENT

WASHINGTON, March 4, 1947—7 p. m.

105. We recognize possibility (urtel 154, Mar 3) Qavam may desire employ American expert to share responsibility in case oil concession is refused Russians. It is also possible Qavam, in case he is determined to grant Soviet concession, desires have support American expert in order make such grant more palatable to certain segments Iranian opinion. However, we feel that any objection or reserve on our part might well make Qavam timid or uncertain of our interest and support.

In answering Qavam's inquiry, you should limit your remarks to statement that, in keeping with our traditional policy of assisting friendly states upon request, particularly Iran in view of Declaration 1943, we have no objection Iranian Govt employing qualified American for purpose expert technical advice on petroleum question.[1]

ACHESON

[1] In telegram 161, March 5, Ambassador Allen reported that he had conveyed the substance of telegram 105 to Prime Minister Qavam who said he would direct Hussein Ala, the Iranian Ambassador in the United States, to employ an Amer-

[1] In telegram 161, March 5, Ambassador Allen reported that he had conveyed the substance of telegram 105 to Prime Minister Qavam who said he would direct employed." (891.6363A/3–547)

Editorial Note

On April 2, the Embassy in London reported information from the British Foreign Office on the conversations of March 24 between Mr. Bevin and Generalissimo Stalin at Moscow. Concerning their discussions on Iran, the Embassy cited Mr. Bevin as stating "that the propaganda that Britain opposed an oil concession to Russia was without foundation. The British Government, he explained, had no objection to an oil concession being made to Russia so long as Iranian independence was not affected. No comment of significance was made to this by Stalin." (telegram 2020, 741.61/4–247). The British record of the conversation of March 24 is printed in volume II, page 278.

891.002/3–2747 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

SECRET TEHRAN, March 27, 1947—4 p. m.

225. [Here follows a paragraph discussing a request by the Turkish Ambassador that Ambassador Allen intercede with the Shah to retain Mr. Qavam as Prime Minister.]

I explained to him that a principal point of American policy in Iran is to prevent foreign interference in internal Iranian matters, not to engage in it ourselves. While agreeing that a strong Iran was in our interest and that Iran was weakened when the two most influential personages in the country, the Shah and Qavam, were at loggerheads, I said I could do no more than continue to advise both Shah and Qavam in principle that all Persians should cooperate for the unity of the country, since disunity would open the door to foreign penetration.

I have no reason to believe the Ambassador was acting under instructions from Ankara. There is possibility that Qavam may have sent him but I do not believe so.

During a conversation I had with Shah last night, the latter volunteered the information that he did not intend to remove Qavam at present, despite charges of corruption which were being brought to him daily. He asked, however, whether I thought he was fulfilling his constitutional responsibilities by remaining a spectator when such corruption existed. I expressed the personal view that the responsibility for removing or sustaining the government should be placed on the Majlis, soon to convene.

ALLEN

891.00/3–2747 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

SECRET TEHRAN, March 27, 1947—11 p. m.

226. During a conversation with the Shah yesterday he expressed appreciation for American efforts to assist Greece and Turkey [1] and was much pleased to have received word from Ambassador Ala that Iran would probably be similarly supported if similar need should arise. The Shah expressed some uncertainty, however, concerning reasons for our insistence that Iran make large dollar outlays on a loan basis, with interest, for military supplies at the time we were being so generous to others. He said it appeared we were planning to make further outright gifts of military supplies to Turkey in addition to the large amount of such supplies we had furnished Turkey under Lend-Lease during the war.

I cited the statements by Under Secretaries Acheson and Clayton before Congressional committees, as reported in recent radio bulletins, and said that the emergency in Greece and Turkey resulted from their being under immediate threats. The Shah said that while Iran seemed fortunately not the primary target for Soviet attack at the moment, continued lack of security in Iran and weakness of the Iranian Army would only invite renewed Soviet activity here. He felt it shortsighted to allow this weakness to continue and thereby invite an attack which could be forestalled by assistance to Iran with military supplies now.

I pointed out that in several telegrams which I had received from the Department prior to and during the Azerbaijan crisis, the Department had stated that the American Government was willing to support the independence of a member of the United Nations to the extent that that country showed willingness to fight for its own independence.[2] The Shah replied that Persia's recent action in recovering its sovereignty over Azerbaijan had been at very considerable risk of involvement with the USSR and he felt Iran's determination to fight for its independence had been amply demonstrated very recently.

With particular reference to the statement by Mr. Clayton that nonproductive credits i.e. military supplies would be accorded Greece and Turkey as a grant, the Shah asked why we were so "severe" with Iran, demanding payments with interest. I said that each case must be considered on its merits and that ability to pay was one consideration. He expressed confidence that Turkey's ability to pay was much greater than Iran's, due to Turkey's large foreign exchange holdings built up during the war.

[1] For documentation on this subject, see pp. 1 ff.

[2] See telegram 976, November 22, to Tehran, *Foreign Relations*, 1946, vol. VII, p. 546.

The Shah's remarks were made in an entirely friendly manner and he raised no objection to any assistance the United States might render any other country. It was clear, however, that while he understood the immediate necessity for assistance to Greece, in view of the actual guerrilla attacks across Greece's northern border, he failed to understand why Turkey appeared to be treated so much better than Iran. As far as Soviet claims against the Dardanelles [3] were concerned, he said that these were primarily radio attacks and that as far as physical aggression against the Straits was concerned, Turkey would certainly have the full support of the United Nations in case of any armed Soviet aggression, just as Iran and every other nation would.

ALLEN

[3] For documentation on this subject, see *Foreign Relations*, 1946, vol. VII, pp. 801 ff.

740.00119 Council/4–447: Telegram

The Acting Secretary of State to the Secretary of State, at Moscow

SECRET
US URGENT

WASHINGTON, April 4, 1947—7 p. m.

813. Secdel 1427. For Secretary from Acheson:

1. Subject is establishment Iranian-Soviet oil company agreed in principle in exchange notes Apr 4, 1946, between Iranian PriMin Qavam and Sov Amb Sadchikov incident to removal Sov troops from Iran, arrangement being subject to ratification or rejection by Iranian Majlis (Legislature) scheduled convene in few weeks. Agreement covers roughly five northern provinces of Iran and participation to be 51 percent by Sov Govt and 49 percent by Iranian Govt during first 25 yrs and 50–50 during next 25 years.

2. Brit Emb Reps called Mar 31 on instruction to communicate substance FonOff cable re Sov oil arrangement and to request Dept views. Communication interpreted by Dept as indicating FonOff presumption Majlis will ratify agreement when presented and approve concession, and left impression here Brit Govt has discussed matter with Iranian Govt in terms of granting a concession to Sovs (patterned after AIOC concession in south), concession to contain safeguards intended to protect sovereignty of Iran. Brit Reps seem uncertain whether proposed safeguards in above FonOff cable communicated to Iranian Govt. Dept expressed views that proposed safeguards appeared incomplete and ineffective, and that there are no safeguards which, in final analysis, would prevent political and economic penetration of Iran by Sovs, if latter disposed pursue that objective, with possible resultant repetition of situation similar to if not more serious than recent Azerbaijan incident.

For your info Dept after conversation with Brit Emb Reps informed Amb Allen, Tehran, Jan 9,[1] Brit FonOffi had communicated to Iranian Govt its view that flat refusal Sov oil arrangement inadvisable and that Sov concession could be devised which would safeguard basic Iranian interests.

3. Dept outlined to Brit Reps its most tentative views as follows:

(*a*) US Govt must disassociate itself completely from any pressure whatsoever designed to induce Iranian Govt to enter any oil arrangement with Sovs, decision this matter being entirely within competence Iranian Govt;

(*b*) Neither does US Govt intend at this time to influence Iranian Govt to refuse Sov oil arrangement;

(*c*) If in connection with either acceptance or refusal of Sov oil arrangement Iranian Govt is subjected to pressures threatening independence of Iran, US Govt will support fully Iranian sovereignty in conformity with its obligations to UN.

4. Iranian Amb Ala has informed Dept officials on various occasions that he has recommended to his Govt that it refrain from granting any further mineral concession (including subject oil arrangement) to any foreign interest. He has stated that he is studying advisability of Iran taking position that it not grant any further mineral concession to foreigners until his Govt has explored fully possibility of obtaining advisory opinion from appropriate UN organization, both as to concessionaire and terms of concession. His idea is that development Iranian resources will in general be reserved for exploitation by Iranian nationals.

5. Re para 4 above, Dept's tentative view is that Iranian Govt has full right to seek such advice and assistance from UN; but that US Govt should not at this time encourage development UN powers with respect to international oil matters except pursuant to Anglo-American oil agreement [2] scheduled for Senate hearings at early date and contingent upon exploratory inter-governmental conversations now projected with other interested govts including Iran and possibly Soviet Union. In any case Dept convinced assignment to any UN body of regulatory authority at this time impracticable. Entire question, however, of feasible and desirable UN responsibility in international oil field merits and is receiving thorough study.

6. Another question which has arisen is that of employment by Iranian Govt of Am technical expert advice on terms of any concession that might be granted Sovs. Dept view is that such advice if needed

[1] In telegram 15, not printed.

[2] Signed at London on September 24, 1945; for information on this agreement, which failed to obtain ratification by the United States Senate, see *Foreign Relations*, 1945, vol. VI. bracketed note p. 244. The text of the agreement is printed in Department of State *Bulletin*, September 30, 1945, p. 481.

333-774—72——58

should be sought only after decision taken in principle by Iranian Govt whether to grant concession. This appears to be also present view Amb Ala.

7. While Dept does not entirely discount possible interest Soviet Union in Iranian oil, Dept has long felt that prime motivation Sov activities in Iran is political rather than economic. We believe that Iran would be following a most dangerous course if it should grant any mineral concession to any foreign Govt or company before political situation Near and Middle East is clarified and before Iran is in position to arrange for development its mineral resources under its own unquestioned sovereignty.

We therefore propose suggesting informally to Iran Govt that if Sov arrangement is rejected by Majlis it might be advisable for Iran Govt concurrently to announce that Iran Govt has no intention of granting any oil concession at this time covering the northern provinces to any other foreign interests and that the Majlis decision is taken without prejudice to eventual negotiations with Sovs for commercial oil rights this area. If pressed for our opinion on proposed Sov arrangement we contemplate informing Iran Govt that we feel it should make its own decision free from foreign influence. We would point out that in our opinion proposed arrangement is subject to abuses which Iran Govt should consider in making its decision.

Your views and instructions will be appreciated.

Sent Moscow for Secretary.

Rpt Tehran as 163 and London as 1509.

ACHESON

740.00119 Council/4–1047 : Telegram

The Secretary of State to the Acting Secretary of State

SECRET
URGENT

Moscow, April 10, 1947—11 p. m.

1296. Delsec 1415. For Acheson from Marshall. Secdel 1427 [1] is subject. I concur in Department views expressed to British representatives in paragraph 3 of referenced message.

I realize the situation is a delicate one, but in order to follow more closely the line the US has previously taken and the views we have expressed to the British, I suggest the following rewording of our informal suggestions to the Iranian Government:

"If pressed for our opinion on Soviet arrangement, we should inform Iranian Government that we feel it should make its own decisions free

[1] Telegram 813, April 4, to Moscow, p. 902.

from foreign influence. If Majlis decides to go ahead with arrangements it should carefully examine the arrangement to ensure that as finally concluded it contains the safeguards necessary to protect against abuses of Iran's sovereignty and independence. If Majlis rejects arrangement, it might be advisable for Iranian Government concurrently to announce that it has no intention of granting oil concession at this time covering the northern provinces and that Majlis decision is taken without prejudice to eventual negotiation with Soviets for commercial rights in this area."

[MARSHALL]

891.20/4–1447

Memorandum of Conversation, by Mr. Edwin M. Wright, Special Assistant to the Director of the Office of Near Eastern and African Affairs (Henderson)

[WASHINGTON,] April 14, 1947.

Participants: Mr. [Loy W.] Henderson, Director, NEA.
Mr. [Harold B.] Minor, Chief, MEI.
General Mazhari, Assistant Chief, Iranian Military Purchasing Commission.
General [Abdollah] Hedayet, Chief, Iranian Military Purchasing Commission.
Mr. [Gholam] Aram, First Secretary, Iranian Embassy.
Mr. Wright, NEA.

[Here follows general discussion on the proposed credit to Iran to purchase military supplies.]

Mr. Henderson pointed out the difference between the problem in Greece and Turkey and that in Iran. In Turkey and Greece, their independence was threatened by actual civil war or by demands for territory and bases. It was therefore decided to bring these two cases before Congress at once. The mood of Congress was such that only states threatened by the Soviet at the moment could be considered. It is desirable that Iran should keep the best possible relations with the Soviet Union. At the moment there is no Soviet column operating in Iran, nor demands being made upon it. So grants can be given only to those countries under direct threat and danger. Iran, therefore, comes under the category of any nation desiring to strengthen its internal security, but not threatened from outside. It was our policy not to sell arms or munitions except to a few states who had been in intimate association with the U.S.A. Iran fell in that category and needed internal strengthening.

[Here follows further discussion on the proposed credit.]

761.91/4–2847 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

SECRET TEHRAN, April 28, 1947—2 p. m.

US URGENT

329. Prime Minister asked me to come to see him urgently yesterday to inform me that Soviet Ambassador has recently made strenuous complaints to members of Iranian Cabinet against the "anti-Soviet and pro-American policy of the present Iranian Government". Prime Minister showed considerable concern over situation and asked me to request urgently any observations or suggestions of American Government in the light of this latest Soviet pressure.

He said Soviet Ambassador had referred at length to assistance USSR had rendered Iran in past, for which Iran had shown no appreciation, and that recent Soviet efforts to assist Iran, notably Soviet offers of arms and ammunition, spurned in an unfriendly manner. Ambassador spoke at length regarding "generous" proposal of USSR for 50–50 commercial aviation company, which he said Qavam had continually put off on "ridiculous and untrue claim" that such an arrangement would be contrary to Chicago aviation agreements.[1] Instead, Ambassador claimed Iran had encouraged formation of an American airline in Iran, with American pilots, who incidentally had flown over Soviet border towns such as Ashkhabad, which Soviet Government could not tolerate.

Soviet Ambassador then referred to American military missions in Iran, which he claimed were in direct operational control of the Iranian Army and *Gendarmerie*. He mentioned other American advisors and Morrison–Knudsen engineers and said that Iranian plans for economic development of country through dollar loans would result in full American economic as well as military control. He added that Qavam's action in drawing up 7-year economic plan without consulting USSR was not friendly. He warned that new troubles might easily arise if things continued as they are.

Numerous smaller grounds for complaint against Iran were added by Ambassador, such as delivery by Iran of only 29,000 tons of rice last year when 30,000 had been promised, and recent difficulties caused by Iranian customs and monopoly officials in connection with Soviet trade. (Qavam said these "difficulties" have consisted of recent Iranian requirement that Soviet imports pass through Iranian customs and that monopoly goods be sold only to Iranian Government. Only during last month or two have Soviet imports even been asked to pass through

[1] The reference is to the agreements adopted at the International Civil Aviation Conference which was held at Chicago from November 1 to December 7, 1944; for documentation on the Conference, see *Foreign Relations*, 1944, vol. II, pp. 355 ff.

Iranian customs, for first time since Soviet military occupation of northern Iran in 1941. Soviets still openly disregard Iran monopoly administrations for sugar, textiles, etc. Soviet trade delegation illegally sells imports direct to merchants at greatly inflated prices.)

Qavam asked that the matter be kept in strictest confidence, since Iranian relations with USSR would be rendered even more difficult if by any chance Soviets learned that Iranians had informed us. He would welcome our view whether, in light of Moscow conference, Soviet Ambassador's representations indicated new Soviet campaign against Iran, now that their way is blocked in Greece and Turkey. He also wanted to know whether we could be prepared to support Iran in case of need. He referred to necessity for Iran to raise standard of living in order to combat Soviet propaganda here, and said he would welcome assurance that we will support Iran's application for International Bank development loan when formally presented.

I said I would request urgent reply.

Last night Shah asked me to dine with him for long discussion of same subject. Shah was not quite as disturbed as Qavam and said he was prepared to meet even stronger Soviet pressure until after oil concession question was settled. Shah mentioned again our offer to give arms to Turkey, but said that on the whole he thought it just as well we had not included Iran in Greek-Turkish aid program since as it is, Iranian refusal of Soviet oil concession would appear as independent Iranian decision and not as action prompted by US. Shah is most anxious, however, to obtain indication of our support in obtaining development loan.

I expressed confidence to both Shah and Qavam that there had been no change in our policy of supporting Iran to extent Iran shows its determination to oppose aggression, and advised them to pay no attention to Soviet Ambassador's threats.

Repeated London 48. Department pass to Moscow at 43.

ALLEN

891.243/4–3047

Memorandum by the Deputy Director of the Office of Near Eastern and African Affairs (Villard) to the Under Secretary of State (Acheson)

SECRET WASHINGTON, April 30, 1947.

Conversations with the Iranian Arms Purchasing Mission[1] have advanced to the point where it is possible to give you a brief summary of the status of these negotiations.

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[1] For the Department statement on the arrival of the Mission in the United States, see Department of State *Bulletin*, April 20, 1947, p. 720.

You will recall that FLC, after the Iranian approach of last December,[2] offered to sell Iran surplus non-aggression military supplies on fifteen year terms with interest at the rate of two and three-eighths percent, with the understanding that not more than $10,000,000 could be utilized for combat equipment.[3] While the Iranians have not replied formally to FLC's communication, they have informally suggested a credit of $30,000,000, of which not more than $10,000,000 would be used for combat items. They have asked that the words "loan" or "credit" not be used in the agreement and that the two and three-eighths percent interest be absorbed in the principal without mention of interest in the agreement; these requests were made to circumvent a constitutional provision which requires that all foreign loans be submitted to the Majlis for ratification.

While the Department and FLC are agreeable to hiding the interest in the principal as has been done in other cases, we hesitated to sign an agreement which might violate the spirit or the letter of the Iranian constitution. If such an agreement were to be held unconstitutional in Iran and repudiated at some later date, the political repercussion might be embarrassing and actually harmful to our policy in the Near and Middle East. After careful consultation in the Department and after consulting with Ambassador Allen we are of the opinion that the agreement should contain a clause providing for Majlis ratification and that no deliveries will be made under the agreement until such ratification takes place.[4]

A draft agreement embodying these provisions is being drafted for presentation to the Iranian Government through the purchasing mission. The draft agreement will also be telegraphed to Ambassador Allen for comment. Although there are still some points at issue, we believe that a satisfactory agreement can be worked out with the Iranians on the basis of our draft.

Incomplete examination between the War Department and FLC of the Iranian arms list indicates that availabilities may be so limited that the Iranians will be able to utilize through FLC only a portion (perhaps half) of the $30,000,000 figure.

HENRY S. VILLARD

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[2] The official request had been made by the Iranian Ambassador in a note to the Acting Secretary of State on October 15, 1946; see *Foreign Relations*, 1946, vol. VII, p. 532.

[3] The formal offer to sell had been incorporated in a letter of November 26, 1946, from the Foreign Liquidation Commissioner to Brigadier General Mazhari; see footnote 20, *ibid.*, p. 546.

[4] Marginal notation by Mr. Acheson: "I agree." According to telegram 236, April 25, from Tehran, the Iranian Prime Minister, by this time, had informed Ambassador Allen that specific reference to approval by the Majlis would be provided for in the proposed agreement (891.24 FLC/4-2547).

891.24 FLC/4–2447 : Telegram

The Secretary of State to the Embassy in Iran

SECRET WASHINGTON, May 2, 1947—3 p. m.

219. War has cabled Gen Grow in reply his R 340 Apr 26 that total FLC cost to Iran available items included in Iranian list probably not exceed twenty million dollars and that Hedayat should not be informed probable cost this time, although after consultation with you Iranian authorities Tehran may be informed. War has informed Hedayat and Grow that when Iranian priority is determined available items will be earmarked and held for Iran 90 days from about May 15 at no cost to Iran, pending finalizing agreement and Majlis ratification.

Since it now appears total cost all available requested items much less than original estimate we feel it would be tactical error for Iranians to request thirty million credit when only twenty million or less will probably be expended. Smaller sum would be more palatable to Majlis and will enable Majlis more readily appropriate additional funds for required medical, transport and other items which may have to be purchased in open market. At same time we have committed ourselves here to thirty million and feel that Hedayat may not fully understand reasons if we suggest reduction. Any request for reduction we feel should come from Iranian Govt.[1]

Our latest draft agreement light urtel 318, Apr 24 [2] handed Hedayat and is being cabled you.[3]

MARSHALL

[1] According to telegram 263, May 7, from Tehran, Ambassador Allen conveyed the substance of telegram 219 to Prime Minister Qavam on May 7. The latter expressed his intention to instruct Ambassador Ala to request a credit of not to exceed $20,000,000 (891.51/5–747).

[2] Not printed.

[3] Telegram 227, May 7, not printed.

761.91/4–2847 : Telegram

The Secretary of State to the Embassy in Iran

SECRET WASHINGTON, May 2, 1947—8 p. m.

221. Urtel 329, Apr 28. You may say to Qavam and Shah that while it is obviously impossible for us in advance any untoward action on part Soviet Govt to indicate a course of action which might be appropriate we reiterate the assurances contained in Deptel 976 Nov 22 [1] that this Govt is prepared support Iranian independence by acts as

[1] *Foreign Relations*, 1946, vol. VII, p. 546.

well as words so long as Iranian Govt sincerely desires independence and demonstrates willingness stand up for Iran's sovereignty. You might review with Qavam extent and value of support given Iran by this Govt both in SC case last year and at time of Azerbaijan incident in December. You may state that in way of positive assistance we are prepared support Iran's formal application for World Bank loan based on well thought out plan to benefit all Iranian people.

In reply Qavam's inquiry whether Sov Amb's representation indicates new Sov campaign against Iran, we have obtained no specific information to this effect. However we feel we should be prepared for stepped up Sov activities in Europe and Middle East in near future. Re Middle East we consider significant Sov Amb's conversation with Qavam reported urtel 329 especially in light similar revealing representation made to Afghan FM by Sov Amb Kabul (see infotel Apr 16 [2]).

We would appreciate your further views on this subject.

Sent Tehran, repeated London, Moscow, Kabul.

MARSHALL

[2] Telegram 947 to Moscow, repeated to Tehran as No. 186 and to New Delhi; it stated: "Sov Ambass Kabul asked Afghan FonOff why Afghanistan would seek US rather than USSR assistance in matters involving construction and maintenance airports northern Afghanistan. In connection TWA-Afghan agreement, which Ambass first referred to as 'rumor' until set straight by Afghan FonMin, Sov Ambass expressed concern that USSR was being encircled. He qualified this by saying it did not relate only or even primarily to American activities, but that after experience of recent war USSR could not view with unconcern development of any alien interests in those areas of countries bordering on Russia that are in close proximity to Sov territory." (800.00 Summaries/4–1647)

761.91/5–1547 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

SECRET TEHRAN, May 15, 1947—9 a. m.

379. Renewal of intensive Soviet activity in Azerbaijan is reported by several sources including Kurdish contacts and Iran Majlis candidate who has just returned from three month tour of Province. Sources state that there recently has been renewed activity among former Democrat elements, lending weight to one report that reorganization of Democrat Party as underground force may be underway. This latter report gives detailed plan for such reorganization, stating that former Fidayis,[1] certain Muhajirs,[2] who fled Iran with Pishevari last

[1] Civil armed volunteers of the Soviet-supported Jafar Pishevari régime in Azerbaijan prior to its overthrow by armed forces of the Iranian Government in December 1946.

[2] Immigrants into Iranian Azerbaijan from the Caucasus regions of the Soviet Union.

December and who since have returned to Iran, and number of recently arrived Soviet Caucasians have been grouping in regions west of Astara near Soviet border, particularly in Khalkhal, Maku and Khoi districts. These elements are said to be well armed. Majlis candidate referred to above states that through former Democrat friends he visited three recently established headquarters of ex-Democrats; also adds that he was interviewed by Soviet Consul General Krasnik of Tabriz who offered him "all possible support" if he would assist in "democratization" of Azerbaijan.

Certain sub-tribes of Jagali Kurds (Muku region) are reported harboring considerable numbers of Muhajirs and Soviet agents, in return receiving quantities of rifles and ammunition from Soviets. Northward movement of Barzanis[3] reported in Embtel 217, March 24[4] is said to have been instigated by Soviets for purpose of joining reorganized Democrat Partisan movement.

Tehran press in past two weeks has been agitating against reported influx of Muhajirs from Soviet Union and population of Tabriz last week staged demonstration protesting same situation. Iran Army denies any large scale infiltration across border but admits some small groups may have passed over Araxes River into Iran. On the other hand American *Gendarmerie* Mission officers just back from Tabriz report border control virtually non-existent except at such points as Julfa and Astara and state that large scale movement of Soviet Caucasians into Iran is not at all impossible. Same officers report Azerbaijan peasants being conditioned for possible return of Democrats by failure of Iran Government to take any measures to alleviate their desperate poverty and by Government's support of landlord class in province.

While Embassy does not place full credence in these reports it is believed that Soviets have not given up hope of regaining control of Azerbaijan, and that if peaceful political penetration of province is prevented by Majlis rejection of Soviet oil concession, Soviet may resume much more active interference in Azerbaijan and may possibly try to create guerrilla warfare situations similar to that in Greece.

Repeated London 57, Baghdad 57. Department pass Moscow 46 and Ankara 12.

ALLEN

[3] Kurdish tribal elements, native to northern Iraq, led by Mullah Mustafa Barzani.

[4] Not printed.

891.796/6–347 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

SECRET TEHRAN, June 3, 1947—noon.

442. I called on Prime Minister Saturday to discuss again question of Iranian Airways, since American employees of company had determined to terminate their contracts immediately unless their dollar salaries were paid. Qavam agreed to permit company to purchase $5000 per month at official rate of exchange to pay American salaries.

During long conversation, held in presence of Ministers Finance Hajir and Minister Posts and Telegraph Nikpey, a significant political discussion took place. I explained American interests in Iranian aviation question as being not only to avoid failure of an enterprise with which American name was connected, but also to assist Iran to develop commercial aviation industry of its own. In latter connection, Minister Posts and Telegraph said greatest single cause for Iran Air[ways?] difficulties was unauthorized Soviet competition inside Iran. Qavam said he was not in position at present to ask Soviets to discontinue their unauthorized air activities here, since Soviets were quarrelling with him about many other things and he was disturbed lest USSR might take forceful action against Iran if Iran Government did not handle situation carefully. He referred to reports of Soviet troop concentrations in Caucasus and asked what US was prepared to do in case Iran was attacked. I reminded him that he had asked a similar question twice during past year and that each time I had been instructed to say that we would assist Iran to maintain its independence to extent Iran showed its own determination to do so. Qavam said we had never stated precisely and exactly what we were prepared to do. He referred to situation in 1902 [*1911*] when Russians gave 24-hour ultimatum to Persians, demanding expulsion of American Economic Mission headed by Morgan Shuster.[1] When American Government did nothing, Russians sent own troops to expel Shuster. Qavam wanted to know whether we would act any differently now if similar situation arose. I replied that he was last person from whom I would have expected to hear an expression of doubt as to American policy since he, more than any Prime Minister in world, should be aware of determination of US to make United Nations succeed and to maintain respect for its principles. If our actions in Security Council on behalf of Iran had not convinced him, I was not certain anything could.

While conversation was maintained on friendly basis, Qavam was quite aware that I thought his doubts about American policy were not in good grace after the events of the past year. Discussion terminated

[1] For documentation on this subject, see *Foreign Relations*, 1911, pp. 679 ff.

with Qavam's request to talk with me privately in near future regarding Soviet situation.

I am by no means certain that Qavam is genuinely afraid of Soviet aggression against Iran. It is more likely that he wants to keep alive local fear of such aggression for his own purposes. He would like to be considered the indispensable Persian who alone can maintain friendly enough relations with USSR to avoid an actual attack. In this way he retains his position as Prime Minister.

Sent Department 442, repeated London 65. Department pass to Moscow as 55.

ALLEN

761.91/6–1447 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

SECRET TEHRAN, June 14, 1947—2 p. m.

MOST IMMEDIATE

506. During conversation with Prime Minister this morning, held at his request, he told me that Soviet officials in Moscow had recently warned Iranian diplomatic representative there that it would be "very dangerous for Iran" if the Iranian Government procrastinated regarding the Soviet oil proposal. The Prime Minister said that during an interview he gave correspondent of *Le Monde* (Paris paper) yesterday, he stated for publication that newly elected members of Majlis had already indicated that Majlis would not approve Soviet oil proposal if presented in present form, that failure of the bill to pass would be an indignity both to him and to the Soviet Govt, and that consequently he would not submit the existing proposal to the Majlis. He said that further negotiations were therefore necessary before the proposal could be submitted to Majlis with any likelihood of passage.

The Prime Minister told me that he had no doubt this statement, when published, would create an explosion in Moscow. In view of recent Soviet activities in Hungary, Austria, Bulgaria and Mongolia the Prime Minister seemed genuinely afraid that Soviet reaction against Iran might extend even to invasion. He requested me specifically to ask my Government to inform the Soviet Govt at this time that the American Govt would support fully Iran's right to make its own decisions with regard to the petroleum question and would "make a declaration of hostilities against Russia in case Iran, a member of the United Nations, should become the victim of aggression in this matter". I told the Prime Minister I would report this request to my Government and ask for an early reply.

The Prime Minister's request places in bold outline question which has been formulating in Iran ever since the Turkish-Greek policy was

announced. Iranian officials believe that American support for Greece and Turkey would extend even to armed hostilities if either of those countries were the victims of open Soviet aggression. They are not certain with regard to Iran and feel that their greatest danger lies in this uncertainty. If the Soviet Govt knew definitely that an attack on Iran would mean armed hostilities with the United States, they feel that the Soviet Union would not attack. They are afraid, however, that if any doubt on the subject is allowed to continue in the Kremlin, Iran may become the victim of aggression.[1]

Dept pass to Moscow as 62.

ALLEN

[1] Telegram 509, June 15, from Tehran, reported that during the same conversation, Ambassador Allen informed Prime Minister Qavam that the "question of the opening of the Majlis was not a matter in which the US had any concern or interest one way or the other." The Ambassador made this clear because of rumors in Tehran that the delay in the opening of the Majlis resulted from the American Embassy's advice to the Prime Minister, assumedly out of fear that the Majlis, if convened, might approve the Soviet oil concession.

The Ambassador had already expressed his personal view to other Iranians that the Majlis should be convened promptly, since the continual delays in the elections and in the opening of the Majlis would bring into disrepute the Iranian Government's profession of adherence to democratic processes (891.00/6–1547).

891.00/6–1647 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

SECRET TEHRAN, June 16, 1947—noon.

URGENT

511. Embassy's 506, June 14, to Moscow 62. During course of a conversation with Qavam June 14 Prime Minister also spoke of serious financial difficulties of Iranian Govt and its inability to meet its minimum daily requirements not to mention needs for social improvements so necessary to prevent spread of Communist influence. He asked specifically whether the US Govt could (1) grant to Iran free of charge the military supplies being negotiated for in Washington at present and (2) support at the proper time Iran's application for credits from International Bank. The latter request was prompted by recent press reports that the US would not support Iranian application.

In connection with military supplies Qavam referred to our action in Turkey and expressed conviction that Iran was in greater danger of attack than Turkey. His reasons for this belief are: (1) Iran's military weakness, (2) Soviet anger over Iranian procrastination in the oil question, (3) the fact that Soviet control of Iran and Persian Gulf area would be of great strategic value to USSR since it would deprive the Western Powers of the closest bases from which the Baku fields could be attacked and at the same time would bring the oil resources

of the Persian Gulf under Soviet domination and (4) most important the fact that Soviets have become convinced following Truman Doctrine [1] that US would support Greece and Turkey militarily if attacked but that USSR might occupy Iran without provoking a world war. Qavam pointed out that prior to Truman Doctrine each member on UN could rely on the equal protection of the US in view of our declared determination to support UN and to prevent aggression anywhere. However, following our specific references to Greece and Turkey other states not mentioned could not avoid feeling somewhat less certain about our support than previously. He thought the Soviets undoubtedly would now concentrate on [Iran?] where our policy had not been quite so explicitly and publicly manifested.

I pointed to frequent statements by the President and yourself, especially the unmistakable implications of your Harvard speech [2] which have made it abundantly clear that our determination to support the UN has in no way been weakened but rather strengthened and implemented by the Truman Doctrine. The Prime Minister repeated that he felt certain the time had come for a further manifestation concerning Iran to make it clear to Iranians but more particularly to the Kremlin that we would regard with equal seriousness an attack on Iran as on Turkey. Our support might take the form of granting military supplies free as we were doing to Turkey or special representations to Moscow regarding Iran (Embassy's 506) but he hoped very much we would do both.

I went over the same ground last evening during a long conference with the Shah, who expressed the same fears and desire as Qavam. The Shah emphasized that our aid to Greece and Turkey seemed largely designed to strengthen their armed forces to resist or avoid aggression and he felt that strengthening the Iranian Army would be of value to us for the same reason. The greater Iran's power of resistance the more USSR would hesitate to send troops across the border. If Iran could be occupied by one division the Russians might do so but if several divisions were required the Kremlin might hesitate.

It is difficult for me to evaluate the correctness of Iranian opinion that a Soviet attack on Iran is likely, but the fears of many Iranian officials in this regard are undoubtedly considerable. I must agree, moreover, that from the Iranian Govt's point of view and perhaps from the Kremlin's some representations to Moscow on our part regarding Iran would be salutary at this juncture and might possibly arrest any ideas of aggression against Iran as may be developing in

[1] The program of aid to Greece and Turkey.

[2] Made by the Secretary of State at commencement exercises at Harvard University on June 5; for text see Department of State *Bulletin*, June 15, 1947, p. 1159.

Moscow. Such representations to be effective here should be made public shortly after presentation.

As regards the granting of military supplies I told both Qavam and the Shah that I thought it highly desirable to go ahead with the signing of the military credit agreement under the provisions already drafted in Washington. Any suggestions now regarding more lenient terms of any kind would merely cause delays and failure of the agreement to be signed promptly would be misinterpreted. I pointed out that a grant of supplies would require Congressional action impossible to achieve at this time in any case. Both Shah and Qavam agreed but asked me to present their request to Washington for whatever consideration possible.

A denial by Dept of the report current here that we have already decided to oppose the International Bank credit would be most helpful.

Sent Dept 511; Dept pass Moscow 64.

ALLEN

Editorial Note

An agreement extending a $25,000,000 credit to the Iranian Government for the purchase of United States surplus military equipment was entered into on June 20. The agreement was in the form of a letter of June 19 from the Foreign Liquidation Commissioner to the Iranian Ambassador, which was accepted by the latter the following day (891.51/1–347, 891.24 FLC/8–2847). The Secretary of State sent a copy of the agreement to Secretary of War Patterson on July 15. The concluding paragraph of the transmitting letter stated in part: "The Department wishes to stress that the furnishing of military supplies to Iran is in keeping with our general policy toward that country and is in the national interest." (891.51/1–347)

For the text of the Department's statement of June 20 on the agreement, see Department of State *Bulletin*, July 6, 1947, page 47.

891.00/6–1647 : Telegram

The Secretary of State to the Embassy in Iran

SECRET WASHINGTON, June 21, 1947—3 p. m.

US URGENT

337. You may reiterate to Qavam position this Govt set forth Deptel 221 May 2 which you conveyed (urtel 364 May 9 [1]) to him May 9.

[1] Not printed.

In our opinion rightful procedure for Iran to follow would be for it to appeal direct to Security Council if it should at any time have reason to believe that its independence or integrity is endangered because of threats or action of a foreign power and to inform world of true situation. It will be recalled that largely at US insistence Security Council is still seized of Iranian case.

This Govt's policy with respect to the support of Iran's independence must be well-known to Qavam as it has been demonstrated by our acts in the past. It remains unchanged so long as Iran sincerely desires independence and demonstrates willingness to stand up therefor.

We have no basis for approach to Soviet Union re Iran in absence of any complaint by Iran to UN or any overt Soviet threat or act against Iran. A critical approach to Soviet Union at this time by US would in our opinion be provocative rather than helpful and probably would fail to receive support of world opinion. In reply to points raised by Qavam urtel 511 June 16 you may again assure him that this Govt is prepared to support an appropriate World Bank loan to Iran for carrying out of projects which are beneficial to Iranian state and people and which fall within the limits of the Bank's policies (Deptel 221 May 2). Re military supplies please again make clear that this Govt is anxious that Iran should not dissipate its limited financial resources on any military supplies other than those which in its opinion are absolutely essential for maintenance of peace and order. We have never urged Iran to purchase arms from us and have reluctantly agreed to sell military supplies because of Iranian insistence that they are essential to security of Iran. We are offering these supplies at a small fraction of cost of production or replacement on extremely reasonable credit terms; we have no basis in law for transferring military supplies to Iran as gift or for waiving actual costs of packing and shipping. As you have informed Qavam it is impossible without special Congressional legislation to furnish military supplies to Iran on terms more favorable than those agreed to and it would not be possible to prevail upon Congress to take special action in this regard at this time.

You may again assure Qavam that failure of US to include Iran along with Greece and Turkey in President's message to Congress of Mar 12 does not mean that US is not as deeply interested in Iran and in maintenance of Iranian independence as it is in that of Greece and Turkey and other members of UN. You may again point out that it would have been impossible for US to have included Iran without danger of further aggravating Soviet-Iranian relations.

It seems to us that decision of American Govt with approval of Congress to aid Greece and Turkey should be encouraging to Iran since it demonstrates clearly concern of US for countries which are

under external pressures threatening their independence and which are prepared to resist such pressures.

For your own background in talking with Qavam it is difficult for us to believe that Qavam who cannot be entirely ignorant of manner in which international relations are conducted acted in good faith in requesting that we inform Soviet Union that US would declare hostilities against Soviet Union in case of Soviet aggression against Iran. We are wondering whether Qavam by making requests of a character which clearly cannot be met by us is not trying to produce a situation which would justify his accession to various Soviet demands on grounds of lack of assurance of US support of Iran against Soviet aggression.[2]

MARSHALL

[2] Telegram 337 was repeated to London and Moscow by circular telegram on June 25, 1 a. m. (800.00 Summaries/6–2547). In telegram 2783, June 27, the Department authorized the Embassy in London to convey the contents of the message to the British Foreign Office, with the exception of the last paragraph (891.00/6–2647).

Editorial Note

On June 24, Ambassador Ala handed various written observations to Mr. Henderson. In part, they called attention to the Declaration Regarding Iran of December 1, 1943, and its promise of economic assistance to Iran in her post-war efforts at rehabilitation. They then requested: (1) making a gift of the arms required by the Iranian armed forces; (2) insuring that a speedy loan would be forthcoming from the International Bank to finance Iranian reconstruction and development; (3) granting to Iran of $100,000,000 in Marshall Plan aid; (4) affording large scale facilities to train and educate Iranian youth; and (5) encouraging the investment of private American capital in Iranian enterprises (891.50/6–2447).

891.00/6–2847 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

SECRET TEHRAN, June 28, 1947—2 p. m.

US URGENT

579. I conveyed contents of Department's 337, June 21 to Qavam on June 25. (Receipt of correct text was delayed by transmission difficulty.) While Qavam showed regret that we were unable to accord the military supplies as a gift, he appreciated Department's reasoning and advice that he should appeal to SC if and when he has positive reason to believe that Iran independence is threatened and he under-

stands our refusal to make representations to Soviet Government at present time.

He said that the occasion for representations to SC might well arise after the opening of the Majlis because he did not propose to take any further action of any kind regarding Soviet oil proposals and Soviet Government might react strongly against Iran on this count. (Qavam's attitude appears to be that he has put the Soviet Government on notice that their existing oil proposals are inadequate and that the next move is up to the Kremlin to make new proposals.)

On the question of according arms free of charge, I pointed out that the present Greek and Turkish Govts are regarded by the Kremlin as entirely objectionable and that there is little pretence of any friendly negotiations between the USSR and those two countries. I said that if President Truman had included Iran along with Greece and Turkey in his message to Congress, we would have automatically placed Iran in the same category vis-à-vis the USSR as the other two countries are. I said we could not have taken this step without ascertaining in advance whether the Iran Govt desired to be placed in this category. I recalled that Iran was still negotiating with the USSR concerning many questions, including the gold which he was endeavoring to recover from the Soviet State Bank.[1] Qavam agreed that Iran was not yet ready to be placed in the same category as Greece and Turkey. He added, however, that Iran might become in that category shortly after the Majlis opened because of the oil question. He wanted to know whether we would treat Iran the same as we are treating Greece and Turkey if the situation as regards Iran should become identical with that of Greece and Turkey.

I said that I had no instructions in this regard that situations would have to be met as they arose, that situations were seldom identical and that, moreover, identical action was not always possible or desirable anyway. I reiterated the American position as set forth in Department's 221, May 2.

The conversation went off surprisingly satisfactorily and ended with expressions of appreciation by Qavam for our continued interest and support. I am not certain, however, that Qavam accepts as final our refusal to accord the arms as a gift and he may delay presentation of

[1] The reference is to the Soviet-Iranian financial agreement, which was signed at Tehran on March 18, 1943, and expired on March 2, 1946. By the latter date, the Soviet State Bank owed the Bank Melli Iran 11,196,070.30 grams of gold, equivalent to approximately $12,600,000, and an additional sum of about $8,400,000 to balance exchange accounts. In despatch 429, June 7, the Embassy in Tehran forwarded translations of two notes on the matter, dated February 4 and May 26, 1947, as published in the Tehran press, which had been delivered to the Minister for Foreign Affairs of the Soviet Union, Molotov, by Iranian Ambassador Firouz. The text of the agreement was forwarded at the same time (891.51/6–747). For contemporary references to the agreement, see *Foreign Relations*, 1943, vol. IV, pp. 345, 632.

the credit agreement to Majlis for a while hoping that something will happen outside Iran (either a definite agreement between the Western Powers and USSR or a definite disagreement) which will somehow relieve him of the necessity of fighting through Majlis an agreement calling for large appropriations for arms which is certain to encounter opposition in the Majlis and which Qavam himself does not genuinely like. While he recognizes that the agreement gives Iran an excellent opportunity to acquire much needed military supplies at a most favorable price, he still thinks Iran cannot afford to spend 30 to 40 million dollars on arms at this time.

Sent Department 579.

Department pass London 75 and to Moscow 67.

ALLEN

711.91/7–1447 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

SECRET TEHRAN, July 14, 1947—2 p. m.

641. Qavam asked me to come to him yesterday to read a recent telegram from Ambassador Ala, which stated that Ala had learned from State Department that the American Government would assist Iran only if the Iranian Government showed determination to defend its own sovereignty. Qavam asked me what it was we wanted Iran to do. He said that while he had endeavored to avoid provoking the Soviet Union he was confident that we understood and appreciated his efforts to defend Iranian sovereignty which was the sole aim of his policy. He asked whether we would like for him to assume an openly hostile attitude towards USSR.

I said I was confident that there was no such desire in Washington since our policy everywhere was to encourage friendly relations among nations. I said our own experience had shown however that genuine friendly relations could only be based on mutual respect and not on fear.

In response to Qavam's request for evidence of his failure to insist upon Iran's rights I referred to the continued occupation by Soviet authorities of Iran airport buildings, gasoline storage facilities and radio installations at Tabriz and Meshed over a year after USSR was supposed to have evacuated northern Iran, continued Soviet aviation activities here,[1] Soviet failures to respect Iranian customs monopoly

[1] In telegram 590, July 1, noon, from Tehran, Ambassador Allen reported on a conversation on June 30 with Iranian Director of Civil Aviation Shafiq concerning Soviet aviation activity in Iran. Shafiq said that he had been directed to write a letter to the Soviet aviation company in Iran calling on it to cease its air activities in the country and to draft a note to the Soviet Embassy demanding reciprocal rights for Iranian planes to fly in the Soviet Union if Soviet planes continued to operate in Iran (761.91/7–147).

and other regulations, etc. Qavam took notes and gave every indication of determination to take action in these regards.

At end of conversation Qavam said in strictest confidence that his doctors had recently told him that he must undergo a serious operation. Qavam said he was inclined to have it performed in the US. He would not wish to let it be known that he had gone abroad for health reasons and is thinking of heading the Iranian delegation to the UN Assembly meeting in September. He would arrive in the US 2 or 3 weeks early allegedly for a vacation. He stressed his desire that no mention whatever be made of these plans.

ALLEN

861.79691/7–2447 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

SECRET TEHRAN, July 24, 1947—noon.

666. Soviet Govt has agreed to Iran request to discontinue internal Soviet aviation operations in Iran. Soviet planes engaged in traffic between Tehran, Tabriz, Meshed and Pahlavi were grounded by Soviet authorities on July 19. Soviet aviation officials here expect that the five DC 3's involved will be removed to Soviet Union. They say they do not know what will be done with the repair equipment, spare parts and supplies they have in Iran but presume they will be largely withdrawn also.

As regards Moscow-Tehran line, Soviets have declined to accept Iran suggestion for negotiation of reciprocal bilateral agreement and state that their flights from Moscow to Tehran will be "sporadic" in the future. Soviets will request special permission for each flight. Soviets claim radio stations in four Iran cities named are needed to furnish weather information for Soviet flights to Iran (and possibly for their operations in nearby Soviet territory). Iranians are not pressing Soviets to give up those stations at present moment.[1]

Iran authorities who are much surprised at suddeness and ease with which they obtained their request for removal of Soviet airline are busy speculating regarding underlying motives. Some think Soviets hope thereby to gain good will and Majlis votes for oil concession. It seems possible that Soviets may have been finding their operations in

[1] Ambassador Allen commented in airgram A–137, August 5, that the suspension of Soviet civil aviation in Iran "may be considered a near fulfillment, very tardily, of Russia's obligation", under the Anglo-Soviet-Iranian Treaty of Alliance, "to withdraw its armed forces from Iran. . . . The continued operation of four Red Army established weather stations in northern Iran, dubiously justified on the grounds of sporadic Moscow flights, can be construed to represent the only remaining violation" of the Treaty (891.00/8–547). For documentation concerning the Treaty, signed on January 29, 1942, see *Foreign Relations*, 1942, vol. IV, pp. 263 ff.

Iran expensive and difficult to maintain and were not unhappy to find a suitable occasion for discontinuance.

Dept pass to Moscow 71 and Cairo 128.

ALLEN

891.6363/7–2547 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

SECRET TEHRAN, July 25, 1947—11 a. m.

675. Qavam has recently expressed the view to the Shah that Iranian Government should prepare counter-proposals in connection with Soviet oil agreement. The Shah dislikes the idea and wants the Iranian Government merely to refuse the existing proposals and leave the entire initiative to Soviets to make new ones if they wish. Shah is afraid that Soviets might accept any counterproposals Qavam draws up no matter how favorable to Iran the provisions may appear, in order to get a toe in the door, or perhaps to hold the concession without developing it in order to keep the area from being developed by Iranians themselves or by anyone else. Shah says he has retained Qavam as Prime Minister for past six or eight months in spite of several good opportunities to get rid of him, merely because of Qavam's solemn assurances of a firm intention to refuse any Soviet oil agreement. Now that Majlis is in session the Shah will find it more difficult constitutionally to dismiss the Prime Minister. Shah thinks Qavam is taking advantage of this fact to carry out a policy he may have favored all along, of giving the Russians some kind of oil concession.

When Shah objected to Qavam's suggestion the latter attempted to justify his point of view by saying that I had been unable to give him any categorical assurance of prompt and effective American support if Iran got into difficulties with the USSR on oil. When the Shah reported this to me, I remarked that occasions arise when small states are called on to take necessary measures to defend their essential rights regardless of assurances trusting in world support for their just grievances but defending their essential interests even in the absence of airtight guarantees of help.

ALLEN

891.6363/7–1647 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

SECRET TEHRAN, July 26, 1947—noon.

681. The Shah suspects that British Ambassador may be encouraging Qavam to take the initiative in drafting counter-proposals in con-

nection with Soviet oil agreement (Embtel 675, July 25). I asked Le Rougetel about this yesterday, without mentioning the Shah's suspicions. Le Rougetel says he thinks it would be unwise for Qavam on his own initiative, to present counter-proposals to the Soviets, but Le Rougetel finds it quite natural that Qavam would have such counter-proposals prepared in case the Soviet authorities accept his (Qavam's) expressed willingness to enter into further negotiations on subject.

As regards procedure to be followed Le Rougetel thinks it preferable for the existing Soviet proposals not to be submitted to the Majlis. If the Soviets fail to respond to Qavam's already stated readiness to enter into further discussions he thinks the Iranian Government should let agreement of April 4, 1946 die a natural death. I am inclined to differ with my British colleague on this point. If Soviets do not accept Qavam's invitation to negotiate further it seems to me preferable for him to carry out his undertaking of April 4, 1946, and submit the proposals to Majlis as agreed upon last year. Otherwise USSR will always have a basis for accusing the Iranian Government of having failed to carry out a commitment.

Moreover it seems to me that Qavam's idea of drafting counter-proposals is a questionable decision. He could never ask for more safeguards than he included in his counter draft and could only retreat under pressure. Moreover, the very fact that he is willing to draft indicates an inclination towards some agreement. Qavam has expressed confidence in talking with the Shah that Soviets would not accept any agreement he was willing to propose, but I am not certain Qavam is correct, and even if he were, the end results would be prolonged disturbances between Iran and USSR over the petroleum question rather than a clean-cut decision in matter.

The foregoing raises the question again of basic attitude which we should assume towards Soviet petroleum activity in Iran. Some Britishers and I believe certain Americans think that a Soviet concession in northern Iran would reduce likelihood of pressure for cancellation of British and eventually American oil concessions on the Persian Gulf. This point of view is essentially that which brought about the British-Russian division of Persia into spheres of influence in 1907, soon after the British oil concession in southern Iran was first obtained. This point of view seems to me both wrong in principle and unwise in practice. In principle it tends towards sacrificing the sovereignty and integrity of a member of the UN in the interest of the great powers. If the policy received the just scorn of enlightened world opinion in 1907, how much more should we reject it today, when our UN policy is directly opposed to great power deals at the expense of small nations. In practice, a Soviet petroleum concession in northern Iran would be an entering wedge for increased Soviet activities and demands in Iran

and the end result would be, in my view, more rather than less pressure against both the British and eventually against the American petroleum positions in Persian Gulf.[1]

I would welcome Department's thoughts on these subjects. I think we should avoid an expression of our views to the extent possible at this juncture, but background guidance would be valuable.

Sent Dept. 681; repeated London 79; Dept. pass Moscow 73.

ALLEN

[1] In telegram 2517, July 28, from Moscow, Ambassador Smith expressed agreement with Ambassador Allen's analysis in telegram 681, concluding that "While neither we nor British are in position to oppose oil concession to USSR in north Iran, we should certainly not encourage it on mistaken notion Kremlin will thus be quietly satisfied. In organisms of this kind both appetite and capacity grow with eating." (891.6363/7–2847)

761.91/7–1147 : Telegram

The Secretary of State to the Embassy in Iran

TOP SECRET WASHINGTON, July 29, 1947— 6 p. m.

434. Eyes only for the Ambassador from the Secretary. We have read carefully M12 July 10 in connection urtel 624 July 11.[1] Personal representations of Razmara,[2] together with your and MA comments, have been studied at length by War and State. War 82395 July 18 reply to MA was drafted in consultation with Dept. Text top secret Dept questions and JCS answers [3] last Oct re US strategic interest in Iran being forwarded by courier to you personally.

For your background information in answering official Iranian representations concerning US military assistance to Iran and in giving guidance to MA in this connection, War [Department] estimate present Soviet military disposition vis-à-vis Iran is as follows: Soviet troop concentrations along northern border Iran are now, and have been for some time past, adequate to overcome speedily any resistance Iran could offer. No new Soviet troop movements of significance along Iranian border and no change of command which would indicate imminence of Soviet military action against Iran have been reported. Obviously, a surprise attack is within Soviet capabilities. It is not believed that at present any assistance could be brought to Iran which would appreciably enhance Iranian resistance. Principal immediate

[1] Not printed; it reported that while the U.S. policy of aid to Greece and Turkey was recognized in Iran as a tremendous step forward, it also created the impression that the United States was building a dam across two-thirds of a river, leaving the other third open (761.91/7–1147).

[2] Gen. Ali Razmara, Iranian Chief of Staff.

[3] See Maj. Gen. John H. Hilldring's memorandum of September 26, 1946, to the State–War–Navy Coordinating Committee and the Committee's response of October 12, 1946, *Foreign Relations*, 1946, vol. VII, pp. 515, 529.

strategic target in Iran of any Soviet attack would doubtless be AIOC installations Abadan. Slight possible augmentation Iranian ground defenses could not hamper probable Soviet airborne operations in this connection. Tribes, in or out of Iranian Army, could offer at best guerrilla resistance to Soviet operations in Iran. In event of Soviet-Iranian hostilities, basic Iranian interests would be helped or hurt primarily by military and political developments in other theaters.

Also for your background information, State estimate Soviet political disposition vis-à-vis Iran is as follows: In context overall Soviet foreign relations, internal economic and political situation Soviet Union indicates that Soviet Govt will seek to avoid any overt act of aggression in near future. In face of difficult defensive position imposed on USSR by SC findings of satellite support to guerrilla warfare in Greece, it is not expected that Soviet Govt will at this time undertake military action against Iran. Any such action would presumably be undertaken only in light of global political and logistical factors of significance to Soviet Union. Any conspicuous increase of US assistance to Iranian Army at this time would probably launch a barrage of Soviet propaganda of some plausibility that US was undertaking to establish an effective base of military operations in Iran against the Soviet Union. It is recognized that failure of Iranian Majlis to approve Soviet oil proposal would probably be seized upon by Soviet Govt as propitious occasion to intensify its propaganda efforts to bring about "a friendly Govt" in Iran. Such propaganda might well be accompanied by infiltration of Russian-supported refugee elements across Azerbaijan border (penultimate paragraph, MA 3082, June 10).

Implicit in Iranian representations and Emb comments on US military assistance to Iran is inference of similarity between situation in Greece and Turkey on one hand and Iran on other. Our policy of military assistance to Greece and Turkey is based on urgent appeal to replace Britain as source of supply. Failure on our part to meet that appeal would have led to obvious immediate deterioration of situation. In effect, therefore, US assistance to Greece and Turkey is intended to maintain *status quo* defensive attitude those countries. None of these circumstances applies in case of Iran. We recognize similarity of geographical position of all three countries vis-à-vis Soviet Union and similarity of Iranian situation in the past to Greek-Turkish situation today and dangers that may develop in Iran in the future. At same time, present relations between Iran and Soviet Union give little basis for such new US commitments to Iran as may be interpreted by USSR, American public, and world opinion as interference in Iran or threat to Soviet Union. Any initiative on part of Iran

or US to worsen present Iranian-Soviet relations might bring about very situation which we seek to avoid and would not be in interest of Iran, US, or world security generally. As further limiting factor upon additional military assistance to Iran at this time, recent Dept confidential survey of American public opinion reveals that while 61% approve US policy toward Russia, only 34% approve of sending military supplies to Greece.

With regard to your suggestion concerning material assistance to Iran at present time, Dept is supporting fullest implementation military supplies agreement, in anticipation Majlis approval, at lowest possible cost to Iran consistent with similar FLC agreements with other countries. Dept is now actively supporting Iranian request for up to twelve ships from Maritime Commission. Further, new Military Mission agreement [4] and Iran pilot training in US is receiving favorable study. There is danger that further US military assistance to Iran at this time might be more provocative than helpful.

Your suggestion that I make specific public reference to Iran on appropriate occasion will be borne in mind.

Pertinent to possible future Iranian appeal to UN is statement of US Rep Austin to SC on June 27 on occasion of report by Commission of Investigation of Greek Border incidents, as follows: "Any intelligent person in possession of the facts cannot fail to recognize the use here of force, no matter how devious the subterfuge. We must recognize what intelligent and informed citizens already know. In supporting guerrillas in northern Greece, Yugoslavia, Bulgaria and Albania have been using force against the territorial integrity and political independence of Greece. They have in fact been committing the very kind of acts which the United Nations was designed to prevent, and have violated the most important of the basic principles upon which our organization was founded." In case proposal for effective border commission is vetoed in SC, US believes that failure of SC to act does not forbid or preclude individual or collective action by states willing to act so long as they act in accordance with general purposes and principles of UN. This is particularly true when such individual or collective action is in support of policy or course of action which has approval of clear preponderance of permanent and nonpermanent members of SC. (Deptel 2992 July 11 to London [5]). Above position is, of course, tentative and for your strictly confidential information.

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[4] The agreement extending the life of the American Military Mission with the Iranian Army was signed at Tehran on October 6, 1947; for text, see Department of State Treaties and Other International Acts Series (TIAS) No. 1666, or 61 Stat. (pt. 3) 3306.

[5] Not printed.

In the premises, we feel that security of Iran depends in large measure upon determination of Iranian Govt to stand up for country's independence and upon measures within its own competence to reduce plausibility of excuse for intervention by any predatory power. To these ends Iran would be well advised to turn its attention energetically to measures which would tend to unify divergent elements of the country in support of honest, progressive Govt well-disposed to all friendly foreign powers. Implementation of such attitude would expand economy of country and lessen causes of internal discontent and insecurity.

MARSHALL

761.91/7–3047 : Telegram

The Chargé in the United Kingdom (Clark) to the Secretary of State

SECRET LONDON, July 30, 1947—7 p.m.

4154. From long informal talk July 29 with Pyman Iran DO Embassy gathers that Le Rougetel's thinking described Tehran's 679 [*681*], July 26, represents his own rather than Foreign Office views. It does not appear that Foreign Office "which has a great deal on its plate at the moment" has taken time to do any hard thinking lately re Iranian problems generally or re Qavam's handling oil agreement in particular.

2. Pyman himself rejects as absurd idea that Soviet concession northern Iran would reduce likelihood of pressure for cancellation of British and eventually American oil concessions on the Persian Gulf. He doubts whether many persons seriously entertain this view. His own thinking is virtually that of Ambassador Allen.

3. Pyman believes personally that USSR is obsessed by idea that American and/or British might move into northern Iran and use it as a base for attack against USSR. This causes Pyman to reason that Soviet fears this score might be calmed to some extent if Majlis in turning down Soviet oil agreement would couple with turn-down a statement to the effect that if it ever did approve an oil agreement for northern Iran, this would be made with USSR and not with either US or UK. Pyman said that he had not passed this idea of his "up the line" but he felt such a proviso might in a degree minimize rather childish fears of Soviet General Staff re attack from Iran.

Repeated Moscow 258; Tehran 59.

CLARK

891.6363/8–247 : Telegram

The Secretary of State to the Embassy in Iran

SECRET WASHINGTON, August 2, 1947—3 p. m.

445. Dept's thoughts on certain subjects discussed urtel 681, July 26 follow:

1) *Submission Soviet-Iranian Oil Accord to Majlis.*

If Soviets do not accept Qavam's invitation to negotiate further, we believe Iranian Govt would be well advised to submit proposals of Apr 4, 1946 to Majlis at earliest opportunity. It would appear that only Soviet willingness renegotiate proposals would release Qavam from obligation submit proposals to Majlis. First para London's 4154, July 30 (rptd Tehran as 59) suggests possible advisability your inquiring Le Rougetel whether any approaches he may have made to Qavam this subject were on instruction FonOff.

2) *Counter-Proposals by Qavam.*

Qavam's invitation to Soviets to negotiate further implies desire consider alternative views and possibly compromise to indicated end of agreement upon some formula likely to obtain Majlis approval. Recent Soviet reaction to Iranian aviation request (urtel 666 July 24) indicates probability Soviet acceptance any proposal Majlis might approve for reason advanced by Shah (urtel 675 July 25). Alternatively, Soviets may wish prolong negotiations for purpose focusing world opinion upon Soviet exclusion from Middle East concessions and pressing for "friendly govt" in face of apparent Iranian rebuff.

3) *Soviet Petroleum Activity in Iran.*

We agree that expression of our views should to extent possible continue (London's 3899, July 17,[1] rptd Tehran 56) be avoided at this time.

Position of Dept re desirable course of events will be sent for your background guidance at early date. In meantime, we approve Moscow's endorsement your analysis (Embtel 2517 July 28,[2] rptd Tehran as 23). While Pyman's[3] personal belief that Majlis might make certain reservation to USSR in turning down oil proposals has practical merit in allaying assumed Soviet obsession strategic considerations northern Iran (London's 4154, July 30) we feel that such reservation would constitute recognition special interest single foreign power in given area supposedly sovereign nation.

Sent Tehran [445] rptd London 3316 Moscow 1553.

MARSHALL

[1] Not printed.
[2] Not printed, but see footnote 1, p. 924.
[3] Lancelot Frank Lee Pyman of the British Foreign Office.

891.6363/8–547 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

SECRET TEHRAN, August 5, 1947—10 a. m.

700. British Ambassador assured me yesterday that while British oil men probably favor some kind of Soviet oil concession in northern Iran (London's 59, July 31 [*30*], sent Department as 4154 and Moscow as 258) as protection for their interests in southern Iran, he himself felt confident that no kind of agreement between Iran and USSR could be devised which could safeguard Iran against dangerous Soviet political activity here. He said he thought it would be better for Iran not to enter into any oil concession agreement with the USSR.

This is the first clear cut statement on the subject he has made as far as I am aware. It is possible that he has received instructions from London and that his somewhat equivocal attitude in the past has resulted from uncertainty as to his own Government's position.

As regards Pyman's suggestion that Iran might agree not to grant concession in the north to anyone other than USSR, I hope this subject will not be raised. Agreement of this kind while perhaps unobjectionable economically would be of the unequal treaty type which Britain has long had with sheikhdoms of the Persian Gulf and would be politically open to much criticism.

Repeated to London 83. Department pass Moscow 74.

[ALLEN]

891.014/8–647 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

SECRET TEHRAN, August 6, 1947—9 a. m.

URGENT

703. In conversation with Qavam yesterday held at his request, PriMin said he had received reliable reports that Soviets were increasing their forces on Azerbaijan frontier, including tank units. I said we had no confirmation of any such increases, but he insisted that his reports were authentic. He said he had already requested Soviet Chargé to come to see him and would ask purpose of this concentration. I said I thought this was appropriate if he felt his information sufficiently well founded.

As regards Soviet oil question, PriMin told me in strictest secrecy ("only between you and me personally," he said) that he had in mind a plan which would delay matter for perhaps two years. He would hire neutral geologists, perhaps from Sweden or Holland, to find out just where oil exists or is most likely to exist in northern Iran. He

would tell the Soviets that the Majlis would not agree to any large concession area and that it was, therefore, necessary for Iran Govt to have exact technical information in advance so that any concession agreement entered into could be confined as nearly as possible to precise locality where oil wells would be. He felt confident that Soviets would turn down any such proposal, but that Iran would be in a better position before the world if the Soviets were the ones to refuse. He said that even if Soviets accepted, his plan would prevent any Soviet personnel from entering Iran for petroleum purposes until precise area had been defined, which might take "very long time." Qavam asked my views regarding his plan.

I said the American Govt's position was that the question was within Iran's sovereign right to decide, without outside influence or pressure from any source. As for my personal view, I did not believe it possible for Iran to enter into any agreement involving Soviet exploitation of petroleum in Iran which would adequately safeguard Iranian interests, since any such agreement would necessarily involve the eventual entry of Soviet personnel into Iran, and all such personnel would be political agents no matter whether oil drillers, scientists, or what, and no matter how small the concession area might be. Qavam nodded agreement, and said his plan would put off the entry of any Soviet personnel pending clarification of the world situation.

He said Soviet Ambassador, Sadchikoff, would return to Tehran next week, "at which time we will begin our battle." He said he expected Soviets would insist upon the agreement as reached last year and that when he refused, they would change their characterization of him from the "wisest statesman of the Middle East", as he was termed by radio Moscow in April 1946, to "the worst Fascist in the world."

For the past two months Qavam's closest associates have been coming to me with assurances that Qavam would handle the Soviet oil question in a "brilliant manner" when the time came. The plan Qavam outlined yesterday is evidently the one to which they have been alluding.

While I did not say so to Qavam, I am inclined to think there may be some merit to his plan if he does not go beyond his proposals as explained to me. However, I am somewhat uneasy lest he retreat under Soviet pressure.

Sent Dept 703; repeated London 84, Dept pass Moscow 76.

ALLEN

891.6363/8–1447 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

SECRET TEHRAN, August 14, 1947—4 p. m.

US URGENT

752. Soviet Ambassador Sadchikoff, who recently returned to Tehran from Moscow called on Qavam two days ago under instructions and insisted that the Soviet-Iranian oil agreement of April 4, 1946, be presented to the Majlis promptly for ratification without change. Sadchikoff told Qavam "The Soviet Cabinet has decided that the agreement should stand as originally signed and that the Majlis will ratify it", according to Qavam, who related the conversation to me today. Sadchikoff handed Qavam a written proposal embodying the original agreement and adding a provision that following Majlis ratification a detailed convention would be drawn up within three months setting up the Joint Petroleum Development Corporation.

Qavam replied that there was no possible chance that the original terms would be accepted by the Majlis and that friendly relations between Iran and USSR would not be improved by insisting on formal Majlis action. Qavam suggested that Sadchikoff ask his Government for authority to enter into further negotiations which Qavam expressed willingness to undertake. Sadchikoff refused saying that the matter had been thoroughly considered by the Soviet Cabinet, every member of which had agreed upon his instructions. Qavam said that if the Soviet position was irrevocable he had no recourse but to submit the proposal and would do so, even though merely to have it rejected. Sadchikoff said that if it was rejected his Government would immediately demand an oil concession in northern Iran on the same terms of the British concession in the south.

Qavam replied that when the AIOC concession was originally granted in 1901, Iran was under an absolute monarch who could do anything he wanted and that similarly when the AIOC concession was renewed in 1932, the Majlis was under control of a ruler who could obtain any ratification he desired. Qavam said he could not possibly force the present Majlis today to ratify another concession along AIOC lines. The conversation terminated with Qavam's statement that he would take matter under consideration.

Qavam asked me what I thought of the Soviet Government's action. I said that at first thought it seemed to me the Soviet Government had made the situation much easier for Iran. If Sadchikoff had shown willingness to negotiate, the Iranian Government might have been faced with long and difficult negotiations during which heat might well have been generated. At best the long existing uncertainty would have

continued. Since Moscow insisted on the agreement being submitted without change it seemed to me he had no choice but to do so as he had promised last year. We all knew the Majlis would reject it. Such action might create tenseness at the moment but would clarify the atmosphere permitting attention to be directed subsequently to more productive matters. I expressed confidence that the USSR had already come to the realization that it would not be able to obtain any kind of oil agreement with Iran and was maneuvering to save face and to obtain as much propaganda value as possible out of the situation. I thought the demand for a concession on same terms as the British would be intended purely as a propaganda move and (I doubt that any Communist state could actually undertake to operate a commercial enterprise in accordance with many of the British terms) the maneuver might have some short-range propaganda advantages to the Soviets since a refusal by Iran to grant to USSR the same terms Britain has, would make Iran appear unneutral. Moreover, Soviets probably hoped that their maneuver might at least make the British oil position in Iran more difficult to maintain if the Soviets could not get one themselves.

It seems questionable to me that threatened Soviet maneuver will ever be carried out. When time comes to act, it will be most difficult for the USSR to demand a concession on the same terms as the British concession which Soviet spokesmen in Iran and elsewhere have so frequently castigated as the worst type of capitalistic exploitation. It seems to me at least on first examination that Soviet decision to press for ratification without change and to threaten if refused to demand the same terms as the British is a serious diplomatic blunder.

Sent Department 752; repeated London 88.

Department pass Moscow 82.

ALLEN

891.6363/8–1547 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

SECRET TEHRAN, August 15, 1947—5 p. m.

759. Prime Minister has just sent his confidential representative Izaz Nikpey to tell me that Soviet Ambassador telephoned Qavam twice yesterday, in petulant and peremptory mood, speaking through Persian-speaking Soviet Embassy interpreter. First call was to ask why Qavam had not sent someone to Embassy to sign "new oil agreement proposed" by Sadchikoff on August 12 (Embassy's 752, August 14). Qavam replied that he had agreed to take Soviet suggestions under advisement but had not understood that any new agreement had

been proposed. Qavam pointed out that Sadchikoff's "new agreement" embodied exact terms of old and would not obtain Majlis approval. Sadchikoff repeated demand for prompt reference of proposals to Majlis.

Second call was to accuse Qavam of delaying tactics which Soviets would not permit. Sadchikoff repeated that Soviet Government had decided to insist on original terms and that there was therefore nothing for Iran Government to do but comply. Qavam repeated invitation to enter further negotiations and invited Sadchikoff to come to see him. Soviet Ambassador terminated conversation by saying he had conveyed his Government's demands to Qavam and did not propose to come to see Foreign Minister on the subject again.

Nikpey remarked to me that Soviets were clearly determined and serious this time. Nikpey showed obvious evidences of fear, possibly reflecting attitude of Prime Minister. He made strong plea to me to encourage the Shah to support Qavam in this [omission] situation so that Qavam could take firm position in face of this Soviet attack. (Qavam's supporters in Majlis although a majority have not yet been able to organize the Chamber and Qavam [omission] opposition on intrigues by the court).

I expressed confidence that Qavam himself could benefit by latest Soviet tactics and could solidify his position not only with the court but with all patriotic Iranians by taking firm and resolute action on Soviet oil question. I thought he had a clear responsibility as Prime Minister to let both Shah and Majlis know exactly what the Soviet representations had been. If he showed courage and determination his position would be greatly strengthened, if he showed fear or even uncertainty, I felt confident he was finished.

Sent Department 759; repeated London 90.

Department pass Moscow 85.

ALLEN

891.6363/8–1647 : Telegram

The Ambassador in the Soviet Union (Smith) to the Secretary of State

SECRET Moscow, August 16, 1947—noon.

2659. Tehran's 82 August 14, sent Department 752 and London 88. On latest Soviet-Iranian oil development I must express very different views from Allen with whom I am usually in full accord.

As seen from Moscow, it seems to me that far from being "serious diplomatic blunder" Soviet approach to Iranian oil concession question puts them in a strong position before world opinion and provides

a case which they may exploit either in directions of gaining advantageous concession for themselves in northern Iran or of seriously weakening British position in south. We must not have any illusions that Soviet authorities will be in any way embarrassed by their previous propaganda castigating AIOC capitalistic exploitation. The Kremlin knows that few people outside Iran will remember these charges in any detail, if in fact, they ever heard them at all. Furthermore, as we have seen many times in the past on issues of greater importance, Soviet Government is able to make a complete reversal of policy with the greatest ease and facility.

Similarly, they will not be concerned by the inapplicability of certain commercial terms of AIOC concession. On the contrary, they will be confident that if they are able to force matter to actual negotiations, situation will be "soft" enough to enable them to secure such modifications as are desired, and in any event they are quite capable, as has already been demonstrated, of exploiting a commercial enterprise in the best capitalistic tradition.

The Soviet Ambassador has just returned to Tehran from consultation in Moscow. The nature and tone of his approach to Qavam convinces me that a high level decision for a strong policy in Iran has been reached here and that all Soviet organs will be expected to exert every possible effort to carry it through. How far the Kremlin is prepared to go will, of course, depend on situation on other fronts, but we must certainly be on guard for every contingency.[1]

SMITH

[1] Presumably, the Embassy in Moscow repeated telegram 2659 to London as No. 305; see telegram 4483, August 19, from London, p. 938.

891.6363/8–1847 : Telegram

The Acting Secretary of State to the Embassy in Iran

SECRET WASHINGTON, August 18, 1947—5 p. m.

US URGENT NIACT

487. 1. We have been giving careful study to various aspects of situation created by endeavors of Sov Union to obtain oil concession in Iran and our thinking for your information only at present is along following lines:

(*a*) In case Sov Union should succeed in obtaining oil concession in Iran it will use such concession as base for obtaining control of that country by devious methods of infiltration, pressure etc. No safeguards which Iranians might place around such concession in signing contract would be able to prevent Sov Union from using concession as spearhead for penetration of Iran in manner which will make it extremely difficult for UN to prove any single act of aggression. Granting of any

kind of oil concession by Iran to Sov Union therefore would seriously endanger future independence and integrity of Iran. Loss of Iranian independence to Sov Union would be injurious to US interests. Therefore it would be contrary to interests of US for Iran to grant any kind of oil concession to Sov Union.

(*b*) It would also be disadvantageous to our interests for Sov Union, Iran or world at large to have any justification for believing that we are endeavoring to influence Iran to refuse to grant oil concessions to Sov Union. We should therefore not endeavor to exercise any such influence.

(*c*) It would also be disadvantageous to our interests for Iran to obtain impression that we believe situation in Iran and in world generally would be eased if Iran would grant concession to Sov Union or that Iran could not expect support from us in United Nations if Sov Union should adopt a threatening attitude following Iranian refusal to grant concession. In event Iran should refuse to grant concession undoubtedly Sov Union and certain elements outside Sov Union would charge that US influenced that decision. As result additional strain would probably be placed upon our relations with Sov Union and we would be subjected to severe criticism by those non-Soviet elements which believe Sov demands in northern Iran are justified. It would be unfortunate however for us to permit considerations of this kind to cause us to take an attitude likely to discourage Iranians from making kind of decision, regardless of Sov pressure, which they regard to be in Iranian interests.[1]

2. In case Iranian Govt should request advice from us as to whether it should grant oil concession to Sov Union our attitude should be somewhat as follows:

(*a*) It is our opinion that Iranian Govt alone is in position to make decision of this kind. It would not be proper for US or any other power to endeavor to influence such decision. Furthermore US believes that it would be in better position to continue to support before UN integrity and independence of Iran if it did not participate in such decision.

(*b*) US assumes that in making such decision Iranian Govt will consider carefully what effects of it might be upon future political independence and economic advancement of country. It is our belief that if Iran is to develop as an independent prosperous country it must in making decisions of this kind not permit itself to succumb to external pressure but should consider national interests of Iran from long-range point of view. Iran also should not permit any kind of pressure to cause it to overlook existence of UN or lose confidence in determination of US and other members of UN to continue to support principles of UN Charter.

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[1] At this point in the telegram, as drafted by Messrs. Henderson and Dunn, appeared the sentence: "Granting by Iran of Sov concession is sure to present us with even more difficult problems in future in connection with our efforts to prevent Sov Union from taking over Iran and infiltrating still further Near and Middle East." The sentence was deleted by Mr. Lovett.

3. If responsible leaders Iranian Govt inform you that members Majlis have definitely decided to refuse to grant Soviet concession and seek suggestions from you as to method of rejection which would give Russian least grounds for complaint, you may, after making clear that this Govt continues to adhere to its policy not to try to influence Iranian decision, discuss various procedures with them. The following may be helpful to you in this connection:

On several occasions Soviet leaders have expressed concern lest some great power unfriendly to Soviet Union should contrive to get some kind of foothold in northern Iran. It is possible that certain elements in Soviet Union fear that US or GB may have designs of this character. In order to allay any genuine Soviet apprehension of this kind which might exist, Majlis in rejecting concession might express view that in future, so far as possible, Iranians rather than foreign concessionaires should endeavor to develop Iranian resources, pointing out that such a policy is in harmony with spirit of Seven-Year Plan of economic development; that the Iranian Govt, in accord with such a policy, is not to grant any mineral concessions whatever in northern Iran to foreign concessionaires. In case the Russians should complain about this policy, Iranian officials could point out that twenty-five years ago Soviet Union was encouraging the granting of concessions to foreigners but that after some experience it dropped this practice. Soviet Govt is not in position, therefore, to complain if Iran decides to endeavor, in so far as practicable, to develop its own resources.

4. You may inform your Brit colleague in confidence re contents of this telegram.

Sent Tehran as Dept's 487 rptd London as Dept's 3545 and Moscow as Dept's 1614.

LOVETT

891.6363/8–1947 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

SECRET
PRIORITY

TEHRAN, August 19, 1947—1 p. m.

770. Embassy's 768, August 19.[1] During conversation with Shah last night the latter referred to the expressed intention of the Soviets to demand oil concession along the same lines as the British if the existing proposals fail. He said Iran would refuse and would answer any accusations of partiality by pointing out that Iran was free to dispose

[1] Not printed.

of its concessions as it thought best. At same time he realized that the situation would be awkward for Iran and he asked me what I thought of putting all Iranian oil developments, including the British area, under some kind of international participation or supervision as [2] had suggested last year. I said I thought it was not feasible for several reasons. In the first place the British had a valid and legal concession approved by Majlis with some four five years to run and the US could not support a move to abrogate a legal right of this kind where no justification for abrogation existed. Moreover, I thought that while the British oil company had not done everything it could during past 30 years to help Iran and had at times improperly meddled in Iranian politics, it seemed to me that on balance the concession had been mutually beneficial. As result of AIOC Iran oil had gained a prominent place in the markets of Europe and the Orient. The company brought $75 million in foreign exchange to Iran annually. Except for AIOC or some other foreign oil company developing Iran, great amounts of Iraqi or Arabian oil but none from Iran would be going to Europe and the Orient today. I considered Iran fully justified in insisting that AIOC or any other concessionaire comply with concession terms but that since Iran needed foreign technical and marketing assistance in oil, AIOC could probably stand on its record. I cited Mexico as an example of a large petroleum exporting country which had suffered greatly from expropriation. Iranian economy made the uninterrupted exportation of oil a necessity.

The Shah asked why the petroleum proposal recently made to ECOSOC by the World Cooperative Alliance had been rejected. I expressed confidence he would have voted against it himself if he had been present since the proposal as I understood it involved considerable infringement of national sovereignty over oil resources. International supervision of petroleum would have to come more gradually.

I should add that British Ambassador here has recently expressed concern to me over expected attempts to alter existing British petroleum rights in Iran and I have no doubt British are counting heavily on our assistance in this matter. I have assured him of the Embassy's intention to carry out our known policy without equivocation.

Any instructions or guidance the Department may wish to furnish will be welcomed.

Sent Department 770, repeated London 92, Baghdad 87, Jidda 22. Department pass Moscow 88.

ALLEN

[2] There is a garble at this point; presumably "Amb Ala" was intended.

761.91/8–1947 : Telegram

The Chargé in the United Kingdom (Clark) to the Secretary of State

SECRET LONDON, August 19, 1947—1 p. m.

4483. Thoughts Moscow's 305, August 16 [1] re latest Soviet move in Iran were tried out informally August 18 on Pyman, Eastern Dept, who observed that in his view whether or not Soviets have made diplomatic blunders depends upon whether USSR is prepared to use open force against Iran. If not, Pyman regards Soviet move as "blunder".

2. Pyman showed Embassy Le Rougetel's August 17 telegraphic report re his latest interview with Shah who expressed view on this occasion that there were dangers in allowing Majlis to get down to work. When asked for his opinion Le Rougetel reminded Shah that if Shah's supporters block indefinitely opening of Majlis for business Shah must be prepared to accept Soviet blame for delaying tactics of his friends. Shah said he understood this and indicated that he would immediately use his influence to stop obstructionism of anti-Qavam and pro-Shah minority.

3. Le Rougetel has reported to FonOff without comment call upon him by Nikpey during which later told same story reported Tehran's 90, August 15.

4. Asked what advice Le Rougetel would be instructed to give Qavam if latter should seek British Govt views, Pyman said that he thought an instruction to Le Rougetel would be drafted in next few days. He was not sure how far his own thinking would prevail with his superiors but he had in mind saying that the sooner Qavam presents oil agreement to Majlis and the sooner Majlis rejects it the better. Pyman reverted to his idea set forth in paragraph 3 Embtel 4154, July 30 and it seems probable new instructions may contain this idea as possibility for Iranian consideration. On this occasion Pyman phrased his proviso as follows: northern area will be reserved for exploitation by Iranians alone and if Iranians find oil there this oil will be offered to USSR at world prices. Pyman said it seemed to him that if Majlis coupled with turn-down some such formula it might meet to some extent Soviet strategic fears as well as take care of Soviet fiction that oil from northern Iran is needed by USSR. It seemed to him that if USSR continues to press Iran for oil agreement in the light of such a proviso, outline of real Soviet policy towards Iran

[1] See footnote 1, p. 934.

would be clearly apparent to world—in fact at least five of seven Soviet veils will have disappeared.[2]

Repeated Moscow 269, repeated Tehran 63.

CLARK

[2] According to telegram 4499, August 19, 8 p. m., from London, the Iranian Ambassador called on Foreign Secretary Bevin on August 18 to inquire what help Iran might expect from friends, such as Great Britain, in case of Soviet attack. After stating he would need time to study the matter, Mr. Bevin expressed the view that the "Iranian Government ought to make it known to world that it had not tried to back out of its undertaking to USSR to present oil agreement to Majlis. Bevin said that he had always envisaged negotiations between USSR and Iran as being conducted freely whereas it seemed to him that at moment 'USSR is behaving in a very take it or leave it manner.'" (891.6363/8–1947)

Telegram 4499 also noted that the Iranian Ambassador in Washington was going to ask an identical question of the Department and expressed Mr. Pyman's hope that neither the United States nor the United Kingdom would say anything that might be interpreted by the Iranians as indicative of diversity in American and British attitudes.

891.6363/8–2047 : Telegram

The Acting Secretary of State to the Embassy in Iran

SECRET WASHINGTON, August 20, 1947—9 p. m.

497. Iranian Min called at Dept Aug 19 on instructions his Govt. In utmost confidence he showed translation telegram received from Qavam covering most recent developments re Sov desire for oil concession in Iran. From telegram it appeared Sadchikov had adopted extremely disagreeable attitude toward Qavam. In cable Qavam showed apprehension re possible Sov reaction should Majlis refuse oil concession and anxiety over support he could expect from US and other interested govts should Sov Union take action against Iranian independence. Qavam felt such action might cause condition of insecurity in Iran in which case he was not clear what help other than moral support would be given Iran, held in the claws of Russia. Qavam requested detailed discussion with authoritative quarters here and telegraphic transmission their comments.

Min said he would appreciate as clear and concise statement as possible of US attitude re various points raised. Min was told that several points in telegram appeared relate Iranian internal affairs and it would not therefore be appropriate for Dept to comment on them. With regard to our attitude re oil concession Dept made statement somewhat as follows:

(*a*) It would not be proper for US or any other power to endeavor influence Iran in deciding whether or not it should give such concession Sov Union. We believe Iranian Govt alone is in position to make such decision. It is Dept's opinion therefore that US would be in better position to continue support integrity and independence Iran before UN if we did not participate in such decision.

(*b*) We assume of course that in making decision this kind Iranian Govt would consider carefully what effect might be upon economic and political independence Iran. It seems clear that Iranian Govt would not in making decision this kind permit itself yield external pressure but would consider Iranian national interests from long-range point of view. Otherwise it would be difficult for Iran to develop as independent prosperous country. We do not believe furthermore Iranian Govt would permit any kind of pressure to cause it to overlook existence of UN or lose confidence in determination of US and other members of UN to continue support principles Charter UN.

Dept continued that when US assured Iran that it would support before UN independence and integrity Iran in case they should be threatened it was promising more than "moral support". Dept considers "moral support" to mean merely expressions of sympathy. It is becoming more and more evident that active support through UN could be much more effective than mere expressions of sympathy and concern. Dept did not understand why Qavam referred to Iran as being within "claws" of Russians. Iran is still independent country and not satellite state and therefore not in "claws" of any foreign power.

Nouri [1] said he was confident US would support Iran before UN in case of attack by Sov Union but in case all efforts to aid Iran through UN should be frustrated by Sov veto what could Iran expect? Would US be willing to aid Iran by direct means including force?

Dept replied it was impossible for US at this time to state what it would do in case Sov Union disregarding obligations assumed by it in Charter UN should launch armed attack upon Iran. It seemed likely that launching such attack would at once place terrific strain upon UN and might threaten entire structure world security. In case structure UN should be destroyed or distorted by act of Sov aggression of this character we could not at this time predict what result would be. In any event effects would be profound and felt far beyond Iran. It was difficult for Dept to believe Sov Union would wish to imperil UN by committing such overt act of aggression since UN was one of fundaments of world peace and therefore continued existence that organization was important to Sov Union as well as US.

Nouri said he understood Iranian Govt feared not only that Sov Union would engage in act of overt aggression but also that it might

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[1] Fathollah Noury-Esfandiary, the Iranian Minister.

endeavor overthrow Iranian Govt by infiltration and numerous sly acts aimed against stability of country. Boundaries between Iran and Sov Union were extensive. It would be easy for Sov Union with its tremendous resources to send surreptitiously across these borders agents who by false promises and lavish expenditure money might stir up or buy up various groups. It might be difficult for Iran to present sufficiently clear-cut case to UN to warrant action until it would be too late to save Iran. Everyone had seen how effective were Sov tactics employed in Greece.

Dept replied that of course such possibilities existed. It should not however be overlooked that UN and world in general had much better understanding this type aggression than they had year ago; that aggression of this kind was now much more readily recognized; and that if Iran would endeavor keep its own house in order and follow internal policies which would cause people of country to regard their govt as beneficial to themselves this danger might be met.

Nouri said he personally realized impossibility US state in advance what it would do in case Sov Union should commit acts aggression against Iran. He could understand that actions of US in case of direct or indirect Sov aggression must be dictated by circumstances of the moment.

Min observed that any kind arrangement between Sov Union and Iran re oil concession would be like arrangement between cat and mouse. Iran could not afford come out and play with Sov Union any more than a mouse could venture out of its hole to play with a cat.

He stated he had recommended to his Govt some time ago that if Majlis should decide reject Sov oil proposal it should at same time make it clear that Iran intended develop by its own efforts such oil lands as might exist in northern Iran and that it would be willing to sell to USSR at world prices such oil as might be produced in that area.

Dept pointed out that USSR at one time permitted numerous foreign concessions in its territory and after considerable experience had decided to cease granting concessions to foreigners. If Iran therefore decided to develop its own resources in northern Iran it would merely be following policy similar to that adopted by Sov Union.

Nouri indicated he had also suggested alternative method for rejecting Sov oil proposal namely that Iran might inform Sov Union it would not in future grant any oil concessions to foreigners except through multi-lateral agreement under aegis UN.

Sent Tehran as Dept's 497 rptd London as Dept's 3599 and Moscow as Dept's 1626.

LOVETT

761.91/8–2247 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

TEHRAN, August 22, 1947—3 p.m.

US URGENT

789. Qavam sent Nikpey to see me urgently last night to say that the Soviet Ambassador had just sent the Prime Minister word [1] that the latter's "delaying tactics" in the oil question were "jeopardizing the independence of Iran." I asked Nikpey to express to the Prime Minister my confidence that the Iran Government would not be frightened by these threatening and bullying tactics which the USSR had long used in trying to obtain bases on the Dardanelles from Turkey and which Sadchikoff himself had followed in Azerbaijan case last winter. I said we would probably hear a lot more of this kind of thing before the case was finished but that patriotic Iranians should not allow themselves to be deterred from doing their duty to their country. Nikpey said Iranians would not be frightened by Soviet threats.

I am inclined to think Iran will stand firm in this matter, especially so long as we continue our own firmness in support of UN principles and our determination to oppose aggression. Department's 487, August 18, is most useful and timely in this connection. Qavam is essentially a patriot but he requires constant reassurance that Iran will not be left alone in the world to face the Soviet blasts.

Sent Department 789, repeated London 96.

Department pass Moscow 99 and Petropolis.[2]

ALLEN

[1] According to telegram 783, August 21, from Tehran, Prime Minister Qavam informed Ambassador Allen that Soviet Ambassador Sadchikoff had called on him the previous day and "pressed energetically for a joint signature of a new accord to take the place of the Sadchikoff–Qavam agreement of April 4, 1946. The new accord would contain the same provisions as the old with the single addition that the two govts agreed to establish the proposed mixed company within three months . . . . Qavam said he told Sadchikoff he could not sign any agreement without approval of the Cabinet and that the present Cabinet could take no action of this kind until it had received a vote of confidence from the Majlis." (891.6363/8–2147)

[2] The Secretary of State was Chairman of the United States Delegation at the Inter-American Conference for the Maintenance of Continental Peace and Security, which met near Petropolis, Brazil, from August 15 to September 2, 1947.

891.6363/8–2347 : Telegram

The Acting Secretary of State to the Embassy in the United Kingdom

SECRET WASHINGTON, August 23, 1947—2 p.m.

US URGENT

3655. Brit Min Balfour called at Dept Aug 20 on instructions his Govt discuss problem of Soviet desire oil concessions Iran. He read from two telegrams just received from For Off. One reported conver-

sation between Bevin and Iranian Amb London calling under instructions similar Iranian Min Washington Aug 19 to ask what support Iran might expect in case Sov Union became aggressive in efforts force Iran grant Sov oil concession. Other telegram outlined Bevin's tentative thinking re reply Iranian inquiry whether Brit would give more than moral assistance in case of trouble with Sov Union arising from Iranian refusal.

First tel indicated Bevin replied to Iranian Amb that he needed time to study question before giving final answer but stated tentatively his personal feeling Iran should meticulously live up to any undertakings given Sov Union. Bevin apparently tempered this remark with further statement that any Sov-Iranian oil arrangement should of course be one freely negotiated, fair and business-like and satisfying to Iranian Govt that concession would not be likely endanger integrity Iran. He indicated such arrangement not likely to result from apparent "take it or leave it" attitude Sov Govt. He felt nevertheless that Iranian Govt would do well to announce it was prepared to carry out its undertakings and to negotiate oil concession agreement on terms acceptable both parties and which would not endanger integrity and independence of Iran.

Second tel revealed Bevin's tentative thinking on final reply to Iranian Govt might be along following lines:

Iranian Govt should make known to world it would not repudiate its undertakings and was prepared, subject Majlis approval, to negotiate detailed agreement based on principles original proposal. To safeguard interests of Iran Iranian Govt would probably wish to stipulate specific conditions under which joint company would operate. General principles already agreed upon would therefore require considerable elaboration. Should Majlis reject basis of original agreement it should be careful not to close door on further negotiations but indicate conditions under which it might enter another agreement. If Sov Govt should use force as means of obtaining concession and if independence of Iran should thus be seriously endangered Iran should appeal to SC. Brit support of Iranian independence in past sufficiently demonstrated Brit desire to see independence that country respected. It was believed premature however for Iran to appeal to SC at this stage.

In second tel Bevin asked Brit Emb to ascertain State Dept thinking. He would like to have US and UK if possible keep in step in matter.

When Balfour inquired present American attitude we outlined substance conversation Aug 19 with Iranian Min (Deptel 497 to Tehran Aug 20 rptd London and Moscow) which conversation Emb London might advise For Off (London's 4545 Aug 21 [1]). We indicated our

[1] Not printed.

understanding Iranian Govt had entered no commitment with Sov Govt grant oil concession. Our info and we believe Brit Govt info likewise was that Qavam in return for Russian promise withdrawal Sov troops from northern Iran had agreed to present to Majlis proposal that Iran grant oil concession under certain conditions to Sov Union. We said that although we were not advising Iran whether or not it should grant concession we did not feel there would be violation of any Sov-Iranian agreement if Majlis refused to approve granting concession. We added that manner in which Sov Govt had withdrawn its troops from northern Iran leaving behind agents to maintain Sov control Azerbaijan had greatly increased Iranian suspicions re long-range Sov attitude toward Iran. By Sov actions since Qavam–Sadchikov agreement Apr 4 1946 Sov Union had furnished considerable justification for belief we understand held by many members Majlis that Sov Union would take advantage of any kind of foothold obtained in Iran through oil concession or otherwise in order undermine independence that country.

It seemed to us that by leaving door open for further discussions one of two results would be likely: either crisis in Sov-Iranian relations would be prolonged and thus become more bitter or Iranians would gradually be worn down by Russian insistence to point of finally granting concessions which they believed not in long-range interests of Iran.[2] In this connection Iranian Min's simile seemed fairly apt namely for Iran to carry on negotiations of this kind with Sov Union would be like a mouse trying to carry on negotiations with a cat.

We obtained impression that Balfour was inclined to agree with our views in this matter.

Sent London as Dept's 3655 rptd Tehran as Dept's 501 and Moscow as Dept's 1637.

LOVETT

[2] According to telegram 4729, August 30, from London, the British Foreign Office, on August 28, informed Ambassador Le Rougetel that although anxious to avoid giving advice to the Iranians differing from that of the United States, some advice was necessary to prevent the accusation that Mr. Bevin was obstructing the granting of oil facilities to the Soviet Union. The Ambassador was instructed to express the opinion that the Iranian Government should consider whether it would not be advisable for the Majlis, if it rejected the agreement, to make a gesture to mollify the Soviet Union (891.6363/8–3047).

891.6363/8–2947 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

SECRET
URGENT

TEHRAN, August 29, 1947—2 p. m.

815. Prime Minister sent Nikpey today to read to me a note which Soviet Ambassador handed to Qavam yesterday under general instructions from Moscow. Summary of note follows:

Qavam's refusal to sign new Soviet proposal for setting up the mixed company for petroleum development is regarded by Soviet Govt as indication of Iranian Govt's intention to break agreement signed April 4, 1946. Qavam's statement that he could not sign new proposal without Majlis authority is unsatisfactory. Agreement of April 4, which was signed by Qavam as head of govt and approved by Shah as Chief of State, bound Iranian Govt to obtain Majlis approval and to put its provisions into action. Qavam's statement that situation has changed in Iran during past 18 months and that different Cabinet is now in office is not acceptable. Qavam's action is regarded as sign of same enmity towards USSR carried out by Reza Shah [1] and governments of Saed, Sadr [2] and Hakimi.[3] Govt of USSR insists that agreement of April 4 be put into action by Iranian Govt without delay. (*End of summary.*)

Following presentation of note, Sadchikoff added following orally: if Majlis approval is obtained for the agreement, you will be considered among the most sincere friends of USSR and will be helped financially, morally and in every other respect. If you refuse, you will be regarded as our most bitter enemy and treated as such.

I asked Nikpey whether Qavam regarded the oral statement as being addressed to him personally or to Iran as a nation. After slight thought he said "to Iran, I feel certain".

Nikpey said Qavam seemed inclined not to answer the note but would appreciate my views. I said it seemed to me preferable not only to answer it, but also to quote the note, the oral representations, and the Iranian answer in Qavam's presentation of the case to the Majlis.

[Here follows discussion of the role of Muzzafar Firouz, Iranian Ambassador in the Soviet Union.]

Sent Dept 815, repeated London 102. Dept pass to Moscow as 94.

ALLEN

[1] Reza Shah Pahlavi, Shah of Iran from 1925 to 1941.
[2] Mohsen Sadr, Iranian Prime Minister from June to December 1945.
[3] Ibrahim Hakimi, Iranian Prime Minister from December 1945 to February 1946.

891.6363/8–2947 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

SECRET
URGENT

TEHRAN, August 29, 1947—3 p. m.

816. There is no evidence that either Qavam or members of Majlis are wavering in their determination to refuse Soviet oil proposals. At closed session of Majlis yesterday, representatives of all parliamentary groups spoke against any kind of oil agreement with USSR. Iranian people of all classes have been unified on this point more strongly than on any subject since my arrival here. Soviet insistence on letter of April 4 agreement and now their attacks on Shah are being referred

to here as kind of "Pearl Harbor" assault needed to solidify Iranian opinion against agreement. It looks more and more from where I am sitting that Soviets have blundered and are continuing to do so. The respected views of Embassy Moscow in this regard have been noted with interest (Moscow's 2659, August 16) and while I agree fully that present Soviet tactics will undoubtedly result in making British position in the south more difficult (considerable amount of sentiment among Iranians against any foreign oil concessions is already being engendered by the very bitterness the Soviet demands have aroused), but Soviets have certainly solidified opinion against them in Iran and have made a situation easy to handle, at least on the first round, which I feared would be difficult. It seems to me the Soviets are succeeding in pushing Iran definitely into the anti-Soviet camp although they have one of the most fertile fields for Soviet propaganda here that can be found anywhere in the world.

In my judgment, for what it may be worth, Soviet insistence on the letter of the April 4 agreement and Soviet refusal to negotiate were decided upon in Moscow not because such tactics would put the USSR in a strong position before world opinion as our Embassy in Moscow suggests, but because it was the only tactics a totalitarian government could follow by the very nature of totalitarianism. The USSR could not afford to let the world and its own people see that the great USSR could be forced by a little country like Iran to negotiate a case of this kind. Totalitarians cannot retreat or admit weakness. Inflexibility and threats may be effective temporarily in area where it can be backed up by troops, but in any country free to make its own decisions and willing to do so, such tactics embitter whatever friends USSR may have. Certainly such has been the result in Iran. What the future holds we shall see.

I may add my fullest agreement with most of the views expressed in Moscow's 2659, August 16.

Sent Dept 816; repeated London 103.

Department pass Moscow 95.

ALLEN

891.6363/9–547 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

SECRET
URGENT

TEHRAN, September 5, 1947—9 a. m.

846. Certain divergencies between British Ambassador's instructions concerning Soviet oil question (London's 69, August 30 [1]) and my own

[1] This was a repeat of telegram 4729 to the Department, not printed, but see footnote 2, p. 944.

(Department's 487, August 18) have been apparent for some time and threaten to be serious at this stage. British Ambassador's latest instructions narrows the difference to manageable proportions but there is still a basically divergent approach.

It is now evident to me (this in strictest confidence) that Bevin has wanted to tell the Iranians flatly that British Government thought Iran should ratify the April 1946 agreement without change. Fortunately, Le Rougetel and Bevin's advisors in Foreign Office were able to persuade him not to insist upon this most unwise move. If he had done so he would have accomplished nothing toward bringing Iran and USSR together on the oil question and present Iran animosity against USSR would have been directed full blast against Britain, cries of a nefarious deal between Britain and USSR at Iran's expense would have arisen and I have no doubt that we would have been forced publicly to disassociate ourselves from British policy in the matter. Le Rougetel and I have discussed subject frequently at length and he is fully appreciative of foregoing considerations.

Bevin's latest instructions to Le Rougetel while less damaging were categoric and it seems clear that Bevin not only retains his hope that Iran and USSR will enter into an oil agreement but also that Britain should use its efforts to bring this about. Le Rougetel informed Qavam two days ago and the Shah last night that the British Government felt that if the Majlis refused to ratify the 1946 agreement, refusal should be done in such a way as to make it clear that the door remained open for further negotiations. The Shah pressed Le Rougetel to tell him whether I had received similar instructions. Le Rougetel replied that His Majesty should ask me direct, that he understood there were certain divergences in our instructions but that he felt they concerned tactics rather than fundamental considerations.

Le Rougetel is most anxious that there should be as little difference between American and British approach in this matter as possible and has come to see me a number of times on it. I assured him today of my equal desire to avoid divergent counsels, with their attendant confusion on Iranian minds but that I could do nothing which the Iranians might construe as pressure on them to grant an oil concession against their will. I said that when Iranians asked me whether American Government also felt that Iran should expressly leave the door open for future oil negotiations with USSR I would reply that my instructions did not specifically cover that particular point but that I thought my Government considered it a matter for Iran to decide itself.

A few Iranians (notably Shah who will undoubtedly ask me very pointed questions on this subject when I see him tomorrow) already

suspect that British Government wants Iran to enter into some kind of oil agreement with USSR. I feel strongly that we should continue not to advise Iran on the subject one way or the other. We are on unassailable grounds it seems to me, if we continue to repeat to all enquirers that we regard the granting of commercial concessions or privileges within Iran to be the sole prerogative of the Iranian Government, that our policy is to do what we can within the UN to remove the fear of outside aggression or pressure so that Iran can reach its decision in an atmosphere of freedom and independence and that it would not be proper for us or any other power to endeavor to influence that decision. I hope my excellent instructions of August 18 (Department's 487) will not be changed in any way. As long as we stick to this line and convince the Iranians of our sincerity they can be depended upon to take no action which would jeopardize Iranian independence.

Sent Department 846.

Department pass London 107 and Moscow 97.

ALLEN

761.91/9–347 : Telegram

The Acting Secretary of State to the Embassy in Iran

SECRET WASHINGTON, September 5, 1947—6 p. m.

538. On instructions his Govt, Iran Min informed Dept Sept 3 written and oral representations Sadchikov to Qavam Aug 28 (Tehran's 815 Aug 29, London's 4767 Sept 3 [1]). According Qavam's tel to Noury, Sadchikov's oral representations on instructions from Moscow concluded "If you refuse and fail to give satisfaction, we will consider you, the Iranian nation, and the Iranian Govt to be our blood enemy."

Sent Tehran 538 repeated London 3865 Moscow 1693.

LOVETT

[1] No. 4767 not printed.

891.6363/9–947 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

SECRET TEHRAN, September 9, 1947—1 p. m.

866. British Ambassador's advice to Qavam and Shah, on instructions from Bevin, that Iran should not close door to further negotiations with USSR regarding oil, has been taken by both Shah and Qavam as indication that British Government has weakened in face of Soviet threats and now wishes Iran to grant USSR petroleum con-

cession. Shah, who has discussed matter with me at length, says Qavam is now preparing some sort of proposal to Soviets on oil. Shah clearly considers that situation has materially deteriorated since British Ambassador's advice. It seems evident that although Qavam has assured me he would not be frightened by Soviet threats, he has been, and that he has seized on the British advice as an excuse to change his position. He can now tell the deputies privately that he himself would never have weakened but could do nothing else in face of British advice.

When Shah reminded Qavam that practically all members of Majlis had declared their opposition to any oil agreement with Soviets, Qavam replied that if deputies felt events were running towards renewed Soviet influence in Iran, they would change their views overnight and would hurry to make their peace with Soviets. Qavam referred to situation in 1912 [*1911*] when Russia gave Iran ultimatum to discharge Morgan Shuster as Director General of Finance. Qavam said Majlis was 100 percent against acceptance but when Britain advised compliance with Russian demands, deputies did so without demurrer.

Shah seemed resigned to inevitability of Government's making oil proposal to USSR in view of British advice. He referred to considerable British influence in Majlis and to constitutional limitations which prevented him from taking strong action himself. Shah asked me what else Iran could do when only reply US gave to Iranian requests for aid was to refer to UN, which he characterized as a fiasco. Shah said that if we would give Iran direct support as we are Greece and Turkey, Iran would have something dependable to rely on.

I did not conceal my disappointment at Shah's slighting reference to UN. I said Iran had more reason than any other nation to appreciate value of that organization and emphasized that American determination to base its policy on UN was in Iran's own best interests. US could defend itself from aggression without UN, but Iran could not. I said it seemed to me that what His Majesty really wanted was a straight old-fashioned bilateral military guarantee from US. If so, I thought this was worst thing he could ask for, in Iran's own interest. Suppose, I continued, we gave him such a guarantee. It would not last, since it would not be based on sufficient American national interests to warrant American people in supporting it very long. American national concern with Iran would not justify our committing all our man-power and resources merely to guarantee that the people of Azerbaijan continue under Persian rule. I believe, however, that American people would continue to support world organization dedicated to prevention of aggression anywhere.

Although British attitude has complicated matters greatly, I do not

despair of situation. While few Iranians are able to see beyond the events of the moment, Shah is somewhat more far-sighted than others and constant repetition of our point of view has some effect on him. Certain leaders of Majlis who call on me regularly are also capable of understanding our position. In view of Qavam's continued illness and fact that there is still technically no government in office,[1] I have refrained from calling on him for past several days but plan to do so shortly.

Sent Department 866; Department pass to London as 108 and Moscow as 98.

ALLEN

[1] Airgram A–158, September 30, from Tehran reported that Prime Minister Qavam had resigned as Prime Minister with the convening of the Majlis. He presented his new government and program to the Majlis on September 14 (891.00/9–3047).

891.6363/9–1147 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

SECRET TEHRAN, September 11, 1947—noon.

US URGENT

872. I called on Qavam yesterday to read to him again pertinent portions of Department's instructions of August 18 (Department's telegram 487) regarding Soviet oil proposals and to give him views contained in memo of conversation between Henderson and Iranian Minister in Washington on August 19.[1] I said it was desirable to leave no possible doubt in his mind as to the exact American position in the matter particularly since other governments had recently made their views known to him, and he might possibly have gained the impression that we had altered our stand. During the conversation I emphasized that the world had changed since 1912 [*1911*] (see Embassy's telegram 866, September 9) and expressed conviction that patriotic Iranians would not be deterred by threats. I said our support for Iran was conditioned upon Iran's determination to defend its own sovereignty and ended with an expression of confidence that the same hand which had guided Iran through the Azerbaijan crisis, when similar threats had been employed, would see Iran through its present difficulties.

I am unable to assert that Qavam was swept off his feet by my remarks, but he seemed impressed. He said he would not be deterred by threats but was not certain how the Iranian people would react under the tension. He said riots and internal disturbances might arise or be inspired to affect the Majlis decision. He said his new Cabinet

[1] Not printed; but see telegram 497, August 20, to Tehran, p. 939.

would be presented to the Majlis on September 14 along with the program of his government. Following this the oil question would be introduced. He hazarded a guess that the decision might be made on oil within ten days.

Sent Department 872. Department pass to Moscow as 100 and London as 110.

ALLEN

711.91/9–1147 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

SECRET TEHRAN, September 11, 1947—3 p. m.

US URGENT

874. Impression is gaining currently that the great powers have made an agreement on Iranian oil. Today's *Journal de Tehran* declares that "our dear country has become a terrain for the competition of those who are eager to possess the world. It is said that secret conversations and demands similar to those of 1907 are under way." Iranians are already asking whether the US is a party to such conversations. The President of the Majlis has sent word to me that unless the position of the US becomes known publicly in the near future, everyone will conclude by our continued silence that we are involved or at least that we have abandoned Iran. He said he could not guarantee that more than 30 deputies would remain firm in face of Soviet threats if we continued to allow a false impression of our attitude to remain uncorrected.

It seems necessary in view of many incorrect reports of our position to make our views known publicly at this time. I have been asked to make a talk tonight to the Iran-American Relations Society on the subject of the parliamentary system of govt. After discussing historical development of parliaments and variations of system in principal countries, I plan to refer to the constitutional position of Iranian Majlis with especial reference to its responsibilities for defending Iranian national interests. Conclusion of speech will be as follows:

"Within a few days the Iran Majlis is expected to be asked to consider proposals concerning the development of one of the important natural resources of Iran. Certain rumors and allegations have appeared concerning the attitude of the US in the matter, and I have been asked on numerous recent occasions to state my Govt's position. I shall do so now as specifically and clearly as I can.

"The American Govt has frequently made known its respect for the sovereignty of Iran. An important aspect of sovereignty is the full right of any country to accept or reject proposals regarding development of its resources. Iran's resources belong to Iran. Iran can give

them away free of charge or refuse to dispose of them at any price if it so desires.

"The US has no proper concern with proposals of a commercial or any other nature made to Iran by any foreign govt as long as those proposals are advanced solely on their merits, to stand or fall on their value to Iran. However, we and every other nation of the world do become concerned when such proposals are accompanied by threats of bitter enmity or by statements that it would be dangerous for Iran to refuse. The US is firm in its conviction that any proposals made by one sovereign govt to another should not be accompanied by threats or intimidation. When such methods are used in an effort to obtain acceptance, doubt is cast on the value of the proposals themselves.

"The US has dedicated its full energy and resources to freeing the peoples of the world from the fear of aggression. Our determination to follow this policy as regards Iran is as strong as it is anywhere else in the world. This purpose can be achieved to the extent that Iranian people show determination to defend their own sovereignty. Patriotic Iranians, when considering matters affecting their national interest, may therefore rest assured that the American people will support fully their freedom to make their own choice." [1]

Sent Dept, Dept pass London 111, and Moscow 101.

ALLEN

[1] In telegram 557, September 12, to Tehran, the Department approved Ambassador Allen's "action clarifying US position re Soviet oil concession in order correct any suggestion that US would countenance great power agreement at expense of Iran or that we have modified out attitude in face of Soviet and British representations to Iranians." The Department suggested further "that in any subsequent discussion this subject you should emphasize, as you have constantly done in past, that the United Nations is medium through which we shall continue combat aggression." (891.6363/9–1147)

Editorial Note

In despatch 490, September 13, the Embassy in Tehran notified the Department that copies of a "Report on Program for the Development of Iran", prepared in July 1947 by the Morrison-Knudsen International Company, Inc., had recently been received by Abol Hassan Ebtehaj, Governor of the Bank Melli. The report recommended economic development projects to cost the equivalent of $500,000,000 in rials and foreign exchange over a seven-year period, if foreign loans were obtained. It also recommended a reduced program of about $250,000,000 if Iran should have to rely on its own resources. (891.64A/9–1347)

In telegram 1, January 2, to Tehran, the Department noted that the Iranian Embassy and the American company had signed an agreement on December 17, 1946, calling for a survey and report on the economic potential of Iran (891.64A/1–247).

891.01/9–1447 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

SECRET TEHRAN, September 14, 1947—1 p. m.

877. Qavam will present his new government and program to Majlis today. Only significant change in Cabinet is appointment of Nuri-Esfandiari, now Iranian Ambassador to Ankara as Foreign Minister.

Prime Minister will not make any statement on oil in his program, but opposition deputies may demand his views on most important question facing Iran today before they are willing to cast their vote of confidence. If they ask, I understand Qavam is prepared to make full report on Soviet oil requests, to deny that he has made any commitments whatsoever on the subject except to agree to pass their request on to Majlis and will ask Majlis to tell him what to do in this regard rather than ask him questions.

Continued reports of salutary effect of our statement on oil are reaching Embassy from all sides. Qavam's assistant, Nikpey, said last night that Qavam was highly pleased and hoped it would be followed by confirmation by the Department in Washington. Shah, who is confined to bed after minor operation, has sent word of his appreciation through Palace officials. Numerous deputies, other officials and Iranians of all classes have called or sent word of their gratitude. "Once more America has saved Iran" is frequent comment.

Statement was shown to British Chargé before it was made and he expressed full agreement, saying it was "quite what we think the Persians should be told". No reaction has come from Soviet Embassy but two Soviet-controlled papers criticize statement this morning as having been made to further American efforts to gain control over Iran's resources.

Sent Department 877. Department pass to London as 113 and Moscow as 102.

ALLEN

891.6363/9–1547

Memorandum of Conversation, by the Acting Secretary of State

CONFIDENTIAL [WASHINGTON,] September 15, 1947.

Lord Inverchapel [1] called by appointment and read me a portion of a communication from London [2] which indicated some anxiety on the part of the Foreign Office to make plain to us the position which the

[1] The British Ambassador.

[2] This refers, presumably, to a Foreign Office telegram of September 13 which was shown by officials of the Eastern Department to an officer of the American Embassy on September 15. Telegram 5030, September 17, from London, reported that the officials described the telegram "as an 'effort to clear up any remaining

Footnote continued on following page.

British had taken in connection with the Iranian problem on Soviet oil concessions. The concern of the British apparently arose out of newspaper accounts which quoted the precise language of the British representative, Mr. Le Rougetel, who is said to have advised the Iranians to adopt an "open door" policy toward Russia. Inverchapel said that this was an unfortunate choice of words and that what the British meant was that the Iranians, instead of giving the Russians a flat turndown as a result of Majlis' action, should endeavor to continue discussions and thereby have an opportunity to drag their feet, an occupation at which Inverchapel said the Iranians were most experienced. He said he did not think that the British and American positions differed and he expressed high approval of the attitude taken by this Government and the comments made by Mr. Allen. In the latter part of the message from London the Foreign Office had asked what we proposed to do in the way of aid to Iran in the event of an attack by the Soviets. I told him that we would obviously support the Iranian case to the utmost within the United Nations organization, but that we had likewise assumed that the Iranians could not effectively defend themselves from the Russians. I asked him what the British position was and he said that they had reached the same conclusion and that neither the British Government nor the British people could be expected to send British troops in to fight Russia.

Inverchapel asked whether or not Iran would not be better off by giving Russia a concession in the North. I told him that we had given the matter long and careful consideration and that it was my recollection that we had concluded that if Russia were given an oil concession in the North, to all intents and purposes that was the equivalent of ceding the territory to Russia, as she would never get out and would infiltrate her people into the district in large numbers. The problem, therefore, in somewhat over-simplified form, was whether or not Russia should be permitted to take the North by invitation or whether the Iranians should make her fight for it and thereby label her as an aggressor. Inverchapel said he thought this stated the question very neatly and realistically, and indicated that he felt that we had a somewhat freer choice in the decision than Britain had because we were not in Iran with an oil concession.

I suggested that if he wanted more detail on the position of this Government he could obtain it by having his specialists get in touch with our geographical divisions.

ROBERT A. LOVETT

misunderstanding between US and UK'. Earlier paragraphs this message asked rhetorically whether US realizes dangers which may follow if Iran provokes USSR to drastic action . . . . While telegram was general re-hash of British fears and doubts, it ends with strong paragraph recognizing that US and UK attitudes vis-à-vis Iran must be identical." (891.6363/9–1747)

891.6363/9–1947 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

SECRET TEHRAN, September 19, 1947—noon.

897. For a clear understanding of Soviet and Iranian positions on one particular aspect of oil question, I suggest that officers of Dept review exact text of exchange of letters between Qavam and Sadchikoff on April 4, 1946 (see Embassy's telegram 485, April 9, 1946 [1]).

The letters contained the following statement (translation):

"The Iranian Govt agrees that the Iranian and Soviet Govts should establish a joint Iran-Soviet company to explore and exploit oil producing territories in northern Iran under the following fundamental conditions". After enumerating seven conditions relating to ownership, duration, area covered, etc, letters conclude: "the agreement to be concluded later for the establishment of the said joint Iran-Soviet oil company, according to the text of this note, will be presented for ratification by the new Iranian Majlis . . .".[2]

It is significant to note that the exchange of letters envisaged the conclusion, some time subsequent to April 4, 1946 but presumably prior to submission of Soviet proposal to the Majlis, of an agreement for the establishment of the mixed company. Neither Soviet nor Iranian Govts took any action towards negotiating the agreement in question until last month when Sadchikoff upon his return from Moscow presented Qavam with a draft agreement and insisted that Qavam sign it immediately and present it to Majlis promptly for ratification (Embassy's telegram 752, August 14). Qavam pointed out that the Soviet draft would not be acceptable to Majlis and suggested further negotiations. Sadchikoff refused, on the grounds that his draft contained the exact provisions Iran had already agreed to, subject to ratification, and that Qavam could not properly refuse to sign. Qavam then said he could not sign because of legal difficulties, but that he would report the entire question to Majlis, present the draft agreement, without his signature, and leave the entire decision to the Majlis.

(The "legal difficulties" Qavam had in mind result from an act of the Majlis of Dec 2, 1944, Embassy's telegram 895, Dec 3, 1944 [3] forbidding any Iranian official, *inter alia*, to "sign any agreement regarding a petroleum concession" with foreigners).

Sadchikoff's position that Qavam is unjustified in refusing to "conclude" (i.e. sign) an agreement based on the terms of the 1946 letter has some merit since Qavam committed himself and the Iranian Govt, in principle, to such an agreement when he signed the letter. More-

[1] *Foreign Relations*, 1946, vol. VII, p. 413.
[2] Omission indicated in the original.
[3] *Foreign Relations*, 1944, vol. V, p. 479.

over, Qavam's declared willingness to negotiate other terms with Sadchikoff presupposes his willingness to enter into some kind of oil agreement for presentation to Majlis. Consequently the legal difficulties to which Qavam refers would not appear to have been regarded by Qavam as an insuperable barrier if the USSR had agreed to negotiate.

On the other hand, Qavam can well argue that he is not obligated under the 1946 letter to sign anything more, and that his expressed willingness to submit Sadchikoff's own draft to Majlis and await Majlis instructions should satisfy the USSR.

Several instructions which British Embassy here has received from Bevin have emphasized the latter's anxiety that Iran should take no action which would justify the USSR in accusing Iran, before UN or elsewhere, of having violated any of its obligations or undertakings. It seems probable that Bevin is impressed with the strength of the Soviet position as described above and that this impression has been in some part responsible for the British advice to Iran not to close the door if the 1946 terms are refused.

I am inclined to believe, however, that Qavam's position, while perhaps not free from any legalistic attack, is sound enough in principle and I think he is both wise in practice and justified in theory in refusing to give Sadchikoff a new signature before presenting the case to the Majlis.

I give the foregoing detailed discussion since the point might come under consideration if the Iranian case should again be referred to UN.

ALLEN

891.6363/9–2247 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

SECRET TEHRAN, September 22, 1947—2 p. m.

909. I understand Associated Press has cabled full story regarding open letter which Soviet Embassy here addressed to the local press September 20.[1] Statement reviews history of oil negotiations with Iranian Government and points out advantages of Soviet proposals to Iran. Outstanding feature of Soviet statement is its general tone of persuasion rather than threats although last sentence reads: "Finally the execution of this agreement is in keeping with the principle of increasing Soviet-Iranian friendly relations." The implication to

[1] A translation of the letter as it appeared in the newspaper *Ettela'at* on September 20 was transmitted by the Embassy in Tehran in despatch 506, September 27 (891.6363/9–2747).

Iranians is that failure to execute the agreement would decrease those relations.

Statement emphasizes that Soviet proposals are not for petroleum concession but for the creation of a mixed corporation and declares that: "Iran has never, in granting concessions, obtained such advantageous commercial provisions." It adds that proposed Irano-Soviet company would not have its own police force "such as exists at present in a certain concession in Iran". Both those statements are obviously directed against the British Oil Company. They undoubtedly typify the line Soviet propaganda will continue to take against the British concession, whether or not Soviets obtain an oil agreement with Iran. They constitute further evidence, in my view, that it is a mistake to think that an agreement with USSR concerning oil in northern Iran would ease the pressure against British and eventually American interests in the Persian Gulf.

Iranians are speculating that the comparatively reasonable tone of Soviet press release is an attempt to counter the effectiveness here of our recent statement condemning use of threats and intimidation. If the Soviets continue this new line of persuasion, they will stand a better chance of obtaining some kind of oil agreement here. My best estimate continues to be, however, that they will end up by getting little if anything. The threats they have already used are too well known to be dispelled by a sudden change of tactics.

[Here follow four paragraphs on the submission of the oil agreement to the Majlis.]

Sent Department 909, repealed London 118.

Department pass to Moscow as 105.

ALLEN

891.50/9–2547 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

CONFIDENTIAL TEHRAN, September 25, 1947—11 a. m.

928. An important aspect of American policy in Iran, it seems to me, should be to show active interest of US in improvement of conditions of Iran workers and peasants. Continued Soviet allegations that we are concerned only with reactionary ruling class in Iran has some effect there if nothing is done to counteract it. Occasion for action along this line occurred during my last conversation with Qavam. I referred with regret to his reported decision to suppress Ministry of Labor and to transfer its functions to Ministry of National Economy. I said US was anxious to see progressive measures taken here to elevate general standard of living and welfare of the common peo-

ple, and that, although he had made many speeches re reform, one of few practical steps he had actually been able to take had been creation of a Minister of Labor. I knew that heavy pressure was being exercised against Labor Minister by two extreme Iranian groups, wealthy factory owners particularly from Ispahan and the Tudeh Party.[1] The latter's opposition resulted from usual Communistic animosity against anyone other than a Communist who presumed to have an interest in the common man. I hoped very much the Cabinet would reconsider its decision.[2]

Qavam alleged that decision had been primarily on budgetary difficulty in creating a new Ministry, seemed impressed by my discussion and promised to have matter reopened.

It is interesting to report that in a subsequent conversation with First Secretary Ross of British Embassy I informed him of my representations to Qavam in this matter. He said that by coincidence his Embassy had just received instructions from London to make strong representations to Qavam along same lines.[3]

Sent Department 928; Department pass Cairo 148 and London 119.

ALLEN

[1] The Communist Party in Iran.

[2] In telegram 598, October 1, to Tehran, the Department concurred with Ambassador Allen's "expression of concern to Qavam concerning his reported decision suppress Min of Labor and transfer its functions to Min National Economy. We feel it highly important at present time that not only should Iranian Govt not revert to reactionary labor and land policies, but definite action be taken at once to demonstrate more progressive attitude toward workers and peasants." (891.50/9–2547)

[3] In telegram 5334, October 3, the Embassy in London reported information from the Foreign Office that the Iranian Prime Minister had no intention of permitting the Labor Ministry to be appended to another Ministry (891.00/10–347).

761.91/9–2547

Memorandum by the Director of the Office of Near Eastern and African Affairs (Henderson) to the Acting Secretary of State

TOP SECRET [WASHINGTON,] September 25, 1947.

Subject: Draft Telegram to Ambassador Allen in Tehran Suggesting Action which Iranian Government Might Take to Prevent Success of Intensified Soviet Interference in the Internal Affairs of Iran.

Discussion:

Reports from our Embassy in Tehran indicate that within the very near future the Iranian Majlis (Legislature) may decline to ratify the Soviet-Iranian oil accord of April 4, 1946. A strong Soviet reaction is to be expected. Should that reaction involve definite interference by

the Soviet Union in the internal affairs of Iran, the Department will support the Iranian Government in such defensive action as it might take in the United Nations. (Tab A, Deptel 497, Aug. 20). We believe, however, that there are certain measures which the Iranian Government itself should take in advance of possible Soviet interference which might lessen the possibility of Soviet disruption of security within Iran. (Tab B, Deptel 434, July 29). In elaboration of our earlier suggestion to Ambassador Allen that Iran would be well-advised to unify the divergent elements within its borders, the attached draft telegram stresses the immediate importance of resolving the long-standing personal feud between the Shah and Prime Minister Qavam. In view of the close relation between the internal unity of Iran and Iran's defense of its independence against Soviet interference, we feel justified in the present crisis in suggesting that Ambassador Allen in his discretion communicate our views to appropriate Iranian leaders.

Ambassador Allen's speech to the Iran-American Relations Society in Tehran on September 11 (Tab C, Embtel 874, Sept. 11), approved by the Department in Deptel 557, Sept. 12,[1] (Tab D), constitutes a firm American defense of Iran's right to make an independent decision concerning an oil concession to the Soviet Union. That statement seems (Tab E, Tehran's 877, Sept. 14; 833 [*883?*],[2] Sept. 16; 891, Sept. 18) to have corrected the weak attitude which was appearing in both the Shah and Prime Minister Qavam (Tab F, Tehran's 866, Sept. 9). In view of the desirable effect of Ambassador Allen's statement upon Iranian reaction to Soviet threats, we feel such suggestions as Ambassador Allen might make to appropriate officials along the line of the attached draft telegram might be both welcome and effective. Without unity in Iran, Soviet overtures to dissident elements might well defeat our purpose of assisting Iran in the preservation of its independence.

Recommendation:

Your signature of the attached draft telegram [3] will implement the Department's desire to see Iran free from Soviet domination.

Concurrences:

The attached draft telegram has been approved by the Acting Director of EUR [4] and Deputy Director of SPA,[5] against a back-

[1] Not printed, but see footnote 1, p. 952.
[2] Nos. 883 and 891 not printed.
[3] For telegram as sent, see *infra*.
[4] Llewellyn E. Thompson, Jr.
[5] Clearance by SPA was actually provided by Robert M. McClintock, Special Assistant to the Director of that Office (Rusk).

ground of wide discussion throughout the Department of the present crisis in Iran.

Attachments:

Document to be signed: Draft telegram to Tehran.
Telegrams: Tab A, Deptel 497, Aug. 20.
Tab B, Deptel 434, July 29.
Tab C, Embtel 874, Sept. 11.
Tab D, Deptel 557, Sept. 12.
Tab E, Tehran's 877, Sept. 14; 833 [*883?*],[2] Sept. 16; and 891, Sept. 18.
Tab F, Tehran's 866, Sept. 9.
Tab G, Deptel 476, August 14.[6]

L[OY] W. H[ENDERSON]

[6] Not printed; in discussing the tribal situation in Iran, the Department gave its approval of "Emb practice recommending both Govt and tribes use only constitutional means in interest unity and internal security as necessary prerequisites effective relations with neighboring states." (711.91/8–1447)

761.91/9–2647 : Telegram

The Acting Secretary of State to the Embassy in Iran

SECRET WASHINGTON, September 26, 1947—5 p. m.

584. Urtels recently indicate salutary result of American stand on Iran-Soviet relations re oil. Dept feels that strong Soviet reaction, possibly even before formal Majlis action, is possible in one or more of following forms:

a) Start of Greek-type guerrilla warfare on Iran-Soviet border, probably involving Barzanis, muhajirs, and other Sov-Caucasian elements.
b) Inspired disturbances in Azerbaijan cities, Abadan, Isfahan and Tehran, to give credence to Soviet charges that reign of terror exists, and to divert Iranian military forces from border areas.
c) Intensification of anti-Iranian propaganda by Soviets.

In anticipation such Soviet actions, Dept now actively considering its United Nations strategy for such contingency.

We feel, however, Iran Govt itself must take certain immediate measures (final para Deptel 434 July 29) if it is to reduce possibility initial success Soviet reactions indicated above. These measures might prove more efficacious than any ex post facto UN action. We are herein suggesting certain steps which might be taken by Iran Govt, leaving it to your discretion communicate suggestions to Shah, Qavam, Hekmat,[1] and other patriotic Iranian leaders in position take appropriate action.

[1] Reza Hekmat, President of the Iranian Majlis.

We see as most serious obstacle in way of Iranian national unity, which is prerequisite any successful resistance to Soviet expansion in that country, personal feud between Shah and Qavam (Embtel 859 Sep. 6 [2]). We feel both are basically patriotic Iranians but they have permitted their mutual distrust retard progress their country and operate against successful unification various elements Iranian nation. We feel Shah has consistently placed too much confidence in obstructionist advice of military leaders. It is apparent much of this advice not motivated by patriotic sentiments but by desire on part of Razmara and others for domination of Iran by military. Consequently, constant need to cope with Shah–Army group intrigues has done much to hinder Qavam in efforts unite Iranian people. Qavam on his part has at time given Shah serious reason suspect motives by vacillation between sometimes strong front against Soviet pressure and other times apparent willingness to intrigue with Soviets. He has also been dilatory in bringing to fruition plans for reform, though neither can it be said Shah has shown any effective interest this phase Iranian national life.

It is our belief that personal feud between Shah and his PriMin intolerable and dangerous for preservation Iranian national interests. Shah and PriMin working together can, we believe, unite all elements Iranian nation including peasants, labor and tribes. Your influence with both Shah and PriMin might at this time be used to bring about this desirable internal situation so closely related to Iran's freedom from Soviet domination, without risk of criticism from political leaders, responsible press, or general public in either Iran or U.S. To the extent to which Shah and PriMin each demonstrates sincere and effective desire to act in Iranian national interest, we feel you should use your influence to keep them working harmoniously together. If Shah displays cooperative attitude and despite this Qavam so conducts himself that distrust cannot be dispelled, and if Shah should therefore consider new PriMin desirable, it is hoped that change of govt could be brought about in manner not to create wide rift in Iranian body-politic.

It would be highly desirable if new spirit of teamwork between Shah and PriMin could be demonstrated at once by termination petty political attacks on latter by Shah's Majlis deputies, and by immediate implementation by Qavam and Majlis of practical program of reforms similar to those proposed by PM during period of autonomous Azerbaijan Govt, such as provincial councils and real land reforms.

In such disposition as might be made of Iranian Army in conjunction with the *gendarmerie* to combat infiltration hostile elements or to meet local disturbances, it is hoped military forces will behave such

[2] Not printed.

manner they will receive whole-hearted cooperation local populations. This may call for change of Army command particularly in regions where tribal groups, presently peaceful but hitherto unpredictable, might welcome opportunity prove themselves loyal supporters Iranian Govt.

We repeat our approval Emb efforts encourage tribes use peaceful and parliamentary means to attain what they consider just ends (Deptel 476 Aug 14 [3]). We are particularly anxious every encouragement be given Kurds who will very possibly be first target Soviet penetration following rejection oil concession, and who, if alienated from Iran Govt by Army policy of recrimination, might well become Soviet weapon against not only Iran but Turkey and Iraq as well. It seems to us if Kurds were given some recognition by central govt comparable that accorded Bakhtiaris and Qashqais by Qavam, there would be smaller risk of Kurdish disloyalty in eventualities mentioned.

Dept has observed Majlis President Hekmat's seemingly statesmanlike behavior recent weeks and hopes his influence in Majlis can be used accelerate action on reforms Qavam might initiate.

In conclusion we feel our position in UN would be much stronger and morally more tenable if: *a*) Shah-Qavam feud is terminated, *b*) loyalty of Iran's minorities to their Govt is assured, and *c*) certain long-overdue economic and social reforms are initiated immediately by Iran Govt.

Rptd London as 4168 [4] and Moscow as 1781.

LOVETT

[3] Not printed, but see footnote 6, p. 960.

[4] In telegram 4247, October 2, the Department authorized the Embassy in London to convey the substance of telegram 4168 to the British Foreign Office (761.91/9–3047).

Report on an Address by the Director of the Office of Near Eastern and African Affairs (Henderson)

U.S. SUPPORT FOR IRANIAN DEVELOPMENT PLEDGED [1]

The United States will continue to provide assistance, within the framework of the United Nations Charter, to Iran in its social and economic development, Loy W. Henderson, director of the State Department's Office of Near Eastern and African Affairs, declared Wednesday night [October 1], in New York.

He emphasized that while the United States will not interfere with the internal affairs of Iran, it will seek to strengthen "mutually beneficial" economic relations with that country.

[1] Reprinted from Department of State *Wireless Bulletin*, October 3, 1947, p. 3.

In address given at a banquet of the Iran-American Merchants Association in honor of Iranian Princess Ashraf Pahlavi, Mr. Henderson said it is in national interests of the United States and Iran "that all avenues between their peoples be open to friendly interchange and that the political security of both countries have a firm foundation in the economic well-being of their peoples, as of free peoples everywhere."

Mr. Henderson lauded efforts of Iranian ruler Shah Abbas to resolve national differences within the Persian Empire and "guide efforts of a united people in a notable renaissance." He recalled that during World War II, the Iranian Government drew up plans for long-range program of social and economic development and said that negotiation has been initiated for providing necessary foreign financial assistance for their execution.

He added:

"A necessary condition for the success of Iran's forward-looking economic program is not only the availability of foreign assistance when requested but the absence of foreign interference in the internal affairs of Iran. The United States has not and will not interfere in the internal affairs of Iran. The United States has in the past and will in the future give to Iran, upon its request, all appropriate assistance within the spirit of the United Nations Charter.

"Given a well-conceived program, foreign assistance as needed and requested, and freedom from interference, Iran under progressive leadership might well be expected to encourage by every possible means popular participation in, and country-wide benefit from, its efforts to raise the Iranian standard of living, not only in the urban centers but also in the rural and tribal districts which represent the back-bone of the nation's economy."

761.91/10–247 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

SECRET
URGENT

TEHRAN, October 2, 1947—9 a. m.

949. Qavam read to me yesterday detailed report from Iranian military commanders along Soviet frontier stating that considerable Soviet military activity had been observed during past few days north of Poldasht, Julfa and Astara in Azerbaijan, and Ashkhabad, on Turkistan frontier. Lists were given of tanks, artillery, troops and supplies seen arriving opposite these points. Widely separated places from which these reports arrived and similarity of details given lend credence to them.

I remarked that since much of activity reported occurred during daylight, Soviets might be endeavoring merely to impress Iranians with fear of invasion if oil proposals were refused.

Qavam said he considered situation much more serious. He thought that although Soviets would not attack as long as their oil proposals had not been definitely refused, they would begin action as soon as Majlis turned down the proposals. He felt confident Soviets would immediately begin to send irregular bands into Iran [1] to create disturbances and would follow them by Soviet troops as soon as disturbances were sufficient to furnish pretext. He expects Soviets to cite Article 6 of the 1921 Soviet-Iranian treaty in justification.

I pointed out that this article envisaged situation in which Iran was made base of operations by third power directed against Soviet Union. Qavam agreed that Soviets would not be justified in citing Article 6 but felt confident they would do so any way. He said they had threatened him with Article 6 several times during his visit to Moscow in January 1946.

Qavam said that it would do no good to ask Soviet Ambassador concerning these reported troop concentrations, since he had asked the Ambassador similar questions on numerous occasions and the Ambassador had always replied that he had no information. I said I thought it would be useful to ask him again on this occasion anyway, since he, as Prime Minister, could hardly disregard numerous reports of this kind from his frontier. I suggested he also instruct his Ambassador in Moscow to make inquiries. Qavam said he would take both steps, that telegram to Moscow would be particularly useless. He remarked that Iranian request for agrément for new Ambassador to USSR had still received no reply although made 40 days ago. He said he would also telegraph full details to his Embassy in Washington.

I expressed the view that Iran Govt should prepare now to deal promptly with any infiltration before serious disturbances had chance to arise, in order to offer Soviets as little excuse as possible for sending in their troops to reestablish order.

While it is difficult to obtain definite information regarding Soviet troop movements near Iranian frontier, Qavam's reports may well be correct. Interpretation of purpose of such movement is even more difficult. As regards Qavam's interpretation it may be pointed out that

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[1] In an urgent message on October 4, the Embassy in Tehran advised that "There are indications that Soviets may now be centering their efforts on bringing about *coup d'état* in Iran, to put into power govt favorable to USSR. It seems probable that Soviet authorities realize that infiltration of irregulars into Azerbaijan would not be sufficient by itself to accomplish their purposes. *Coup d'état*, if attempted, would appear as spontaneous act of Iranian people and would enable Soviets to gain effective control of all Iran." (telegram 960, 891.00/10–447)

he is aware that his tenure of office as Prime Minister may be terminated as soon as Soviet oil question is out of the way. Consequently he wished to delay settlement of that question as long as possible. Soviet invasion threat gives him good excuse for following delaying tactics on oil question.

Repeated London 123, Dept pass to Moscow as 109.

ALLEN

891.6363/10–347 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

SECRET TEHRAN, October 3, 1947—1 p. m.

954. Many Iranian officials and deputies try to make the Soviet oil question appear to be a straight contest between US and USSR and to give impression that they oppose the Soviet proposals merely because they wish to avoid offending the US. By these tactics the Iranians hope to be able to refuse the Soviet proposals and at same time shift responsibility to our shoulders for their having done so.

Outstanding example of this maneuver was given in address over Tehran radio September 28 by Ibrahim Khadji-Nouri, Director of Propaganda, and assistant to the Prime Minister. While Khadji-Nouri declared in his speech that he was expressing only his personal views, he has since told me he cleared his speech with Qavam in advance.

Khadji-Nouri's speech contained statement that many Iranians were reluctant to approve Soviet proposals because they did not wish to offend the USA. He emphasized that Iran owed a great debt of gratitude to America for support given Iran in the past. He compared Iran to a mother having to choose between two suitors (US and USSR) for her daughter's hand (oil). He said one suitor (USSR) was insistent and quarrelsome, while the other (US) seemed indifferent towards the daughter but was very rich. He said that if two suitors were equal in other respects, any thoughtful mother would give her daughter to the one which was the greater lover of liberty, stronger, more peaceful, and richer.

I have pointed out to Khadji-Nouri and others that his comparison gives a false impression, since the US is not an applicant for Iran oil. Moreover, I have repeated many times that our interest in oil questions extends merely to the question of freedom of Iran to make its own choice, without being influenced by threats.

However, the Persians can present certain facts to justify their picture of the oil question as a US-USSR contest. Iranian Embassy in Washington has doubtless informed Iran Government that several American oil companies are in constant contact with that Embassy

and with Department to ascertain possibility of sending representatives to Iran to negotiate oil concession. Statements that American companies were interested only in southeastern area of Iran would make little impression in the present situation.

Despite our efforts to contrary, we shall probably not be able to prevent Iranians from continuing their line that present Iranian oil question represents struggle between US and USSR.[1]

Sent Department 954, repeated London 126.

Department pass Moscow 111.

ALLEN

[1] Telegram 611, October 7, to Tehran, reported that in discussions with the Iranian Minister on October 6, the Department "confirmed that US had refrained from seeking concession and added we were still not interested." (891.6363/10–347) In telegram 976, October 8, the Embassy in Tehran reported that the Propaganda Director "attempted in second radio speech to correct impression he had previously given that US was competing with USSR for Iran oil concession. He told radio audience in second speech that US had requested no oil concession or agreement of any kind in northern Iran or any other part of country since Qavam took office 19 months ago. He added that this disinterestedness by Americans was in fact regretted by all Iranians who admired the progressive and serious-minded American people." (891.6363/10–847)

Editorial Note

Ambassador Allen and Iranian Minister of War Mahmoud Djam signed an agreement at Tehran on October 6, which renewed the engagement of the United States Military Mission with the Iranian Army (telegram 966, October 6, 4 p.m., from Tehran, 891.20 Missions/10–647). The agreement was to continue in force until March 20, 1949. If Iran desired that the services of the Mission be extended beyond that date, it was to make a written proposal to that effect prior to September 21, 1948. The United States, on its part, agreed to act on such proposal prior to December 21, 1948. For the text of the agreement, see Department of State, Treaties and Other International Acts Series 1666; or 61 Stat. (3) 3306.

761.91/10–847 :Telegram

The Acting Secretary of State to the Embassy in Iran

SECRET WASHINGTON, October 8, 1947—1 p.m.

614. On instruction his Govt Iranian Minister Oct 6 delivered message saying Russians had concentrated troops along Azerbaijan and Khorasan frontiers. Added active artillery fire heard and air activity also noted. Minister asked our views re course Iran might follow.

Informally and as simply expression of opinion but not as advice, we said it would seem best for Iranian Govt to maintain complete outward calm this regard and refrain from public or private protest which would alarm Iranian people and encourage Russians in what seemed to be war of nerves. We pointed out Soviets had right to shift troops as they saw fit within own territories. Protest by Iran against activities within USSR might be used as precedent for USSR intervention in internal Iranian matters.

Minister said he agreed this viewpoint.

Sent Tehran as Dept's no. [614]; rptd London as Dept's no. [4338] and Moscow as Dept's no. [1821].

LOVETT

891.6363/10–1147 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

SECRET TEHRAN, October 11, 1947—11 p. m.

URGENT

992. Prime Minister Qavam informed me this morning that he plans to submit report on Soviet oil question to Majlis on October 19 in secret session. He said he would not propose any action for Majlis to take, leaving decision fully in Majlis hands.

He added in strictest confidence that his plan was for question to be referred by Majlis to appropriate standing committee and he read me suggested resolution which he himself had drafted but which he said would eventually come out of the committee as if at committee's own initiative. The resolution, if enacted, would call on Iranian Government to conduct oil explorations for five years through experts employed by Iran to determine whether oil existed. [It also?] provided for formation of mixed Soviet-Iranian company, 51 percent of shares to be Iranian, to exploit any oil found in commercial quantities. Qavam said he knew such arrangement would be unsatisfactory to Soviets but it would put Iran in better light in world opinion and might avoid drastic Soviet action. He emphasized that resolution would appear to be inspired solely by Majlis and not on Government initiative.

I said I was aware he was faced with difficult job in drafting resolution to steer through middle ground. As regards his statement, however, that his proposal was certain to be rejected by Soviets, I expressed view that it would be perhaps even more objectionable to Iranian public which appeared at present to be 95 percent opposed to any mixed Soviet-Iranian company. I predicted that major objection would be raised to his proposal on ground that it would create

one further moral obligation on Iran to make some kind of oil agreement with USSR eventually.

Qavam said he did not envisage that draft resolution would ever be enacted by Majlis and was merely device to drag question out indefinitely and avoid outright refusal of Soviet request for oil agreement.

As regards Qavam's intention to present report in secret session, I said I thought it would be better to present it in open session, since Soviets would always claim inadequate fulfillment of his undertaking to present their proposals to Majlis. Qavam said he personally agreed with me fully but that members of Majlis preferred that report be made in secret session. After our discussion he indicated intention of going into this question further with Majlis members.

I hope Qavam will adhere to his plan of making report on October 19 and that this phase of question will at least be out of way. As regards his proposed solution and his intention to drag question out indefinitely, I suspect that his hand will soon be forced by Shah, Majlis, or public opinion. I consider his solution very bad one and gave him no possible basis for claiming that he has obtained my concurrence.

Sent Department 992. Pass to London 136 and Moscow 120.

ALLEN

891.6363/10–1347 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

SECRET TEHRAN, October 13, 1947—3 p. m.

1001. Embassy will continue to do everything possible to correct reports by American newsmen and others (Deptel 623, October 9 [1]) that Iranian opposition to Soviet oil proposals is due to direct US prompting. We are repeating continually to Iranian officials and local press that decision regarding oil is entirely for Iran to make, our only concern being that Iran should be free to make it without menaces or threats of aggression.

I have talked with Currivan [2] since receiving Deptel 623, and have emphasized again our position. However as regards his despatch under reference I should point out that he was reporting entirely honestly when he said Iran's stand was attributable to US support. In view of uncertain British position Iranians would most certainly have given in to Soviet pressure if it had not been for American attitude.

As regards prompting, Iranian Embassy in Washington is probably not aware that Iranian Government itself has been largely responsible

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[1] Not printed.

[2] Gene Currivan, reporter for *The New York Times* in Tehran.

for propagating point of view which Currivan merely reported. Qavam's propaganda director in important radio speech (Embtel 954, October 3) implied that both US and USSR were contestants for Iranian oil and said that desire of Iranians to avoid offending USA was one of principal reasons for their opposition to Soviet proposals. Following my strong complaint he tried to explain or water down his statement (Embtels 981, October 9 [3] and previous) and he has apologized to me twice in person and expressed effusive regrets at our displeasure at his improper references to American position, but it remains abundantly clear that Qavam and many other Iranians wish Soviets to believe that Iran is acting under direct American advice. Iranians purpose is to direct Soviet ire against US. Qavam would naturally deny any such intention if asked but the facts stand out clearly.

While I have emphasized to Iranians that US does not give them public assurances of our support for their freedom of choice and then secretly tell them what to do, I realize that we are largely playing with words even in this regard. Overcoming the fear of aggression in Iran is the most positive way of influencing Iran's decision. Nevertheless, I concur fully with Department's view that we must continue to emphasize that our action is intended merely to support Iran's freedom to decide. Embassy is also taking every appropriate occasion to emphasize (Deptel 557, September 12 [4]) that our policy is carried out through UN.

ALLEN

[3] Not printed.
[4] Not printed, but see footnote 1, p. 952.

891.6363/10–2347 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

CONFIDENTIAL TEHRAN, October 23, 1947—noon.

1031. Majlis of Iran has refused Soviet oil proposals. After 18 months of delays and uncertainty the decision came with dramatic suddenness last night when Chamber voted 102 to 2 that the letters signed by Prime Minister Qavam and Soviet Ambassador Sadchikoff on April 4, 1946 made null and void.[1]

Prime Minister Qavam made last minute effort to delay final vote but the determination of deputies to take immediate action was irresistible. Qavam opened session with full report regarding Soviet petroleum demands beginning with his visit to Moscow in January 1946.

[1] The text of the legislation enacted by the Majlis on October 22 was transmitted by the Embassy in Tehran in despatch 539, October 29 (891.6363/10–2947).

After the report which required more than two hours to present leading member of Qavam's party and chairman of Foreign Affairs Committee Dr. Reza Shaffaq proposed immediate passage of a law declaring the April 4 agreement null and void, providing for petroleum exploration to be carried out by Iranian Government during next five years and stating that if existence of petroleum in commercial quantities is proved the Government may enter into negotiations for sale of petroleum to Soviet Union.

Qavam then made final plea against hasty action. He said that if Chamber wished to reject exchange of letters of April 4, it should do so in manner which would not close door against further negotiations with USSR. For this reason he objected to Shaffaq's request that his bill be considered under double priority which would permit its being voted on immediately without reference to Standing Committee. After brief debate the speaker put the question of priority to voice vote which carried by large majority. Promptly thereafter the Shaffaq proposal was put to secret ballot. One blank ballot was cast and one abstention which accounts for the two votes counted against proposal. It is not known what deputies cast these ballots.

Definite action by Majlis on this most controversial and difficult problem is highly gratifying. It remains to be seen what form Soviet reaction will take. Secondary question is effect which vote will have on present Government. I have just returned from presenting Congressmen Bolton and Merrow to Qavam and found him evidently relieved and pleased that the question had advanced thus far. Any uneasiness he may have regarding either Soviet reaction or his own future was well disguised.

Sent Department; Department pass Moscow as 122, repeated London 137.

ALLEN

891.6363/10–2347 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

CONFIDENTIAL TEHRAN, October 23, 1947—4 p. m.

1035. Events leading up to definitive rejection last night of Russian oil proposals were as follows: Majlis formed quorum Tuesday a. m. October 21 long enough to transact routine business but recessed without hearing Prime Minister's report on oil question since no agreement could be reached between majority and minority on how question should be handled. Minority refused to maintain quorum to hear re-

port unless prior agreement was reached on steps to be taken following report.

After recessing deputies gathered in secret meeting in Majlis building in further attempt break deadlock before afternoon session scheduled for 4 p. m. Qavam's supporters again attempted to persuade minority to maintain quorum to allow Qavam to present report and Absanjani, majority deputy from Qavam's home district of Lahijan proposed that bill following points be passed immediately after reading of Qavam's report:

1. Majlis appreciation would be expressed for Qavam's efforts to maintain good relations with Soviet Union.
2. Qavam–Sadchikoff agreement on oil (April 4, 1946) would be declared invalid.
3. Iran Government would be instructed to employ engineers (presumably of Swedish, Dutch or other small country nationality) to conduct 5-year oil survey in northern Iran. Oil deposits discovered would be made available for exploitation by stock company composed of 51 percent Iranian and 49 percent Soviet shares.
4. British oil concession in south would be renegotiated to obtain better terms for Iran.
5. Action would be taken to reassert Iranian sovereignty over Bahrein and cancel existing oil concession there.

Minority refused compromise based on foregoing five-point program on grounds that first point in effect absolved Qavam of having illegally negotiated with Soviets on oil in contravention law forbidding such negotiation. Minority insisted that question of Qavam's guilt was subject for action by competent court rather than Majlis. Agreement could [not?] be reached and meeting was terminated suddenly when unidentified minority deputy shouted that American Ambassador had just returned to Tehran from Turkey and had gone direct from airport to Qavam's house for important conference. Story immediately spread and was everywhere accepted as correct. Local AP correspondent who telephoned to confirm story was given unequivocal statement that I had not seen Qavam and did not intend to ask for appointment in near future, but denial was too late to have much effect. Wednesday morning's papers carried elaborated version in which my alleged conference with Qavam was reported to have lasted until 11 p. m. and that attempted reconciliation at Tuesday afternoon meeting had failed because Qavam at my insistence had telephoned his supporters in meeting that Amer Government opposed mention of Bahrein petroleum in five-point program.

Local press on Wednesday morning printed an amended text of five-point program which it was claimed would be introduced into

Majlis in session scheduled for that day. Amended version contained following significant changes:

1. Majlis would not express appreciation for Qavam's actions. On contrary it would clearly brand his letter of April 4 to Sadchikoff as contrary to law and invalid.
2. Oil discovered during 5-year exploration period would merely be offered for sale to Soviet Union.
3. Granting of any further oil concessions to foreigners and even preparation of agreements for joint stock companies with foreigners for exploiting Iran oil would be definitely forbidden.
4. Government would be called on to take steps to right wrongs done to Iran people in connection subsoil resources especially in southern oil fields. Bahrein was not mentioned.[1]

While foregoing report was fairly accurate statement of compromise finally reached, it was apparent that agreement had not been reached when deputies gathered Wednesday morning. Session was again postponed until that evening and met finally at 6:30 p. m. October 22 with results described Embassy's telegram 1031, October 23.

[Here follows a paragraph discussing an interpellation of the Qavam Government by a pro-Soviet Deputy in the Majlis.]

Sent Department; repeated London 138. Department pass to Moscow 123.

ALLEN

[1] In telegram 1038, October 25, Ambassador Allen advised that he had "not yet learned the details regarding elimination of the provision demanding Iranian sovereignty over Bahrein and cancellation of American concession there, which was in the original formula as drafted by a member of Qavam's party. Certainly I did not request its elimination as is widely believed here. It was undoubtedly included originally along with a provision for canceling the AIOC concession, partly to give appearance of neutrality between USSR and the western powers and partly in earnest, due to nationalism which has been aroused during fight against Soviet proposals. Final omission of any reference to Bahrein resulted, I understand, from views expressed by several deputies during secret debate. We have frequently emphasized to Iran officials that American people were opposed to any aggressive designs, whether by USSR against Azer or by Iran against Kuwait and Bahrein and influential deputies were wise enough not to become vulnerable on this point." (891.6363/10–2547)

891.014/10–2847 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

SECRET TEHRAN, October 28, 1947—noon.

1044. Two prominent members of Majlis have called on me to discuss question of Bahrein.

Mohammad Ali Massoudi, editor of leading newspaper *Ettelaat*, member of opposition who is pro-American and bitterly anti-Soviet

but who supports fully Iranian efforts to recover sovereignty over Bahrein, says he feels that Iranian rights to Bahrein are indisputable and that in simple justice its restoration to Iran should be assisted by nations like US which have supported Iran's sovereign rights so strongly in other respects. He thinks energetic Iranian action would be in America's own interests because it would show USSR that Iran was equally determined to protect its national interests in all directions and might thereby avoid Soviet aggression against Iran over refusal of Soviet oil demands. This would consequently avoid situation which might lead to world war III.

I told him I could not concur in Iranian claims to sovereignty over Bahrein on any grounds whatsoever, adding that I thought it would be cardinal mistake for Iran even to raise the question. I pointed out that Bahrein was neither geographically, economically, ethnologically nor even historically a proper part of Iran and that any neutral person would view question in same light. I said any attempt by Iran to extend its control to Bahrein would be regarded by world as aggression and that Iran, which itself had appealed to UN for support against aggression, should be most careful not be [*to ?*] become vulnerable to accusations on the same score. As regards his historic claims, I said Iran had more recent claim to Baku than Bahrein, and asked whether he proposed to lay claim to Afghanistan and India conquered 200 years ago by Nadr Shah, the last effective Iranian ruler over Bahrein. Historical argument might find Iran on losing side, vis-à-vis Russians who had been in occupation of various parts of Iranian territory from Peter the Great to 1946. I reminded him that numerous Iranian spokesmen had recently shown great enthusiasm over British evacuation of India because the people who lived in India were Indians not British and asked whether Iran could justify its domination of the Arabs of Bahrein. I emphasized that I spoke as a friend of Iran anxious to help Iranians avoid losing much sympathy not only in the US but the world.

Salman Assadi, leading Qavam supporter, called I suspect at Qavam's suggestion, to express views similar to those of Massoudi. He said Iran might request UN to appoint commission to examine Bahrein question and said he felt confident Baku [*sic*] would support Iran's case. He added that Iran would naturally assure US in advance that existing petroleum concessions in Bahrein would be respected. He said recovery of Bahrein would give Iranian people tremendous lift they needed, apparently to overcome their present inferiority complex, and would be first important step toward rebirth of nation. He referred to British admission of Iranian sovereignty over Bahrein in

1876 (Embassy's despatch 49, dated June 11, 1946 [1]) and said Iranian action regarding Bahrein would be directed against Britain and not US.

I repeated views already expressed to Massoudi, adding view that Iranian efforts to recover Bahrein would be directed more against local Arab inhabitants than anyone else, that all Arab states would certainly carry fight in UN against Iran's claims and that I did not believe Iran would find single supporter in UN. As regards so-called British acknowledgement of Iranian sovereignty over Bahrein, I said I had read the document and did not consider it conclusive in any way.

We will hear good deal of talk about Bahrein and newspaper this morning reports that a bill is already being prepared on the subject. I do not think however that we need to pay any great attention to it. Although all Iranians from Shah down would like exceedingly to regain Bahrein and are most eager to obtain some encouragement from US I do not believe many of them expect to succeed in bringing the island under Iranian control. Their chief purpose in raising question is to give appearance of neutrality as between USSR and West.

Sent Department 1044, repeated London 140, Jidda 40.

Department pass to Moscow 125.

ALLEN

[1] Not printed.

891.24/10–3047 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

SECRET TEHRAN, October 30, 1947—noon.

MOST IMMEDIATE

1056. Qavam's request conveyed to me through Deputy Izaz Nikpey since Qavam is confined to bed, was supported by statement that Iran having categorically refused Soviet oil request had now definitely aligned itself with democratic powers against totalitarian bloc and had placed itself in same category as Greece and Turkey. He pointed out that Iran was conspicuously open to Soviet aggression and that there was, therefore, no longer any reason for US to hesitate to aid in strengthening Iran's defenses or for Iran to hesitate to receive our aid. In fact he saw every reason in our own and Iran's mutual interest for our doing so. He emphasized urgency of matter and stressed determination of Iran to resist any Soviet aggression with all energy it could.

I pointed out limitations under present US legislation, which might make it difficult for us to accord more favorable terms than those already accorded. I agreed, however, to report request to Department and ask for urgent reply.

While I am fully aware of many complications involved in this matter, I strongly recommend that we take this occasion, following Iran's clear action in resisting Soviet pressure on oil to show that we support nations which take resolute action to defend their own independence. Iran has now definitely aligned itself on side of free nations. Our failure to make any response would be interpreted as leaving Iran to suffer consequences alone and would discourage not only Iran but others similarly situated. I consider it highly important for us to do something quickly.[1]

Principal difficulty Qavam faces in obtaining Majlis' approval for arms credit is our requirements that repayments be made in dollars especially when so much more favorable terms have been accorded Turkey and when Iranians feel that Iran and Turkey are now in analogous situations with Iran even more likely than Turkey (in their opinion) to be attacked.

I do not recommend that Department seek special legislation to accord Iran $25 millions worth of military supplies free (although Congressman Merrow said when here several days ago that he would be inclined to take initiative himself in Congress to request $50 million gift to Iran for this purpose). I consider it preferable for Iran to show its clear desire for our help through a request for loan ratified by Majlis. At same time I urge that I be authorized to inform Iran Government that we will not require repayment in dollars. I hope we can do so under our present legislation. There are good grounds for Majlis deputies to question wisdom of incurring large obligation for arms purchases repayable in dollars since such payment would diminish civilian goods Iran can purchase from US for industry, public welfare, et cetera. I suggest that we assure Iran that Iranian currency will be accepted in repayment of credit and that currency will be used by US for purposes such as that of the Fulbright Act, acquisition of property, strategic materials, et cetera.

Earliest feasible reply desirable, for greatest effectiveness generous terms than those contained in agreement signed in Washington June

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[1] In a letter of October 8 to Mr. Henderson, Ambassador Allen stated, in part: "Perhaps I am too close to the scene here to judge the over-all situation properly, but it seems to me, and to all the other responsible American officials here, that Persia, even more than Turkey, should be the keystone in any effort to construct a barrier against a Soviet aggression in the Middle East." (891.001 Pahlavi/10–847)

29 [*20*] regarding military credit. He would like for Iran to be given $25 million worth of supplies outright, in terms similar to those accorded Turkey. If this is not feasible, he urges that we at least allow them to repay in local currency.

ALLEN

891.6363/12–847

The Iranian Prime Minister (Qavam) to the Ambassador of the Soviet Union in Iran (Sadchikov)[1]

[No. 15531] TEHRAN, November 5, 1947.

MR. AMBASSADOR: I have the honor to bring to the attention of Your Excellency the following:

As I declared and promised to Your Excellency in letter No. 4,500 of 20 Shahrivar, 1326, (1)* the question of the creation of a joint Irano-Soviet Petroleum Company was placed before the Majlis in its session of 29 Mehr, 1326, (2)† and the Majlis, by passing a single article law, declared that agreement to be null and void, inasmuch as the agreement of 15 Farvardin, 1325, (3)‡ was not in accordance with the law of December 2, 1944. (4)§

Moreover, in the single article above mentioned the Majlis forbade the granting of any concession to foreigners for the extraction of petroleum or its derivatives in our country as well as the creation of companies of any description whatever for that purpose in which foreigners would participate.

In the same single article the Majlis directed the Imperial Government to take necessary technical and scientific measures for the survey of petroleum bearing regions and, within a period of five years, to establish complete technical and scientific maps of the petroleum regions of the country so that information concerning the existence of sufficient quantities of petroleum having been obtained, the Majlis might take legislative action setting forth the procedure for the commercial exploitation of petroleum bearing regions. When the existence of petroleum in commercial quantities in the regions of northern Iran shall be definitively determined as a result of the necessary surveys, the Government is authorized to enter into negotiations with the Soviet Government on the subject of the sale of petroleum products, informing the Majlis of the result of these negotiations.

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[1] Copy transmitted to the Department by Tehran in despatch 561, December 8.

* 1. September 19, 1947. [Footnote in the original.]

† 2. October 22, 1947. [Footnote in the original.]

‡ 3. April 4, 1946. [Footnote in the original.]

§ 4. So-called Mossadeq Anti-Concession Law. [Footnote in the original.]

I avail myself of the opportunity of begging you to accept the assurance of my high consideration.[2]

PRIME MINISTER AHMAD QAVAM

[2] Ambassador Allen and Prime Minister Qavam, on November 9, discussed relations between the United States and the Soviet Union. In pertinent part, the Ambassador reported to the Department the Prime Minister's statement that the "present war of nerves was worse for Iran than actual hostilities would be and asked how long it would continue. I said, again emphasizing that I spoke personally, that in my view it would continue indefinitely unless one of two things happened, either Soviet Govt showed more accommodating attitude in world affairs or else committed aggressive acts resulting in war. Since I saw little likelihood of either happening near future, I feared Iran would have to suffer continuance of war of nerves for some time." (telegram 1092, November 10, noon, from Tehran, 891.24/11–1047)

891.24/11–1047 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

SECRET
URGENT

TEHRAN, November 10, 1947—11 a.m.

1091. During long conversation with Prime Minister yesterday concerning military credit, Qavam said there was opposition to credit in Majlis due to three reasons:

1. He said some deputies hesitate to strengthen Iran Army at present due to their distrust of Chief of Staff Razmara and to their fear that he might use army to establish military dictatorship.
2. Other deputies believe ratification by Majlis of US arms credit immediately after Majlis refusal of Soviet oil concession might further antagonize USSR and feel that in absence of definite guarantee of prompt US military support in case of hostilities with USSR it would not be prudent for Iran to give further grounds for Soviet belief that Iran had become base of operations by US directed against USSR.
3. Other deputies believe Iran cannot afford to devote large sum to armaments especially in foreign exchange when imports from America for economic and social development are so much needed.

I asked Qavam to tell me frankly what he wanted of US in this matter. He answered as frankly that he would like for US to furnish Iran the $25 million worth of arms without requesting repayment. I said I would be glad to transmit his request but wished him first to consider all the factors and consequences. His request, if granted, would require a special act of Congress. To justify such an act, President Truman would undoubtedly have to inform Congress that Iran, since refusal of Soviet oil proposals, had now come into an analogous position to Greece and Turkey. Did his Government want us to say that with the consequences it entailed? I added that the Shah had indicated to visiting American Senators recently that in his view,

purpose of Iran and US would best be served by carrying out present arms credit arrangement with such liberalization as regards prices and repayment provision as might be possible without special US legislation.

Qavam commented in passing that decision whether Iran should ask US to consider Iran in category of Greece and Turkey was primary responsibility of the Government rather than Shah. He said Government would consider matter promptly. Meanwhile he wished we could extend Iranian army priority for two months from present expiration date of November 17.[1] He felt confident situation would have clarified in that time.

I said that while we in Tehran could understand and appreciate Iran's difficulties many officials in Washington would think Iran should state specifically whether it wanted our aid or not, since many other nations were clamoring for it. Qavam appealed to me to make Iran's position clear to Washington and hoped the difficulties he faced would be understood there as well as here. He asked incidentally whether Iran Government would have to request our aid in writing and whether the Greek and Turk Governments had had to do so. I said I presumed they had and that I myself would recommend this requirement in case of Iran and every other nation. I said that while Iran admittedly was in an especially difficult position, I thought it was a problem which his and every other government seeking our aid would have to face squarely.

I recommend that Qavam's request for two months extension of priority be granted.

As regards his request for gift of equipment, I presume Department will not wish to initiate action in this regard until further word is received from Iran Government. I should point out however that practically all members of Congress who have visited Iran this year have expressed belief that Iran is in same strategic category as Greece and Turkey and should be treated as such if Iran Government requests it and if President recommends it to Congress. Some of them notably Congressman Merrow have even seemed inclined to think that action should be initiated in Congress.

I am aware that there is some disposition in US War Dept to consider that our limited supplies can be utilized better in other countries than in effort to strengthen Iran Army. However, US military advisors here, Generals Grow and Schwarzkopf and Colonel Saxton, are unanimously of the view that relatively small sum for Iran would be most highly beneficial to American strategic interests at this time in enabling Iran forces to maintain in Tehran security thereby render-

[1] The actual expiration date was November 26, 1947.

ing Soviet intervention less likely and in enabling Iranians to carry out as effective delaying action as possible if aggression does occur. General Grow is recommending that high level US military delegation come to Iran promptly to consider this aspect of question.

Meanwhile Department's thoughts on question raised in this telegram will be welcome.

ALLEN

891.51/11–1847 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

[EXTRACT]

SECRET TEHRAN, November 18, 1947—2 p. m.

1129. Prime Minister Qavam asked me again yesterday in conference at his request (Embtel 1123, November 17 [1]) for free gift of arms. I asked him to state clearly basis for his request in order that there could be no misrepresentation of Iranian Government's position in matter.

It was clear from Qavam's hesitant and roundabout reply, not only that he had not thought out specific grounds for request but that he himself was not enthusiastic about it and was making it primarily because Shah wanted him to. He referred to necessity for careful wording of request to avoid giving Soviets additional cause for hostility and repeated that a good many Iranians themselves were opposed to strengthening Iranian Army under its present leadership.

I said if President Truman should ask Congress for special legislation to grant Iran's request, President would have to be able to state whether Iran considered itself threatened with aggression. Qavam said he was afraid gift of arms by US might actually increase rather than reduce that threat. He added, however, in strictest confidence that he himself was primarily afraid of Iranian Army.

I said that before Embassy could take further action Iranian Government would have to decide what it wanted. I assured him that US was not pressing its arms on Iran and that if Iran declined them, we would still be friends.

I then said I had been thinking matter over a good deal and had come to personal conclusion that if Iran wanted arms from US, first step was for him to present our existing credit offer to Majlis for ratification as it stands, bringing subject out in open for full debate. I thought he could obtain ratification if he tried genuinely to do so. He could assure Majlis that since Iran must have an army he wished to

[1] Not printed.

obtain best equipment with money available; that Government had examined matter closely and found US offer only feasible means of obtaining arms vitally needed, with prices averaging 10% of cost; that matter was entirely commercial proposition, with no strings attached and involving no foreign domination; and that if any Majlis member could suggest better bargain Government would welcome it. Otherwise any vote against proposal would be direct vote against Iranian Army and the dignity and perhaps independence of Iran. I thought he should make question one of confidence and let his Government stand or fall by results.

I said foregoing would have advantage of following democratic process and could do more than anything else to heal breach in Iran between civil and military authorities. Qavam seemed impressed with idea although he referred to risk either that proposal might fail in Majlis or that, if it succeeded, army might use added strength improperly. I admitted risk involved but thought he might succeed in gaining confidence and support of Shah and army by this forthright move. Qavam said he would discuss subject in cabinet and talk with me further.

. . . . . .

I should add that most American military advisers here consider strategic position of Iran is so important to US that we should furnish essential military supplies to Iran free, in our own interest and regardless of any possible disposition of some Iranian politicians to question our motives. These advisors are disposed to regard request of Shah and Qavam for gift of arms as sufficient basis for Embassy's referring request to Washington with favorable recommendations and without further delay. They think likelihood of pending arms credit being defeated in Majlis because of extraneous considerations such as opposition to Qavam, latter's own lukewarmness, British influence, et cetera, is too great for US to take this risk in view of direct strategic American interest in strengthening this area.

I admit force of their argument. However, under present conditions I am unwilling to recommend that Department initiate any direct aid to Iran program as long as there is possibility that it might backfire. Our own interests, strategic as well as political, might be more harmed than helped by any substantial expression of opinion in Iran that we were forcing our arms on country. Open discussion of present arms credit in Majlis is best method of ascertaining extent of such opinion.

ALLEN

891.51/11–1047 : Telegram

The Acting Secretary of State to the Embassy in Iran

CONFIDENTIAL WASHINGTON, November 18, 1947—6 p. m.

725. Urtel 1093 Nov 10.[1] Reported Brit influence against Majlis approval proposed arms credit disturbing to Dept. While we agree with your consistent explanation to Iranian officials that US has no desire force arms credit on Iran, we feel decision in this as in other matters should be made independently by Iran free from foreign pressure.

We understand here that Brit policy generally favors US aid to Iran and that close agreement exists re mutuality US–UK interests throughout Middle East. If some Brit officials in Iran oppose US aid to Iran, it would appear that they fail to appreciate overall policy their own Govt. It is suggested, therefore, that you discuss such matters as mentioned in ref tel frankly with Brit Amb who may not be aware of situation. Dept believes it preferable obviate difficulties wherever they arise in field rather than in London since latter might tend exaggerate importance out of proper proportion.

Please keep Dept advised facts which might be established there.

Sent Tehran, rptd London 4889.

LOVETT

[1] Not printed.

891.6363/12–847

The Ambassador of the Soviet Union in Iran (Sadchikov) to the Iranian Prime Minister (Qavam) [1]

TEHRAN, November 20, 1947.

I have informed the Soviet Government of your letter of November 5, of this year, declaring that the Majlis had decided to consider as null and void the agreement for the creation of the joint Irano-Soviet petroleum society concluded between Iran and the U.S.S.R. on April 4, 1946. Your letter contains an erroneous reference to the law of December 2, 1944, on the subject of concessions, for, as it is known, the joint Irano-Soviet petroleum company for northern Iran is not a concession but a joint Irano-Soviet enterprise.

The Soviet Government instructs me to bring the following to the attention of the Government of Iran:

In the agreement between the Governments of Iran and the U.S.S.R.,

[1] Copy transmitted to the Department by Tehran in despatch 561, December 8.

signed April 4, 1946, by Prime Minister Qavam of Iran in the name of Iran and by Ambassador Satchikoff in the name of the Soviet Union, the Iranian Government manifested its consent to the creation of a joint Irano-Soviet petroleum company for the prospection of petroleum-bearing regions in northern Iran.

The acquiescence of the Iranian Government in the creation of the aforesaid company was also confirmed by His Majesty the Shah of Iran in a special declaration made to Ambassador Satchikoff April 8, 1946.

The agreement of April 4, 1946, stipulated that "a treaty for the organization of the above-mentioned Irano-Soviet petroleum company which shall be concluded later on the basis of the terms of the present letter will be submitted for ratification when the newly elected Majlis of Iran shall begin its legislative activity and in any case not later than seven months from March 24, of this year". That is to say, not later than October 24, 1946. Thus the aforementioned agreement contains a direct engagement of the Iranian Government to submit to the Majlis within a definite period the treaty for the creation of a joint Irano-Soviet oil company.

This agreement was violated by the Government of Iran, for the Government of Iran refused to conclude the treaty for the creation of a joint Irano-Soviet oil company in spite of the fact that the conclusion of this treaty was provided for by the aforementioned agreement.

Another violation of the engagement assumed by the Iranian Government consisted in the fact that the question of the Irano-Soviet petroleum society was studied by the Majlis one year after the expiration of the period fixed by the Irano-Soviet agreement of April 4, 1946.

The third violation of the aforementioned agreement was that the Iranian Government not only has not submitted for ratification by the Majlis the treaty on the creation of the joint Irano-Soviet petroleum company as provided for in the agreement but has even pronounced itself to the Majlis against the conclusion of such a treaty. In so doing the Iranian Government has treacherously violated its undertaking.

The Soviet Government, moreover, cannot ignore the fact that the decision of the Majlis in nullifying the agreement for the creation of the joint Irano-Soviet petroleum company for Northern Iran at the same time that the British petroleum concession in the South is maintained, represents an act of categoric discrimination against the U.S.S.R.

In view of the foregoing the Soviet Government declares that the inimical attitude of the Iranian Government toward the Soviet Union is incompatible with normal relations between the two countries and that the Iranian Government will be responsible for the consequences.

I beg you to accept, etc.[2] SATCHIKOFF

[2] Telegram 3249, November 21, from Moscow, reported that on that day the Soviet press carried a Tass communiqué containing the texts of the recently exchanged Soviet-Iranian letters (891.6363/11–2147). The text of the Soviet Ambassador's letter was conveyed to the Department in telegram 3258, November 22, from Moscow (891.6363/11–2247).

891.852/11–2047 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

SECRET
URGENT

TEHRAN, November 20, 1947—10 a. m.

1136. Deptel 723, November 18.[1] Prime Minister Qavam expressed keen disappointment yesterday over rejection of Iran ship purchase application. He telephoned again today to urge that this Embassy support the Iranian application, which he said was regarded as of greatest importance by Iranian Government.

While it is difficult for this Embassy to estimate number of ships Iran could advantageously use, a small Iranian Merchant Marine would serve as important auxiliary arm to Iran security forces and, therefore, would be in keeping with our efforts to strengthen Iran's security. Vessels would also be potentially of great importance to Iran in case situation arises in which Iran needs assured means of importing minimum requirements under its own flag. Irans hope they may be able transport in their own ships military supplies to be purchased from US.

I recommend that at least three or four vessels be sold to Iran. It would be tangible evidence of our willingness to assist Iran in the post-war era as promised specifically by President Roosevelt in Declaration Regarding Iran. Our failure to do so would constitute one further discouragement and disappointment as regards fulfillment of those assurances.

ALLEN

[1] Not printed; the Department noted that steps were being taken by the Iranian Embassy to revise and supplement its application for reconsideration by the Maritime Commission and that the Department would give appropriate support (891.852/11–1347).

891.24/11–2247 : Telegram

The Acting Secretary of State to the Embassy in Iran

SECRET WASHINGTON, November 22, 1947—2 p. m.

740. We have completed study possibility complying with recommendation urtel 1056 Oct 30 (Deptel 694 Nov 6 [1]) and regret necessary conclusion that proposed arms credit arrangement cannot be amended to permit entire repayment in local currency. National Advisory Council, which has full legislative authority to determine terms of foreign credits, follows consistent policy of limiting local currency repayments to amounts which US Govt can reasonably be expected to spend abroad. Only present prospect of spending substantial rial balances in Iran is for Emb building program already begun and first year Fulbright Program now before Budget Bureau for approval. There is no additional property in Iran which Dept at this time considers appropriate for long-term purchase program. Dept does not know availability in Iran of strategic materials in list being forwarded for your comment. Fulbright Act will cover only exchange of persons for educational activities and incidental administrative expenses. Furthermore, Fulbright Act provides that local currencies expendable under Act can be accumulated only from sale surplus property located outside US. Only minor portion of items in scheduled arms purchase program are located abroad. Therefore, considering limitations upon both accumulation and expenditure local currencies, we are confronted with practical impossibility acceding to Qavam's request.

We agree fully with your recommendation that we should support nations such as Iran which resolutely stand up for their own independence and we are exploring every possibility of demonstrating that attitude. With regard arms purchase program, however, most favorable arrangement presently foreseeable is possibility extending grace period and amortization payments now under consideration.

In an attempt give time further consideration by Qavam and Majlis, we expect favorable action from Army on Dept recommendation that present expiration date Iranian priority be extended two months from Nov 26 [2] (urtel 1091 Nov 10).

We are disturbed, however, by certain points made in your recent tels as follows:

1. Iran Govt's inability to pay dollars for arms without weakening of Govt financial structure (urtels 1123 Nov 17 [1] par 1 and 1091 Nov 10 par 4). This Govt's offer of arms credit was conceived only as one

[1] Not printed.

[2] The Secretary of the Army agreed to the Department of State's request in a letter to Mr. Jernegan on November 21 (891.51/11–2147). Telegram 740 was drafted on November 20.

aspect of policy to assist Iran to present united front against foreign aggression. We do not advocate any action which, while possibly strengthening Iran armed forces, might strain national economy and consequently result in net weakening Iran Govt. Furthermore, as you have explained in past to Iran officials, US Govt does not wish to force arms credit on Iran nor does it wish to advocate any procedure by which reluctant approval of arms credit by Majlis might be obtained. We would particularly regret development of this issue into test of Cabinet strength.

2. Qavam's hesitation to support arms program because of fear of strengthened army under present leadership (urtel 1129 Nov 18 par 3 and 7 and 1091 Nov 10 par 2).

3. Vacillation of Shah concerning form in which assistance should be rendered by US (urtel 1072 Nov 5 par 4;[3] 1123 Nov 17 [4] par 1; 1129 Nov 18 par 7).

4. Use of arms credit issue by Shah as basis for determining extent of his support of Qavam (urtel 1101 Nov 12 [4] and 1129 Nov 18 par 7).

With regard to Point 4, we would welcome your considered opinion regarding possibility that arms credit issue is being used by either side in Shah–Qavam struggle as political football rather than as part of program to unify and preserve internal security of nation. We would also be interested in Emb views, and if possible those of Ebtehaj concerning Iran's actual ability to utilize credit if approved by Majlis, bearing in mind necessity for advance payment of packing and shipping charges which may total twenty-five million dollars.

LOVETT

[3] Not printed; it reported on the audience of the members of the Subcommitttee of the Senate Appropriations Committee with the Shah. Paragraph 4 read as follows: "Although several of the Senators declared themselves prepared to support or even sponsor legislation at special session to place Iran on same footing as Greece and Turkey if Iran so desired, Shah (somewhat to their surprise) did not regard this as necessary or even advisable. He did not specify his reasons for this; I am aware that while he himself is prepared for Iran to declare itself openly on the side of the western powers and thinks Iran has in fact gone far in this direction by rejecting the Soviet oil proposals, he is conscious of the fact that many Iranians are still reluctant to abandon country's historic policy of neutrality as between great power blocs." (033.1100/11–547)

[4] Not printed.

891.6363/12–847

The Iranian Prime Minister (Qavam) to the Ambassador of the Soviet Union in Iran (Sadchikov) [1]

[No. 16807] TEHRAN, November 23, 1947.

Acknowledging receipt of your letter of November 20, 1947 I beg you to communicate the following considerations to the Soviet Government:

I. When you declare that my reference in letter number 15531 of 13

[1] Copy transmitted to the Department by Tehran in despatch 561, December 8.

Aban 1326 (1)* to the law of 11 Azar 1323 (2)† relative to the prohibition against granting concessions is not founded, it must be recalled first: the question of concessions was not taken up at all in our conversations, because in accordance with Article I of the law above-mentioned, it is made clear that any negotiation concerning the granting of concessions is absolutely forbidden to the Government under penalty of sanctions; and second: the Government believed that in conformity with Article II of the law above-mentioned it was authorized to enter in conversations looking toward the creation of a company for the extraction and sale of petroleum and to bring the results of such conversations to the attention of the Majlis. However, the Majlis, which alone is competent to interpret laws, declared that the point of view of the Government was contrary to the intent of the law above-mentioned and for that reason it (the Majlis) would not approve the constitution of a mixed Irano-Soviet Company and went no further in the matter.

II. It is evident that my agreement to the creation of an Irano-Soviet petroleum company was contingent upon the approval of the Chamber of Deputies, for in accordance with the constitution of Iran no engagement or treaty can have the force of law as long as it has not been approved by the Majlis and signed by His Imperial Majesty The Shahinshah.

III. In the matter of the delay in presenting to the Parliament the agreement for the constitution of a joint company it goes without saying that the officials of the Soviet Government are perfectly aware that the causes of this delay were beyond the power of the Iranian Government.

It is incontestable that elections can not be carried on in a country without security and tranquility, and Soviet Government realizes that the Government of Iran could not begin elections and subsequently assemble the Majlis in order to submit the report of the petroleum agreement before the return of the situation to normal and the re-establishment of the Government's power in the whole country.

IV. The refusal of the Government to sign the treaty and to submit it to the Majlis, as pointed out in letter number 4500 of 20 Shahrivar 1326, (3)‡ is based on the law of 11 Azar 1323 (2),† which declares that the Majlis must be notified beforehand of conversations in which the Government participates.

V. The allegation of the Soviet Government that the Iranian Government, instead of submitting to the Majlis the agreement for the constitution of a company, pronounced itself against the creation of

*(1) November 5, 1947 [Footnote in the original.]

†(2) December 2, 1944 (the so-called Mossadeq Law) [Footnote in the original.]

‡(3) September 19, 1947 [Footnote in the original.]

such a company is a cause of astonishment and regret, for, in conformity with the promise given, in my report of 29 Mehr 1326 (4)§ I submitted the petroleum agreement in question accompanied by a draft law concerned with the agreement proposed by the Soviet Government.

Moreover I believed it my duty to make the necessary recommendations to the Deputies and to remind them that they should make decisions in this matter only after study and reflection. However, in spite of these specific recommendations the Majlis did not proceed with the agreement, but adopted another plan for the extraction and exploitation of petroleum in the North, which plan is mentioned in the single article law of 29 Mehr (4)§ the substance of which was brought to the attention of the Soviet Embassy in the letter of 13 Aban 1326. (5)‖

Consequently at the same time that I protest against the declaration against [*by?*] the Soviet Government relative to my infidelity to my undertaking, I state that, for my part, I have in no way broken my promise but on the contrary I have acted frankly and straightforwardly in accomplishing my given word.

VI. The Iranian Government is not in agreement with the point of view of the Soviet Government when the latter declares that the nonrealization of the agreement on the creation of an Irano-Soviet Company is a flagrant discrimination against the USSR, in view of the existence of the Anglo-Iranian petroleum concession in the South; for the southern petroleum concession has existed for a considerable time, whereas the decision of the Majlis concerning the agreement of 15 Farvardin 1325 (6)¶ is based upon a law voted 11 Azar 1323 (2)† that the Government is responsible for executing. The best proof of the non-existence of discrimination against the Soviet Union is the law of 29 Mehr 1326 (4),§ which prohibits the participation of all strangers and foreign companies in the extraction of petroleum in the North of Iran but which, however, authorized the Iranian Government to enter into conversations with the Soviet Government for the sale of petroleum products in the event that, after technical investigation, it becomes established that petroleum in sufficient commercial quantities exists in the northern regions of Iran.

This special provision is a proof of the friendly attitude of the Iranian Majlis and Government towards the neighboring government, which, in fact, should appreciate such a decision.

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†(2) December 2, 1944 (the so-called Mossadeq Law) [Footnote in the original.]

§(4) October 22, 1947 [Footnote in the original.]

‖(5) November 5, 1947 [Footnote in the original.]

¶(6) April 4, 1946 [Footnote in the original.]

Consequently the Imperial Government of Iran considers the protest of the Soviet Government as without foundation.

Moreover in view of the declarations made by me in my report to the Parliament concerning the sincere desire of the Iranian Government and people to strengthen their long standing friendship with the Soviet Union, it is a source of astonishment and regret to hear of the hostile attitude of the Iranian Government towards the Soviet Government and to be informed that the Iranian Government will be held responsible for its attitude.

I find myself obliged to refute energetically and categorically the following sentences of your letter of November 20; "the Soviet Government declares that the unfriendly attitude of the Iranian Government towards the Soviet Union is incompatible with normal relations between the two countries and that the Government of Iran will be responsible for the consequences thereof". On the other hand I am certain, as I stated at the end of my report to the Majlis, that the Iranian Government and people follow no discriminatory policy and adopt no unfriendly attitude towards the Government of the Soviet Union, for such a conception is condemned by logic and reason and can not arise in the spirit of any Iranian.

If only the pressure, the threats, the provocations and the unjust propaganda (such as the recent broadcasts of Radio Moscow and Radio Baku) came to an end, we could in an atmosphere of peace create reciprocal confidence.

We expect that the Soviet Government, which has sacrificed so much for the independence of peoples and the respect of their rights, will today likewise continue to treat in the same generous manner the friendly and neighboring Government of Iran, so that the unfriendly [*friendly?*] and sincere relations between the two countries may be increasingly strengthened and reinforced.

Please accept, Mr. Ambassador the assurances of my consideration.[2]

AHMAD QAVAM

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[2] In telegram 1162, November 26, from Tehran, Ambassador Allen advised that Prime Minister Qavam had raised a question with him as to whether he should report the situation to the United Nations. The Ambassador's reply was that "publication of Soviet note of November 20 together with his reply made public yesterday would serve to inform world opinion regarding situation and that no formal communication to UN seemed called for at present." (761.91/11–2647)

Then, in the next numbered telegram the same day, the Ambassador gave his opinion that the Iranian reply to the Soviet letter contributed little to the battle of words over the oil question. He suggested, however, that the reply was noteworthy, for two reasons: "first, it was prompt, in sharp contrast to reaction of Soviets who had taken month to declare their attitude following Majlis refusal of their oil proposals; and second. It was strongly worded rejection of Soviet protest that Iranians had acted in unfriendly and discriminatory manner toward USSR." (891.6363/11–2647)

891.51/11–2847 : Telegram

The Ambassador in Iran (Allen) to the Secretary of State

SECRET TEHRAN, November 28, 1947—9 a. m.

1165. Two days ago Qavam's closest associate, Izaz Nikpey, Majlis deputy from Isfahan told me at Qavam's request that Qavam had recently had renewed indication of Shah's dissatisfaction with him and that Qavam was on point of inviting Shah to dismiss him. In response to Nikpey's question whether I felt there was any chance of healing breach between Shah and Qavam, I said I thought Qavam had good opportunity to do so by supporting US arms credit in Majlis. I emphasized again that decision on arms question was entirely for Iran to make but that if Government considered credit desirable, I believed Qavam could put it across.

Nikpey called today to say Qavam had decided to support credit in Majlis. Nikpey felt confident it would pass and hoped Qavam's support of military measure would do much to placate Shah.

I should add that Nikpey who is probably leading pro-British deputy in Majlis assured me that he and his friends in Majlis favored arms credit strongly. This is good indication that reported British opposition to credit (Deptel 725, November 18) is not serious. I am confident that whatever undercover British opposition there may be does not stem from Ambassador and probably comes from Military Attaché Pybus and Air Attaché Hughes.

In view of Deptel 725, I discussed question with British Ambassador yesterday. He said he agreed 100% with my view that matter should be presented to Majlis and full debate encouraged. I did not feel warranted in taxing him directly with alleged British opposition since I could not support accusation and since all evidence I have indicates he is at least neutral. Moreover, I could hardly ask him to advise his Iranian friends to support project since we ourselves are refraining from advising Iranians in matter. Active British interest on behalf of project would probably do more harm than good and such British opposition as there is may do more good than harm.

If Qavam in fact presents credit to Majlis and supports it strongly, he will deserve considerable credit. He knows that his enemies will take advantage of his act to declare that he is an American tool and he strongly objects to being considered tool of anyone. Ironically enough if he supports credit, he will incur this criticism and risk defeat of his Government for sake of army which he distrusts.

Sent Department 1165; repeated London 153.

ALLEN

891.6363/12–847

The Ambassador of the Soviet Union in Iran (Sadchikov) to the Iranian Prime Minister (Qavam)[1]

TEHRAN, December 1, 1947.

Upon instructions from the Soviet Government I wish to submit the following to your attention, in reply to your letter No. 16807 dated November 23 of the current year:

In the note of the Soviet Government dated November 20 of the current year, indisputable facts were given concerning the violation by the Iranian Government of the Agreement of April 4, 1946 for the formation of a joint Irano-Soviet Oil Company.

The reply of the Iranian Government, which was contained in your letter of November 23 is not a denial of the facts stated in the note of the Soviet Government but completely confirms them. An entirely useless effort has been made in that letter to legalize the violation of the obligation which the Iranian Government had assumed.

Therefore, according to the above-stated facts, the Soviet Government absolutely confirms the text of its note of 20 November of the current year.

Please accept, etc.[2] I. V. SATCHIKOFF

[1] Copy transmitted to the Department by Tehran in despatch 561, December 8.

[2] The Embassy in Tehran commented in telegram 1203, December 6, that the latest Soviet note "adds nothing new. Coming after ominous closing statement Sadchikoff's previous note new message seems anticlimactic and indicates Sadchikoff still maintains normal relations with Iranian Government contrary predictions he would be recalled immediately." (761.91/12–647)

891.00/12–447

Memorandum by the Acting Chief of the Division of Greek, Turkish, and Iranian Affairs (Jernegan) to the Director of the Office of Near Eastern and African Affairs (Henderson)

[WASHINGTON,] December 4, 1947.

Subject: Desire of the Shah of Iran for Increase of His Constitutional Powers.

There is attached the text of a telegram from the British Foreign Office to the British Embassy in Tehran[1] on the above subject. You will note that the Foreign Office would be glad to learn our views.

When I discussed this subject briefly with you recently, I understood your feeling to be that the matter was a purely internal one for Iran and that we should not express any view to the Shah or the Iranian Government. As for the desirability of the Shah acquiring

[1] Undated message not printed.

the power to dissolve the Majlis, which is the particular constitutional revision he seems to have in mind, I recall that you pointed out that such an increase of power might not be a bad thing since strong governments in countries bordering the Soviet Union have generally been better able to resist Soviet domination, e.g., Poland before the war and Turkey today.

Since our conversation, Tom Bromley [2] has pressed us for our views and we in GTI have given considerable thought to the matter. I have concluded that in this, as in other related matters, we should have a clear view of what is desirable and, with that view in mind, decide what to communicate to the Iranian Government, the British Embassy, or our Embassy in Tehran. We do not feel that any increase of the Shah's constitutional powers is desirable and we think that this view should be communicated, upon request, to the British Embassy for information and to George Allen under instruction.

The subject is not, in fact, as new as it might appear. When Clyde Dunn was in Tehran in May, the Shah deplored the lack of progress in Iran and attributed it to his personal lack of constitutional power. Subsequently the Shah stated his views on the subject in a personal letter to Ambassador Ala who, in turn, during the course of an informal conversation with Mr. Dunn at the Embassy, asked his views on the matter. Mr. Dunn limited his reply to the personal observation that stability seemed to be the greatest need in Iran at the present time in the face of a continuing crisis and that any proposal of constitutional change might well produce serious contention in Tehran and, therefore, just the instability which the Soviet Union would welcome. I understand that Ambassador Ala agreed with Mr. Dunn's informal position and indicated his intention to state it as his own in replying to the Shah.

As for the desirability of an increase of the Shah's constitutional power, I recognize that political wrangling in the Majlis among selfish aspirants for power does appear to delay the execution of a program of economic and social reform in Iran; that Iran is a backward country and not fully prepared for democratic processes valued among the western democracies; and that the Shah has, by philanthropic actions, shown signs of interest in the welfare of his people. At the same time, I feel that the Majlis, by its very nature as a public forum of popular leaders, is inherently both a safeguard against concerted Soviet pressure upon any single source of power in Iran and also a factor conducive to sympathetic public opinion in this country; that Iran enjoys the prospect of such development as would make democratic processes more productive; and that the Shah's record is not one to inspire

[2] First Secretary of the British Embassy.

confidence in the personal rule which would probably follow the constitutional change he has in mind. . . . As for the effectiveness of strong periphery governments in resisting Soviet pressure, it must be recognized that Shah Reza's régime, undermined by popular dissatisfaction and financial instability, collapsed completely in 1941; and, I believe, the strength of Turkey must be attributed fundamentally to a popular nationalism espoused by young leaders in the country rather than the continuing leadership of any one man. We doubt, therefore, that any constitutional change giving the Shah increased authority is either necessary or desirable for the furtherance of economic and social reform in Iran.

As for what we should communicate to others on the subject, I feel that we should indicate to the British Embassy our concurrence with the views expressed in the attached Foreign Office telegram, namely, that the proposed constitutional change would at this time endanger the stability of Iran; and that we should make clear to Ambassador Allen our views as to what is desirable, with the instruction that he communicate our thoughts, if his views are requested by the Shah, along that line.

The more I think of the matter, the more I feel that we would be on safe grounds, not only in our assessment of the situation in Iran, but also in strengthening and maintaining support of American public opinion for our objectives vis-à-vis the Soviet Union in the Middle East, in following the above course.

If you indicate your concurrence, we will tell the British Embassy that we agree in general with the reasoning in the attached Foreign Office telegram and will draft a telegram to George Allen setting forth our views as to what is desirable in the premises with the instruction that he communicate those views to the Shah on appropriate occasion.

JOHN D. JERNEGAN

891.00/12–947

The Acting Chief of the Division of Greek, Turkish, and Iranian Affairs (Jernegan) to the Ambassador in Iran (Allen)

[Extract]

CONFIDENTIAL WASHINGTON, December 9, 1947.

INFORMAL—OFFICIAL

DEAR GEORGE: I think my letter of December 4 in part answered yours of November 24[1] about your difficulties in answering queries

[1] Neither printed.

regarding the alleged difference between our policy towards Iran and our policy towards Greece and Turkey. The essential difference, as you have pointed out to your questioners, is that Iran has never officially requested the type of support we are giving to Greece and Turkey. This, of course, is only a temporary answer, but it ought to be pretty conclusive until the Iranians make up their own minds.

It might be useful to recall, also, that our program of aid to Greece and Turkey was brought about by the critical, urgent necessity of filling a gap left by the British withdrawal. No such situation has come about in Iran.

I think I can say that we in NEA, at least, regard Iran as completely on a par with Greece and Turkey so far as its importance to the United States is concerned. This attitude is, I believe, shared by the Service Departments, and is concurred in by our own high command in the Department. I do not know what Army and Navy think about the relative strategic importance of the Persian Gulf and the Turkish Straits, but my own inclination would be to agree that the oil fields are at least as important as the Straits. The big question is: what can we do about it, and what are the best methods to employ in trying to protect Iran? As I indicated in my last letter, I am far from convinced that Iran's safety can best be promoted by arraying her unequivocally and irrevocably in the Western camp in opposition to the Soviet Union. If I could think of a way to give real assistance to Iran without automatically forcing her into open opposition to the USSR, I would start pushing it immediately.

. . . . . .

As ever, JACK

891.24/12–947 : Telegram

The Chargé in Iran (Somerville) to the Secretary of State

SECRET TEHRAN, December 9, 1947—2 p. m.

1213. Embassy has discussed with Ebtehaj whether feasible Iran meet condition for arms credit of advance payment possibly totaling dollars 25 millions for packing shipping charges[1] (Deptel 740, November 22).

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[1] In telegram 776, December 13, the Department informed the Embassy in Tehran of estimated sales prices of matériel selected by the Purchasing Mission for the Iranian Army, as follows: "sales price equipment for Army $6,400,000 (original cost $40,000,000). Packing and transport to shipside $5,400,000. Repair of equipment not ready for issue $2,050,000. Loading and ocean freight $10,800,000. Total $24,650,000. Payable under credit $6,400,000. Payable in cash $18,250,000." (891.24/11–2547)

[Here follow details of discussion.]

In Embassy's opinion payment of dollars 25 million could be made without serious adverse economic effects only if British convert sterling in accordance November 6 financial agreement (Embtel 1102, November 13 [2]). Ebtehaj considers British would be obligated to convert since Iran would be purchasing goods at low price in US and transport and packing charges should be regarded as part of cost of goods. Present total exchange resources in Banking Department Bank Melli (including sterling available for conversion) are equivalent approximately dollars 72 million and would be reduced to dollars 47 million by dollars 25 million payment. This would not unduly strain Bank's position. Suggest Department refer pp 29–30 Embassy report 195, August 2 [3] for analysis position as of March 21, which rather closely corresponds present position.

On other hand, in absence convertibility sterling payment, this magnitude would be definitely detrimental Iran economy since it would use up nearly all free metallic reserves. Bank Melli in this [*these*] circumstances would be extremely unlikely to consent to payment.

Re point 4 Deptel 740, any consideration of arms credit has been entirely overshadowed by current Cabinet crisis (Embtel 1211, December 9 [3] and previous) and as far as we are aware, there is no evidence credit is being used as political football or in fact is element of any importance in present political situation.

SOMERVILLE

[2] Not printed; it reported that an agreement, initialed at London on September 3 by the Bank Melli Iran and the Bank of England, was subsequently approved by the Iranian and British Governments, to come into operation from November 6. The agreement restored convertibility of pound sterling as of July 15 and additionally provided for convertibility to American accounts for current transactions. This latter was qualified by a clause whereby the Iranian Government would not seek transfers to American accounts except to purchase goods it considered essential to its economy which could not be obtained in equivalent terms respecting price, delivery date, and quality in the sterling area or elsewhere for sterling (891.5151/11–1347).

[3] Not printed.

891.00/12–2247 : Telegram

The Chargé in the United Kingdom (Gallman) to the Secretary of State

SECRET LONDON, December 22, 1947—11 a. m.

6579. Asked to call by Pyman Embassy official was told December 18 that on December 17 FonOff telegraphed British Embassy Tehran (repeated Washington) its comments re Qavam explanation of his "anti-British references" in his two speeches (Embassy's 6377, De-

cember 8 [1]). Embassy official was handed copy this telegram of which full text is being airgramed but which should now be available from British Embassy Tehran, Washington.

2. In substance FonOff describes Qavam's statement [not?] "very satisfactory" because they are disparaging to AIOC and liable create impression contrary to facts that substantial modifications in concession are being sought thus stirring up anti-British feeling quite needlessly and in light statements Qavam or some other Prime Minister may well in due course argue that because expectations public opinion he must insist important modifications concession.

3. Re Bahrein telegram states Iranian Government knows very well HMG does not and will not recognize Iranian claim. "In seeking at this moment to raise this dormant question Qavam's purpose appears to be to appease USSR by attacking HMG".

4. Telegram continues that HMG does not expect or desire fulsome speeches in praise UK but feels entitled to ask Iranian Government "after all I have done to support Persia's independence" not stir up anti-British feeling and to refrain from further public statements.

5. In paragraph which according Pyman, was added last moment following Qavam's resignation [2] Le Rougetel is told to take early opportunity to inform his successor and to express hope successor will not follow Qavam's example.

6. Telegram contains following paragraph: "I am asking American Embassy London to suggest to State Department that US Ambassador Tehran might speak Qavam about general undesirability of arousing feelings against HMG and in particular to press Iran Government not to raise their claim Bahrein".

7. Pyman said purpose underlying FonOff telegram was to dissuade so far as possible Iranian Government from short sighted "bogus balance" policy (Embs 6346, December 5, paragraph 2 [3]). While telegram necessarily deals with interests primarily British there is general question involved which on some future occasion might plague US interests. Consequently Pyman inquired whether USG might be willing instruct Ambassador Allen on some suitable occasion to bring home to Iranian Government in general terms that it does neither Iranian Government nor anyone else any good if Iranian Government takes [*makes?*] anti-British speeches and if in pursuit of equilibrium policy Iranian Government seeks out grievances to raise with HMG or any other government. Pyman said HMG would be "particularly grateful"

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[1] Not printed.
[2] On December 10.
[3] Not printed; it stated that "bogus balance" meant "that as soon as Iran gives USSR a kick it must deliver comparable kick to some other power—usually to HMG." (891.00/12–547)

if USG will try to discourage Iranian Government from raising Bahrein issue.[4]

8. Embassy official undertook to put question to Department but pointed out that Hekmat had been Prime Minister for scarcely 48 hours and that so far as is known has not formed Cabinet. Pyman said Le Rougetel has complete discretion as to timing and form representations and that he thought there was "no hurry". He remarked that if USG should decide to instruct Ambassador Allen latter could pick effective moment after Le Rougetel has had his say.

9. Subsequent December 20 press record resignation Hekmat. Pyman's old instructions still stand for Qavam's successor whoever he may be and whenever he takes office.

Sent Department, repeated Tehran 101; Moscow by pouch.

GALLMAN

[4] In telegram 805, December 24, 2 p. m., to Tehran, the Department stated: "In your discretion you may take appropriate occasion express informally view that Iranian Govt would be well-advised avoid public attacks on British Govt. You may also reiterate views previously expressed that Iranian claim to Bahrein unfounded and that pressing this claim could serve no useful purpose." The message was repeated to London as No. 5357 (891.00/12–2247).

891.00/12–2647

The Ambassador in Iran (Allen) to the Acting Chief of the Division of Greek, Turkish, and Iranian Affairs (Jernegan)

CONFIDENTIAL TEHRAN, December 26, 1947.

DEAR JACK: [Here follows a reference to Mr. Jernegan's letters of December 4 [1] and 9.]

First and foremost, it is important for us to know your thought that special legislation for Iran might not be out of the question. We have been completely in the dark on precisely this point, and I have often wished I could fly to Washington for half a day to find out. I knew it would probably do little good to put up a theoretical question to the Department, based on hypothetical assumptions, at least until the Persians made up their minds whether and in what form they wanted our help. I have often wondered, however, whether we were wasting our time here in many of the speculations and discussions we have held on the subject, for it has seemed to me quite possible that for one reason or another special legislation for Iran might be entirely out of the question. Your letter indicates that this might not be the case, so we can now proceed more intelligently. I am, of course, fully aware that yours is a personal expression of opinion, but at the same time it is

[1] Letter of December 4 not printed.

extremely valuable, for if there were insuperable obstacles you would probably be aware of them.

In the second place, it is most useful to have your remarks regarding the comparative importance of Iran and Turkey and that the strategic importance of Iran is fully appreciated. You may feel that I should have known this all along, but without some indication, I could not be certain, in view of our military aid to Turkey and the difficulties we face here in connection with our arms credit proposals to Iran.

As for the best manner of assisting Iran, I am in very much the same frame of mind as you, which is to say, one of uncertainty. General Grow, whose opinion I value most highly and whom I regard as one of the most effective American officials I have seen in action abroad, feels strongly that I should recommend a fifty million dollar grant to Iran immediately, without further ado. Both the Shah and the Prime Minister have requested direct aid several times, as you have noted from our telegrams, and your letters seem to indicate that if the Embassy had recommended it strongly, without any equivocation, there might have been a chance of enactment. Yet I have assumed the responsibility of consistently and stubbornly, if you wish, declining to recommend it, and have insisted that an indication by the Majlis of a desire to receive our assistance is necessary. I have given the matter a great deal of thought, and have been constantly faced with the realization that I might be blocking consideration of a direct aid program to Iran. It is primarily for this reason that I have recommended that General Grow be called to Washington. I want him to express his views fully to everyone concerned there, for I want to be certain that his point of view gets an adequate hearing. Perhaps I am too hesitant in this matter. Perhaps, if Ed Wilson,[2] for example, had followed the same policy as strictly in Turkey and had insisted on a request from the Turkish Parliament, no aid-to-Turkey program might have been enacted. I don't know. At the same time, I remain convinced that we should require the Iranians to stand up and say clearly whether they want our assistance or not, before we make any further move. The best way I know to get a clear-cut expression is for the arms credit to go before the Majlis. I am well aware that the Majlis is not a representative body in our sense, and that a large number of extraneous considerations would enter a debate over purchase of American arms. However, the Majlis is the nearest thing to an expression of Iranian opinion there is, and we are on much safer grounds in sticking to our guns.

[2] Edwin C. Wilson, Ambassador in Turkey.

I have often been faced with the problem whether to continue to insist on democratic processes in Iran. One is frequently made aware here that Iran is not ready for full democracy and that, as the result of insisting on democratic processes in a country not ready for them, we often get more fraud, corruption, and self-seeking than we do good government. One is tempted by the thought that, although a dictatorship of the Reza Shah variety would be undesirable, perhaps a middle ground of a somewhat stronger government would be preferable to the chaotic and corrupt condition we now have. However, I have steadfastly resisted the temptation, and my own policy continues to be based firmly on support of democratic principles, no matter how badly they may be carried out in practice. The Shah sometimes uses cogent arguments with me on the subject, but I continue to argue for the ways of democracy.

The best way for Iran to become a decent democracy, it seems to me, is to work at it, through trial and error. I am not convinced by the genuinely held view of many people that democracy should be handed down gradually from above, even though Turkey is frequently cited as an example to the contrary.

[Here follow last four paragraphs dealing primarily with the visits of Congressmen to Iran.]

As ever,

GEORGE V. ALLEN

PALESTINE

INVOLVEMENT OF THE UNITED STATES IN THE ARAB-ZIONIST CONTROVERSY CONCERNING THE FUTURE STATUS OF PALESTINE;[1] THE ISSUE AT THE UNITED NATIONS

867N.01/1–647 : Telegram

The Ambassador in Egypt (Tuck) to the Secretary of State

RESTRICTED CAIRO, January 6, 1947—2 p. m.

13. Arab League meeting yesterday, Lebanese Premier al-Solh, Nokrashy Pasha,[2] Yussef Yassin,[3] and representatives Iraq, Syria, and Trans-Jordan decided each state should send delegations to Palestine Conference, London.[4] Azzam Pasha [5] informed Ireland [6] he does not expect to attend giving poor health as reason.

League has addressed note to British Government requesting it invite Arab Higher Committee to send Delegation to London for Conference. Note attaches importance to such representation in belief it will pave way to results desired by all concerned.[7]

Note also despatched requesting British to restore civil rights to Amin al-Husseini [8] and to grant him permission to return to Palestine.

Sent by pouch to Arab capitals. Repeated to London.

TUCK

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[1] Continued from *Foreign Relations*, 1946, vol. VII, pp. 576–737.

[2] The Egyptian Prime Minister.

[3] The Saudi Arabian Deputy Minister for Foreign Affairs.

[4] Telegram 10, January 8, from Damascus, reported that on January 6, Syrian Prime Minister Jamil Mardam issued a statement to the press in which he outlined the three principles governing Arab participation in the Palestine conference: rejection of partition; rejection of a Jewish state; and refusal to sit with the Jews at the conference table (867N.01/1–847).

[5] Abdul Rahman Azzam, Secretary-General of the League of Arab States.

[6] Philip W. Ireland, Attaché at the Embassy in Egypt.

[7] According to telegrams 210, January 11, and 264, January 14, from London, the British Government invited the Arab Higher Committee to send a delegation to the Palestine conference. The invitation was accepted. (867N.01/1–1147, 1–1447)

[8] The Grand Mufti of Jerusalem.

333–774—72——64

867N.01/1–947

Memorandum by the Under Secretary of State (Acheson) to the Director of the Office of Near Eastern and African Affairs (Henderson)

[WASHINGTON,] January 9, 1947.

I have spoken to the Secretary about the matters which you raised at our meeting this morning.

1. His interview with Rabbi Silver.[1] Rabbi Silver saw the Secretary to tell him that the Basle Conference[2] voted that the Jewish Agency was not to attend the London meetings unless there was some change in the present circumstances. Rabbi Silver believed that there would be such a change if either one of two actions was taken by the British Government. The first would be to announce that they were favorably inclined toward the idea of partition. The Secretary told Rabbi Silver that he thought there was no possibility of Mr. Bevin's[3] making such a statement.

The second was some action by the British Government, such as releasing a substantial number of immigrants who had been taken to Cyprus.[4] Rabbi Silver then said that he had discussed this matter with Lord Inverchapel[5] and asked the Secretary if he would also discuss it with Lord Inverchapel. The Secretary told Rabbi Silver that he would do this, and, while I was with him, he made a note to ask Lord Inverchapel to call on him in this connection.

2. Policy on observer for the London Conferences. The Secretary confirmed the conclusion that he contemplated sending an observer only

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[1] Abba Hillel Silver, President of the Zionist Organization of America and member of the Jewish Agency for Palestine, American Section. The interview took place on January 6.

[2] The 22d World Zionist Congress met at Basel from December 9 to December 24; for documentation on this subject, see *Foreign Relations*, 1946, vol. VII, pp. 727–737, *passim*.

[3] Ernest Bevin, British Secretary of State for Foreign Affairs.

[4] In telegram 83, January 6, the Embassy in London reported information from the British Foreign Office that David Ben-Gurion, Chairman of the Executive of the Jewish Agency, informed Arthur Creech Jones, British Secretary of State for the Colonies, on January 2, that the Jewish Agency "would not attend resumed Palestine Conference without major concession from British Government regarding immigration. This being refused, Ben-Gurion said that Zionist Executive was willing to meet with British Government either before, during or after resumed Palestine Conference, only condition being that meeting would not be considered as part of Palestine Conference." (867N.01/1–647) Telegram 207, January 10, from London, reported further information on the conversation of January 2 as furnished by Nahum Goldmann, member of the Executive of the Jewish Agency, London Section, namely, that Mr. Ben-Gurion informed Mr. Creech Jones that the settlement of the Palestine problem must involve free immigration, exploitation of lands not used by the Arabs, and national independence. Mr. Creech Jones was stated to have replied, "I think that we will satisfy all your demands." (867N.01/1–1047).

[5] The British Ambassador.

if the Jews as well as the Arabs attended the Conference. He stated that in his opinion the observer should not undertake to be a mediator. This was the role which the British Government was playing and to have two mediators would cause confusion. He thought that the observer should observe and that his principal activity, insofar as he took any part, should be to urge moderation. However, the Secretary said that when he used the word "observer" he did this advisedly.

I went over with the Secretary the various considerations regarding who the observer should be. He thought that the suggestion of Mr. Winant [6] was a good one since he was a man of important position and should be regarded as well disposed to all parties in the discussion. He did not know whether Mr. Winant had yet left the United States and thought that if he were still here we might have a preliminary talk with him to see whether he would be available.

DEAN ACHESON

[6] John Gilbert Winant, former U.S. Ambassador to the United Kingdom. He did not undertake duties as American observer because the Jewish Agency did not formally attend the Palestine Conference.

867N.01/1–947 : Telegram

The Chargé in the United Kingdom (Gallman) to the Secretary of State

TOP SECRET LONDON, January 9, 1947—7 p. m.

161. 1. British press today indicated that Ben-Gurion–Creech Jones talk yesterday dealt with steps to be taken by former while in Palestine to suppress terrorism. (Embassy's 132, January 8 [1]) According Epstein,[2] following actually took place.

2. Creech Jones suggested to Ben-Gurion that informal, clear, comprehensive and decisive talks between British Govt and representatives of Jewish Agency and their advisers should begin in London, January 22. Talks would be "informal" in sense that JA would be spared necessity of consulting Special Committee [3] unless it desired to do so. Proposed talks would not be part of Palestine conference.

3. According Epstein, Ben-Gurion in his capacity as Chairman JA Executive and exercising powers as number one Zionist leader accepted "suggestion of Creech Jones" for talks beginning January 22.

4. Creech Jones mentioned but did not stress terrorism. Ben-Gurion voluntarily undertook to do his utmost to quiet conditions in Palestine

[1] Not printed.

[2] Eliahu Epstein, Director of the Jewish Agency Office in Washington.

[3] Telegram 132, January 8, from London, reported that, according to the decision of the Basel Congress, the Special Committee needed to be consulted only if formal participation in the Palestine Conference was envisaged (867N.01/1–847).

inasmuch as forthcoming talks would be jeopardized by continuing terror.

5. Epstein said Ben-Gurion made known his decision last night to Locker,[4] Shertok[5] and Goldmann who concurred. Efforts are being made today to inform Rabbi Silver by telephone since group in London agreed that either he or Neumann[6] should take part in talks. Silver had earlier expressed his agreement in principle to such talks.

6. Ben-Gurion departed by air for Palestine today. He will return London on or before January 20 when full meeting will take place of JA delegation.

7. JA delegation has not been selected by Epstein though it would include Ben-Gurion, Kaplan,[7] Shertok, Goldmann, Silver or Neumann, plus technical advisers on agriculture, irrigation, etc. Latter because it was anticipated that partition would be discussed and maps would be drawn.

8. Shertok and Epstein depart January 11 for Washington where Shertok will discuss forthcoming talks with Dept and Silver. He will probably raise with Dept desirability of appointing American observer.

9. Epstein said that it had been agreed between Ben-Gurion and Creech Jones that informal talks 22nd would be kept secret for present. He said less than dozen people now know that they will take place, and asked Embassy not to reveal to its British contacts that it is aware of decision.

10. Beeley,[8] Foreign Office, telephoned Embassy a few minutes after Epstein departed and volunteered in strict confidence substantially same story, differences being that while Epstein said that Creech Jones took initiative both conversations with Ben-Gurion, according Beeley, Colonial Secretary had "accepted" JA's proposal for informal talks. As Beeley put it Ben-Gurion had undertaken to try to convene a meeting of his colleagues in London, January 22. Foreign Office thought that to do this Ben-Gurion would have to do some persuading. Beeley again urged utmost secrecy (Embassy's 101 January 7[9]) in handling information. He said that Colonial Secretary had promised Ben-Gurion to keep down so far as possible publicity concerning JA talks when

[4] Berl Locker, member of the Executive of the Jewish Agency, London Section.
[5] Moshe Shertok, Chief of the Political Department of the Jewish Agency and member of its Executive, American Section.
[6] Emanuel Neumann, member of the Executive of the Jewish Agency, American Section.
[7] Eliezer Kaplan, member of the Executive of the Jewish Agency and Treasurer of the Agency.
[8] Harold Beeley, desk officer for Palestine in the British Foreign Office.
[9] Not printed.

they occur. Talks might be represented to world as a routine meeting of the JA Executive in London.

11. Embassy will seek further details from Goldmann tomorrow.

GALLMAN

867N.01/12–1646 : Telegram

The Secretary of State to the Embassy in Egypt

SECRET WASHINGTON, January 13, 1947—7 p. m.

62. Deptel 2036 Dec 19.[1] Please transmit following reply to Arab League note Dec 7 :[2]

"I have the honor to refer to my note of recent date in which I informed you that I was transmitting to the Secretary of State at your request, a declaration of the Council of the League of Arab States, dated December 2, 1946, with regard to Palestine.

My Government has requested me in reply to express its deep gratification at the firm feelings of friendship which exist between the United States and all of the Arab States, and its own hope that these friendly relations will continue to develop.

My Government has noted the Council's statement that expressions of its interest in the problem of Palestine and recent declarations and statements by the President of the United States relating to Palestine have given rise to anxiety throughout the Arab States and the Moslem World.

Since the termination of the first World War, the Government and people of the United States have given support to the concept of the Jewish National Home in Palestine. My Government is therefore acting only in keeping with the traditional policies of the United States when it advocates the taking of measures which tend to strengthen the realization of this concept.

It has also been noted that the Council has requested the Government of the United States to take measures necessary to put an end to efforts in support of Jewish immigration into Palestine from regions under American occupation in Europe.

It may be recalled that it was not until the defeat of the Axis in Europe that the world fully comprehended the tragic plight of the surviving victims of Nazi persecution, including particularly many persons of Jewish faith. It was during this and subsequent periods that the President of the United States suggested that all countries have a common responsibility for working out a solution which would permit the survivors who must leave Europe to find new homes where they may dwell in peace and security. Many of these Jewish people, after years of persecution, look to Palestine as a haven. It would appear to be contrary to the humanitarian instincts of all peoples if the survivors remaining in displaced persons centers in Europe, including

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[1] Not printed.

[2] See telegram 1963, December 16, 6 p. m., from Cairo, *Foreign Relations*, 1946, vol. VII, p. 731.

numbers of unfortunate Jews, were denied the right to seek haven in other lands, including Palestine.

My Government shares the hope, expressed by the Council in its declaration, that an honorable and just settlement may be reached which will contribute to the establishment and maintenance of peace throughout the world.

(Complimentary close)"

Repeat to Arab capitals by airgram.

BYRNES

867N.01/1–1447

Memorandum by Mr. Fraser Wilkins of the Division of Near Eastern Affairs [1]

SECRET [WASHINGTON,] January 14, 1947.

The Palestine question is one of the most difficult problems with which the Department is faced. Our policy toward Palestine is based on seven factors:

1) Present responsibility of Great Britain for administration of Palestine under League of Nations mandate to which administration United States consented in American-British-Palestine Mandate Convention of December 3, 1924.

2) The intense desire of Jewish DP's in Europe to emigrate to Palestine.

3) Support for Jewish National Home in Palestine as expressed in Presidential statements, Congressional resolutions and party platforms.

4) The Arab population of Palestine outnumbers the Jewish population two to one. The Arabs in Palestine and neighboring countries are opposed to the partition of Palestine and to Jewish domination in any form.

5) Religious importance of Palestine to Christians, Jews and Moslems.

6) Strategic and economic importance of American oil, aviation and telecommunications facilities in Palestine and neighboring countries.

7) Practically speaking, the unsettled Palestine problem, made more difficult by the pressure for post-war migration of displaced Jews from Europe to Palestine, is an irritant in Anglo-American relations. It is also prejudicial to American-Arab relations in the fields of education, trade, petroleum and aviation. Continued agitation and uncertainty regarding the Palestine question, by weakening the Anglo-American position in the Near East, permits a more rapid extension of Soviet Russian objectives, and is distressing to Christians everywhere because the Christian interest in Palestine tends to become submerged in an Arab-Jewish controversy.

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[1] Mr. Wilkins was the desk officer in charge of Palestinian affairs.

American policy in Palestine, as now developed, has five principal aspects:

1) In Palestine, which now contains 1,250,000 Arabs and 600,000 Jews, neither group shall dominate the other. Palestine should be neither a Jewish State nor an Arab State, but the people of Palestine should be granted full independence as soon as practicable in one or more states in which the form of government will satisfy as nearly as possible the national aspirations of both Jews and Arabs. Accomplishment of such a solution through a workable partition of Palestine, with the exception of the Holy Places, into an Arab State, which might join a neighboring Arab State, and a Jewish State, in control of its own immigration and economic policies, could be supported by the United States. Pending full independence, Palestine would enjoy partial self-government under United Nations trusteeship.

2) Immediate transfer of 100,000 Jews from European DP camps to Palestine. Immigration laws of other countries, including United States, should be liberalized to permit admission of other DP's from Europe.

3) Continued development of Jewish National Home in Palestine through immigration and land purchase, both of which are now restricted, if partition proves impracticable.

4) Broad political, economic and cultural development of Arab population in Palestine.

5) Obtaining acquiesence of all Arab states to whatever solution gives promise of settling the Palestine question.

[Here follows a section entitled "Recent Developments".]

867N.01/1–1047 : Telegram

The Secretary of State to the Embassy in the United Kingdom

TOP SECRET WASHINGTON, January 14, 1947—7 p. m.

219. Embtel 207 Jan 10, 3d par.[1] Goldmann was probably referring to suggestion contained in Grady–Morrison plan[2] that President recommend to Congress granting $250,000,000 loan for economic development in Near East including Palestine and $50,000,000 grant in aid to raise Arab living standards in Palestine. This Govt was unable to support Grady–Morrison plan. It has not yet made commitment with regard to what financial assistance it might recommend to Congress in case partition is decided upon as workable solution.

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[1] Telegram 207 not printed; paragraph 3 read: "Goldmann mentioned that $300 million, contribution by U.S. Government partly for voluntary transfer of Arabs was a virtual certainty. He said also that a powerful non-sectarian committee was lobbying strongly for the use of accumulated but not used immigration quotas for DP's of all faiths and that there was a possibility that this would go through in relatively near future. Can Department confirm his statements in this connection?" (867N.01/1–1047)

[2] For text, see telegram 6970, July 24, from London, *Foreign Relations*, 1946, vol. VII, p. 652.

President will probably make some definite recommendation to this Congress providing for admission of displaced persons to US in addition to those admissible under this year's quotas.[3] Precise character of these recommendations has not yet been determined. In this connection refer President's State of Union address of Jan 6[4] relating to international relief and displaced persons. Our inclination to recommend admission of displaced persons in addition those admissible under existing legislation is not due to any "lobby" but to feeling that this Govt on humanitarian grounds should take its share of displaced persons.

BYRNES

[3] In telegram 220, January 14, 7 p. m., to London, the Department notified Mr. Winant that "Recommendation to admit 50,000 refugees was considered during 1946 but was never presented to Congress since Grady–Morrison plan as a whole was not acceptable to this Govt." (867N.01/1–1347)

[4] For text, see *Public Papers of the Presidents of the United States: Harry S. Truman, January 1 to December 31, 1947* (Washington, Government Printing Office, 1963), p. 1.

867N.01/1–1547 : Telegram

The Secretary of State to the Embassy in the United Kingdom

SECRET WASHINGTON, January 15, 1947—7 p. m.

251. For Gallman from Henderson. Shertok talked to Mr. Acheson Jan 14 [*15*] stressing critical period had arrived in settlement Palestine problem and requesting intercession by US Govt with Brit Govt to reach solution favorable to Jews and to effect immediate transfer 100,000 Jews to Palestine.

Under Secretary agreed period was critical but stated that he was convinced, following discussion with Secretary Byrnes concerning latter's conversation with Bevin and Rabbi Silver, Brit were sincere in reaching solution at this time and that accordingly it would serve no useful purpose for US Govt approach Brit at this time.[1]

Mr. Acheson subsequently discussed his interview with Shertok with Brit Amb who confirmed his statement reference critical period and sincerity of Brit. [Henderson.]

BYRNES

[1] Mr. Shertok had further discussions with Mr. Henderson on January 16, at which time the former was reported as having stated: "twelve new Jewish settlements had already been established in the northern section, known as the 'Beersheba sub-area', of the Negev, that this northern section was the most important part of the Negev in so far as future economic possibilities were concerned and that it was vital that this section be included in any proposed Jewish state in order that such state be viable." (memorandum by Fraser Wilkins 501 BB Palestine/1–1647)

711.90F/1–1747

Memorandum of Conversation, by the Director of the Office of Near Eastern and African Affairs (Henderson)

TOP SECRET [WASHINGTON,] January 17, 1947.

Participants: Secretary Byrnes
Mr. Acheson, Under Secretary
Mr. Henderson, Director, NEA
Crown Prince Saud, Saudi Arabia [1]
Ambassador Sheikh Fuad Hamza
Sheikh Asad al-Faqih, Saudi Arabian Minister to the United States

[Here follow discussions of political problems in the Near East, particularly in connection with Greater Syria, and of the extension of United States financial assistance to Saudi Arabia; for texts, see pages 738, 1329.]

PALESTINE

The Prince said that he would like to touch upon the matter of Palestine during the course of his discussions since, unfortunately, there were differences of opinion between the Government of Saudi Arabia and the Government of the United States in this regard. He pointed out that Zionism was a threat to the Arab world and opposed to the objectives of the United States in the Near East because: (1) it had certain connections with communism, (2) it was anti-democratic, aggressive and totalitarian, and (3) it was anti-God. He said that the most urgent measure to adopt with regard to Zionism was to prohibit entirely further Jewish immigration to Palestine. The Zionist demand for mass Jewish immigration to Palestine was not based on humanitarian motives, but was merely a political maneuver in order to convert the Jewish minority in Palestine into a Jewish majority against the wishes of the local population. Such a maneuver was not in accord with the principles of the United Nations.

Mr. Byrnes described his recent conversation on the subject of Palestine with Mr. Bevin. He pointed out that he had stressed to Mr. Bevin the importance that the coming conference in London be attended by representatives of the British Government and of Jews and of Arabs. Mr. Byrnes had learned from personal experience that unless parties with different views had frank discussions with each other, there was little hope that their views could be composed. On the other hand, he had found that by means of discussions it was frequently possible to find solutions for problems which on their face

[1] For information on the official visit of Crown Prince Saud to the United States, see footnotes 1, 4, pp. 738, 741, respectively.

appeared insoluble. He stressed the fact that he had not asked Mr. Bevin to decide on any specific kind of solution of the Palestine problem. In fact, he had felt that it would be preferable for the British to approach the conference without having committed themselves in advance to any given solution.

The Prince said that the Arabs would not be willing to sit at a conference table with the Zionists. They had nothing to discuss with the Zionists. They merely asked that the British refuse to admit further Jewish immigration into Palestine. The Secretary replied that apparently the Zionists and the Arabs agreed in one regard, that was that they had nothing to say to one another. The Arabs took the attitude that they would not carry on conversations except on the basis of the cessation of Jewish immigration into Palestine, and the Zionists insisted that they would not participate in a conference unless it was agreed in advance that a Jewish State was to be established in Palestine. He still felt that no matter how divergent the views of the Arabs and Jews, it would be helpful to talk the matter over.

Mr. Byrnes added that he was particularly appreciative of the restrained and reasonable manner with which the Arabs were accustomed to discuss with him the problem of Palestine. Palestine represented one of the most difficult international problems in the world today and it, therefore, should be approached with moderation and in a conciliatory spirit.

[Here follows concluding paragraph; see page 741.]

867N.01/1–2147

Memorandum of Conversation, by the Under Secretary of State (Acheson)

SECRET [WASHINGTON,] January 21, 1947.

Lord Inverchapel called at his request. He stated that he was calling as a result of instructions contained in a somewhat lengthy telegram which he abstracted for me. He said that the telegram opened with a somewhat plaintive review of United States participation in the Palestine problem. It referred to the action of this Government regarding the Anglo-American Commission report in accepting the recommendation regarding immediate immigration of 100,000 but taking no attitude on the other recommendations. It referred then to the Grady mission and our action in being unable to support its recommendations. Finally, it referred to the statement of October 4.[1] The telegram

[1] By President Truman; see telegram of October 3, 1946, from President Truman to British Prime Minister Attlee and footnote 76, *Foreign Relations*, 1946, vol. VII, pp. 701, 704.

went on to say that the British Government believed that it was essential, in entering the discussions about to open in London, to have as correct a view as possible of the probable attitude of the United States Government.

The Ambassador went on to say that it seemed probable to the British Government that the results of the discussion in London would not be an agreement upon a solution between the Jews, the Arabs, and the British Government. It was thought unlikely that any solution could be agreed to by Jewish and Arab leaders, but it was possible that a particular solution might be less objectionable to the Jews and Arabs than another and that it might be possible to find one which might be acquiesced in, however grudgingly, with the minimum of opposition. It was for such a solution that the British Government must seek.

In order to get the maximum support for such a solution, the British Government would probably report it to the United Nations General Assembly and ask for its approval. It was therefore necessary for them to know as much as possible about the probable attitude of the United States Government.

It seemed to the British Government that in all probability it would have to take one of three possible courses after the discussions terminated: first, to propose a solution based on partition; second, to propose a solution based on some form of cantonization along the lines suggested by the Grady–Morrison report; and third, to conclude that no solution which it suggested would be acceptable and to surrender the mandate to the United Nations, leaving the problem with the General Assembly.

The Ambassador was instructed to ask me what the attitude of the United States Government would be in the first case mentioned above—that is, would it support in the General Assembly, and with what vigor, a solution based on partition? From the President's statement of October 4, it seemed probable that the United States would support such a solution. Mr. Byrnes, in his discussions with Mr. Bevin, had put it forward and urged that it be considered, but Mr. Bevin could not free himself from some doubt as to our attitude.

Secondly, the Ambassador was instructed to inquire whether any of the other solutions would, from the point of view of our Government, be preferable, or whether there was some suggestion which we could make which he had not made.

I said to the Ambassador that he would of course understand that I was not authorized to speak on behalf of this Government and would have to consult with the Secretary of State, who would undoubtedly wish to consult with the President. I was willing to give to the Ambas-

sador my immediate impressions for what they were worth but would give him the reply of our Government in a few days.

I said that I thought the solution which it would be easiest for the American Government to support would be one based on partition. This was based, in my judgment, both on American domestic considerations and upon consideration of the inherent difficulties of the problem. In other words, I thought it more likely that the opposition to such a solution would be vocal rather than physical than would be the case as to any other solution. I said that in my opinion the British Government, in the London discussions, should explore this possibility as earnestly and fully as possible both in an effort to work it out and in an effort to convince the Jews that the British Government had done its best for such a result. I said that I thought the decision and the responsibility for the decision was clearly on the British Government. Its officials could call the atmosphere of the discussions and the possibility of compromise far better than anyone else. In my opinion it was more important to find a solution with the maximum possibility of being put into effect than it was to pick out any particular solution because of the theoretical or dialectical advantages.

Third, it seemed to me that this was about the last chance to find a peaceful solution and that if this chance were lost I saw little hope of avoiding the most serious results in the Middle East. I therefore felt sure that this Government would take a most sober view of the situation and would not approach it from any opinionated point of view.

I said to the Ambassador that one factor seemed to me essential to any possible solution. That was a provision opening up possibilities of immigration. These possibilities ought to comprehend the taking, in a comparatively short time, of approximately 100,000 Jews and some reasonable immigration thereafter. I said that the Arab opposition to immigration was based upon the Arab conviction that it was advocated as the vehicle for changing the Arab majority in Palestine into an Arab minority. This did not seem to me to be necessarily the result. The Arabs already had a substantial majority and the Arab birth rate was considerably higher than the Jewish. This offered possibilities for immigration provisions which would not do great violence to the present ratio of population and which would relieve Jewish pressures.

The Ambassador then inquired about my view as to the other two solutions. I said that past experience led me to believe that the Morrison–Grady proposals would be considerably more difficult for us than the partition proposal, but that it might be possible to explore a solution combining the two, with the ultimate decision as to parti-

tion being left with the General Assembly at some fixed later date, when more experience might be available as a guide to judgment. For the British Government to surrender the mandate to the General Assembly without proposals did not seem to me to be a solution, but almost amounted to a confession that a solution was not possible and an invitation to a great deal of confusion. I thought that this course should be adopted only as a last resort and in the default of any suggestion other than the maintenance of the *status quo* by force.

The Ambassador asked whether by "acquiescence, however grudging" I meant the absence of opposition, because if I meant this he thought such a situation not likely to result as the result of any proposal. I said that I did not mean the absence of opposition because I assumed that, whatever proposal was put forward, the leaders on one side or the other, and perhaps on both, would have to make speeches against it in order to maintain their own position. I thought that there was a difference between this sort of opposition and the determined sort of violent resistance which was going on at the present time in Palestine and which had to be put down by the actual exercise of force and coercion. I felt very sure that the American Government would not participate in such an enterprise.

The Ambassador then expressed once more Mr. Bevin's hope that some form of legislation could be proposed in this country for the reception of a substantial number of displaced persons while the discussions in London were going on. I told the Ambassador that General Hilldring [2] was exploring the form of such a resolution with leaders in Congress at the present time and that we hoped by next week to be able to lay the matter before the President, get his decision, and inaugurate some legislative action.[3]

DEAN ACHESON

[2] Maj. Gen. John H. Hilldring, Assistant Secretary of State for Occupied Areas.

[3] Mr. Acheson transmitted this memorandum of conversation to the Secretary of State on the morning of January 22. Later in the day, he suggested in a separate memorandum that the latter might "wish to discuss this memorandum with the President in your meeting with him tomorrow, Thursday, at 12 : 30. My recommendation is that I be authorized to confirm to Lord Inverchapel the views outlined in the memorandum." (867N.01/1–2247)

867N.01/1–1747

President Truman to the King of Saudi Arabia (Abdul Aziz ibn Saud) [1]

SECRET WASHINGTON, January 24, 1947.

YOUR MAJESTY: I deeply regret my delay in replying to the further letter regarding Palestine which Your Majesty sent me on November 2,

[1] Transmitted to Jidda in instruction 41, January 24, for delivery to the King.

1946 [2] through the Saudi Arabian Legation in Washington. The delay arose from my desire that careful study be given to the points which Your Majesty raised in the letter.

The frank and friendly manner of your response to my message of October 25, 1946 [3] is deeply appreciated. I am convinced that this response was prompted not only by your interest in the welfare of the Arab population of Palestine but also by your sincere desire that the bonds of friendship between the United States and Saudi Arabia be strengthened and that the United States follow a policy with regard to Palestine which would enhance its reputation throughout the Arab and Moslem world.

For my part I wish again to emphasize my earnest desire that the friendship between the United States and Saudi Arabia which this country values so highly will continue to grow stronger. It also is my sincere hope that friendship and cooperation between the United States and the Arab world, and indeed the whole Moslem world, will continue to increase as the realization becomes more widespread among the American people and among Arabs and Moslems that all of them are striving for the common objective of a peaceful and prosperous world based upon principles of justice and fairness.

Palestine is undoubtedly one of the most difficult problems faced by the world at the present time. The United States is anxious that this problem shall be solved in a manner that will be recognized by the world as just and fair. As I indicated to you in my message of October 25, the United States and other Powers, which as victors in the first World War bore a certain responsibility for the future of Palestine, took the position following the conclusion of that war that Palestine should be the site of a Jewish national home. There was a strong feeling in this country that the Jewish people who had made so many notable contributions to the world were entitled to a national home of their own, and it seemed appropriate that this national home should be established in a land which for thousands of years had been regarded by Jews as their spiritual home.

In supporting the establishment of the Jewish National Home in Palestine the United States had no thought of embarking upon a policy which would be prejudicial to the interests of the indigenous population of Palestine, and it has no such thought at the present time. The Government and the people of this country desire that the fundamental rights of both the Arab and Jewish population of Palestine shall be fully safeguarded and that in Palestine Arabs and Jews alike shall prosper and shall lead lives free of any kind of political or economic

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[2] *Foreign Relations*, 1946, vol. VII, p. 717.
[3] *Ibid.*, p. 714.

oppression. We would be firmly opposed to any solution of the Palestine problem which would permit a majority of the population to discriminate against a minority on religious, racial or other grounds. It is our belief that this problem should be solved in such a manner that the various religious and ethnic groups will have similar opportunities and freedoms regardless of which group might be in the numerical majority at any given time. I am convinced, furthermore, that the responsible Jewish groups and leaders interested in developing the Jewish National Home in Palestine have no intention of expelling now or at a later date the indigenous inhabitants of that country or of using Palestine as a base for aggression against neighboring Arab States. No people has suffered more than the Jews during recent years from aggression and intolerance. No people stands more in need of world sympathy and support at the present time. It is therefore inconceivable that responsible Jewish groups or leaders could be contemplating acts of intolerance and aggression against Arabs in Palestine or elsewhere which would be sure to arouse public opinion and to provoke indignation throughout the world. I also am convinced that the terrorist acts of certain irresponsible Jewish groups in Palestine are by no means indicative of the temper of Jews in general throughout the world or symbolic of Jewish aspirations respecting Palestine. These acts in fact are deplored by the great body of Jews who fully realize that resort to terrorism merely renders the problem of Palestine more difficult of solution.

I take this occasion again to point out that I do not consider the various statements which were made by me, including those urging that at least 100,000 Jewish refugees from Europe be admitted into Palestine, are in any way inconsistent with previous assurances or statements made by the Government of the United States. This Government has repeatedly stated that in its view there should be no change in the basic situation in Palestine without consultation with both Arabs and Jews. During the last year a number of consultations with Arabs and Jews have actually taken place. Unfortunately these consultations did not lead to any agreed solution of the Palestine problem. They have served, however, to emphasize the urgency of this problem and the necessity that a solution of it be found without protracted delay. I am confident that Your Majesty will agree with me that until decisions have been reached with regard to the future of Palestine the uncertainties which at present are at least to an extent responsible for unsettled conditions in that country will continue to exert a disturbing influence in Palestine and adjacent areas.

It is my desire again to express my appreciation for the frankness of your letter of November 2, 1946, which testifies not only to your friend-

ship but also to the friendship of the people of Saudi Arabia for the United States. I can assure you that I and the people of the United States desire to maintain and strengthen our feelings of friendship toward you and the people of Saudi Arabia and toward the rulers and peoples of all Arab lands.

Very sincerely yours, HARRY S. TRUMAN

867N.01/2–1247

The Department of State to the British Embassy

SECRET WASHINGTON, [undated].

WRITTEN ORAL STATEMENT [1]

The American Government, for domestic and other reasons, would find it easier to support in the United Nations and elsewhere the solution of the Palestine problem calling for partition and the setting up of a viable Jewish state than any other solution at present under consideration.

In case the British Government after careful study and further discussion should come to the conclusion that the partition solution would be unworkable and if it should be successful in working out in consultation with Arabs and Jews a solution, which in its opinion could successfully be put into effect, lying somewhere between the partition plan and the Morrison–Grady cantonization plan, the American Government would be disposed to give such a solution its support.

It would be somewhat difficult in view of the attitude of the American public for the American Government to give support to the cantonization plan as proposed by Morrison–Grady. It would be much more difficult for it to support any solution which does not provide for the entry in the near future into Palestine of at least 100,000 displaced European Jews and for Jewish immigration at a reasonable rate thereafter. It is assumed that the British Government understands that the American Government could not participate in the carrying out of any solution by armed force. The President is planning in the near future to recommend to Congress the enactment of legislation which would permit immigration into the United States of a substantial number of displaced persons in Europe. Such legislation, if enacted, should make it clear to both Arabs and Jews that the United States is prepared on its part to accept an appropriate share of Jewish displaced persons.

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[1] According to a memorandum of conversation by Mr. Acheson, he read this statement to Lord Inverchapel on January 27 and handed a copy to him. The British Ambassador expressed understanding and satisfaction with the United States position. (867N.01/1–2747)

Since the British Government has special knowledge derived from its many years' administration of Palestine and since it is engaging in direct conversations with Arabs and Jews, it should be in a better position than any other Government to sense the kind of solution of the Palestine problem which has the best possibility of success. Furthermore, it will bear the primary responsibility for putting into actual operation any plan for Palestine which might be adopted. It would seem, therefore, that the decision as to the solution of the Palestine problem must rest with the British Government.

The American Government, while realizing that the British Government alone can decide the course which it should follow, would regret any decision of the British Government to turn the mandate over to the General Assembly without recommendations. Such a course might well lead to much confusion and violence in Palestine and elsewhere in the Near East.

867N.01/1–2847 : Telegram

The Chargé in the United Kingdom (Gallman) to the Secretary of State

SECRET LONDON, January 28, 1947—1 p. m.

US URGENT

577. Following obtained from Beeley, Foreign Office, today re Palestine Conference under arrangements mentioned Embassy's 432, January 21, paragraph 4:[1]

1. Bevin opened Palestine Conference noon yesterday with short statement to effect British Government is still suspending its decision until it has heard views of Palestine Arabs and Jews. Bevin said that Colonial Office would be talking informally with Jewish leaders near future. Arabs made no comment on this and Palestine Arabs were not drawn into making either detailed statement of their views or of their adherence to Arab plan filed October 3.[2] Jamal Husseini,[3] however, made general statement re desire Palestine Arabs for self-government and their inflexible opposition to partition (see paragraph 2 below). Faris el-Khoury[4] then said Arab Delegation had already given

[1] This telegram not printed; paragraph 4 advised that Mr. Beeley had been designated the British Foreign Office official to keep the Embassy informed of developments on Palestine (867N.01/1–2147).

[2] This refers, presumably, to the constitutional proposals submitted to the Palestine Conference on September 30, 1946, by the Delegations of the Arab States; see telegram 8349, September 23, 1946, *Foreign Relations*, 1946, vol. VII, p. 698. They are referred to, erroneously, in subsequent documents as the October proposals. Their text is printed in British Cmd. 7044, Palestine No. 1 (1947): *Proposals for the Future of Palestine*, p. 9.

[3] Head of the Palestine Arab Delegation.

[4] Head of the Syrian Delegation.

British Government its views in October and that Arab Delegation did not wish to have further discussions before British Government has made its reply to Arab proposals. Bevin said Creech Jones would see Jews as soon as possible and that British Delegation "would make a more definite statement on British position at next meeting". Meeting adjourned for procedural discussion.

2. Palestine Arabs pointed out that when Palestine Conference opened initial statements of both British and Arab Delegations had been published. Now Palestine Arabs had made opening statement which they would like to give to press also. British Government saw no reasons to object and Palestine Arabs gave to press its statement substance of which was published London *Times* this morning and probably in US. Beeley explained that if and when Jews attend formal conference they too can publish their opening statement.

3. It was agreed that British Delegation would convene next meeting Palestine Conference "as early as possible this week". Arabs suggested January 29 but Britains [*sic*] said that they would need more time for Colonial Office talks with Jews and question was left open.

4. Beeley said date of next meeting was complicated by fact that when Colonial Office asked JA how soon informal talks could begin it was told yesterday that Ben-Gurion was ill. Colonial Office still hopes talks with Jews can begin tomorrow.

5. Bevin gave small reception last night for Arab Delegation. If and when Jews attend conference Beeley said they would be given similar hospitality.

6. Arab mood is reported to be generally gloomy. According Beeley some Arab delegates have expressed resentment at published implications (Embassy's 546, January 27 [5]) that calibre of Arab delegates has been lowered. Azzam and some of the other leaders did not come because they did not like prospect of being associated with conference which they felt was bound to fail. Beeley has not noted any evidence that Arabs have shifted to more extreme line during adjournment.

7. In private conversations Arabs have displayed keenest interest outcome Gruner case.[6] If he is not executed, Arabs will consider it to be striking example of British appeasement policy. Arabs are reported by Beeley to be saying generally that in 1938 Britain rejected partition and in 1939 adopted an alternative policy. Now Arabs understand Britains have in mind partition as a solution. This in Arab eyes can mean only that violence and law-breaking have forced Britains to yield

[5] Not printed.

[6] According to telegram 13, January 7, from Jerusalem, Dov Gruner was arrested during an armed attack on the Ramargan police station on April 23, 1946, which resulted in the death of one policeman (867N.00/1–747). He was hanged on April 16, 1947.

to Zionist demands. If Zionist terror brings such dividends Arabs say that they will know what to do. Arabs appear confident that Arab strength shown 1936–39 is not impaired. Beeley said that he did not know present status Gruner case, which along with latest kidnappings, is receiving big news play British press.

8. Beeley said that he had no knowledge of present trend of thought of JA but he understood that a number of meetings of Zionist leaders here have taken place.

GALLMAN

867N.01/1–3047 : Telegram

The Chargé in the United Kingdom (Gallman) to the Secretary of State

SECRET LONDON, January 30, 1947—4 p. m.
US URGENT

658. Beeley, Foreign Office, supplies (Embtel 577, January 28) following information this morning:

1. Following Jewish Agency representatives met yesterday afternoon for 2½ hours at Colonial Office:

Ben-Gurion, Shertok, Neumann, Brodetsky, Locker, Goldmann, Horowitz, Eban and Linton. British were represented by Creech Jones, who presided, Bevin and Sir Norman Brook. Colonial and Foreign Office advisers were also present.

2. Creech Jones welcomed JA Delegation [and inquired?] what they meant by partition. JA Delegation refused to set forth its views re partition saying that if it put forward a partition plan it would henceforth be committed to it. Bevin said that these talks were very exploratory and he could assure JA Delegation that it would not be committed by talking about partition. British referred to October proposals of Arab Delegation and asked JA Delegation whether it desired to file its proposals. Ben-Gurion said that JA did not wish to file proposals but that it would give British in writing its objections to Morrison plan. Ben-Gurion inquired why British Government could not return to pre-1939 régime [1] and carry out the mandate. To this Creech Jones replied "with vehemence" that British Government is no longer prepared to maintain an administration in Palestine which has no roots in people of Palestine. To do so would be contrary to democratic principles in which British Government believed and British did not think that world opinion would tolerate in Palestine an autocratic alien government. Consequently JA Delegation must start

[1] This refers, presumably, to the régime in Palestine prior to the White Paper of May 1939; for text, see British Cmd. 6019, *Palestine: Statement of Policy.*

its thinking from the idea that British Government is "determined to set up self-governing institutions in Palestine with independence as its ultimate aim."

Ben-Gurion said somewhat cryptically, "if you are not prepared to go back to mandate there is only one solution." Later he reverted to same point saying "if British rule out mandate absolutely not many alternatives are open to us."

3. Shertok raised question of interim position UN Palestine in event British Government should take a decision which would be referred next September to UN. He asked British Delegation to consider and advise JA Delegation how it proposed to handle immigration and land transfer regulations in interim. British Delegation promised to consider these practical questions.

4. Ben-Gurion said JA Delegation interpreted Basle resolution as leaving JA free to consider partition if it is proposed to JA Delegation.

5. It was agreed that JA Delegation and British Delegation would meet again "shortly" Colonial Office to fix date and time.

6. Beeley, who was present, received personal impression that JA Delegation was surprised to find that British Delegation was not committed to partition. He thought he noted also an undercurrent of feeling between Ben-Gurion and Neumann, who, apparently did not share former's thinking re desirability of British returning to Palestine pre-1939 régime.

7. Palestine Conference will meet again today at 3 p. m.; heads of Arab Delegation are lunching with Prime Minister beforehand. British will "make a more definite statement" re British position but Beeley indicated that this would not go very far.

8. Asked how long British thought they could hold Arab Delegation in London while they conducted informal talks with JA, Beeley said he had no idea but that Arabs were naturally a patient people and he understood from private sources that they are anxious that conference should not end in failure although they are reported to have decided to walk out in certain contingencies (e.g. partition proposal). Beeley doubted whether JA Delegation will be willing to omit stages from its negotiations.

9. Beeley said there was nothing new with regard to the principles stated by Creech Jones (paragraph 2 above); they had been British operating basis for some time.

10. Further report re yesterday meeting will be obtained from Shertok and Neumann who are calling this afternoon at Embassy.

GALLMAN

867N.01/1–3047 : Telegram

The Chargé in the United Kingdom (Gallman) to the Secretary of State

SECRET LONDON, January 30, 1947—7 p. m.

US URGENT

677. Neumann and Shertok gave Embassy today following report re yesterday's talk:

1. They confirmed paragraph 1 Embtel 658, January 30.

2. Re what took place at meeting (paragraph 2 reference telegram) they confirmed outline of proceedings but emerged with strong impressions far beyond Embtel 658.

3. Ben-Gurion's opening statement of JA objectives included:

(*a*) Large scale immigration because approximately 1,200,000 Jews needed [in?] Palestine.
(*b*) Full development of Palestine for benefit of whole area.
(*c*) Statehood.

4. Most of talking was done on a free and easy basis by Bevin, who, together with Creech Jones, went over the various solutions which had been suggested. They say that from way Bevin emphasized difficulties of partition they gathered that British delegate had "dismissed" partition as a practicable solution although Bevin did invite JA delegate to draw a map showing their idea of partition. Among objections to partition mentioned by Bevin were:

(*a*) It is [not?] possible to partition Palestine into two viable states.
(*b*) Partition would never receive UN approval.
(*c*) Arab states would object intensely, fearing Jewish state as beach-head for Zionist expansion.
(*d*) Many Zionists schemes to increase absorptive capacity of Palestine were impractical.
(*e*) Ben-Gurion's figure of 1,200,000 Jewish immigrants is out of all reason.

5. Bevin, they say, then turned to Morrison plan which he explained except for an accident would have been known as the "Bevin plan". He referred continually to "bi-national state". JA delegate is said to have not understood at first what he meant by this, but it soon became unmistakably plain that Bevin wanted JA delegate to consider some variant of Morrison plan involving Jewish and Arab provincial Govts, together with a central govt including both Jews and Arabs. Above both would be superimposed the mandatory or trustee with certain powers. Bevin indicated Jews might have "a substantial measure of control over immigration" in Jewish province. Bevin asked why Jews

objected to Morrison plan (see paragraph 2, reference telegram). Would they not put their objections in writing, comment if they liked on the October Arab proposals and, if they wanted to do so, put forward a concrete plan for partition or otherwise.

6. Shertok pointed out to Bevin difficult position in which JA would be placed if it were itself to put forward partition. Bevin said that this could be done without prejudice JA's position (paragraph 2 reference telegram).

7. Creech Jones made it clear there could be no return to regime of 1922–37 for reasons stated reference telegram. They say he made additional point that Arabs regarded White Paper as undertaking to them and hence British could not return to *status quo ante* although British felt they were not hampered by past undertakings in working out some new régime.

8. Shertok then said that if pre-White Paper policy were restored Jews would be willing to defer their claims for statehood. If it is not restored JA must press its claim for statehood.

9. Bevin, until corrected by Neumann, kept referring to the Anglo-American committee as the "American Committee". He said that personally he would have been prepared to accept all ten recommendations but US would accept only recommendation for the 100,000. Bevin reiterated to JA delegate his statement to Parliament that his reputation is staked on finding a solution for Palestine.

10. Next meeting will take place with JA delegate at [apparent garble], date not yet fixed next week. British agreed to send JA delegate for study copies of Arab proposals and copies of the latest edition of the Morrison plan. British mentioned latter as though it were on hand ready for delivery, but up to this afternoon JA delegate had not received it.

11. Leaving subject of meeting itself, Shertok and Neumann both expressed extreme pessimism. Latter felt that his earlier doubts had been confirmed by yesterday's talks. Far from recommending that Rabbi Silver should come to London he was himself thinking seriously of returning to US from London after next meeting, leaving his JA colleagues to carry on.

12. Neumann said that although Bevin had insisted that British had no interest in remaining in Palestine it was clear to him from emphasis Bevin placed on Morrison plan that Bevin is seeking a way to justify some form British occupation and administration of Palestine. Any variant of Morrison plan, Neumann said, would mean:

(*a*) Restrictions re area which Jews may develop, and
(*b*) Restrictions on immigration, neither of which could be accepted by JA. Shertok said that any concessions re area would

have to be compensated by concessions re sovereignty. Neumann feels that talks are "likely to end ingloriously" in spite of JA goodwill.

13. Neumann and Shertok both said that since "apparently" British plan to reject both mandate and partition, time might soon arrive for US intervention. They hoped that the telegram which would be sent as a result of their interview (i.e., this telegram) would cause US Govt to consider carefully what it could do. Both expressed interest in arrival Ambassador Gardner,[1] whom they thought would be suitable person to exercise US "good offices". Embassy promised to report above to Dept.

14. Embassy said that British kept it informed of developments in both sets of conversations and that from British sources it had received impression that British delegate yesterday only described various possible solutions objectively without favoring any one solution. Neumann and Shertok agreed that Creech Jones had emphasized that British are not backing any one scheme against another and that everything Bevin said was within this framework. However, they said, it was abundantly clear that "Bevin was boss" and that from the emphasis he placed upon it he favored Morrison plan in some form.

GALLMAN

[1] O. Max Gardner, the Appointed Ambassador to the United Kingdom, who died before he assumed the position of Ambassador.

867N.01/1–3147 : Telegram

The Chargé in the United Kingdom (Gallman) to the Secretary of State

SECRET LONDON, January 31, 1946—5 p. m.

US URGENT

690. Palestine Conference met yesterday for two hours. According Beeley (Embtel 658, January 30) following took place:

1. Bevin opened meeting with prepared statement which dealt first with October Arab proposals, secondly, partition and thirdly, British obligations to UN. Bevin said that he did not propose to discuss Arab proposals in detail because they were open to great objection that they would meet with immediate Jewish armed resistance and he doubted whether Jews would ever consent to them. Bevin said that according to Jamal Husseini's opening statement (Embtel 577, January 28) Arabs would resist any kind of Jewish expansion and thus partition suggestion was subject to same objection as Arab proposals. British Govt is faced consequently with unwelcome prospect of imposing some solution. Bevin said that he wished to make clear to Arab Dele-

gation that present belief British Govt is that in accord with its obligations to UN its next move after talks end would have to be, if agreement is reached, to refer agreed solution to UN for approval; if no agreement is reached, matter would also have to be referred to UN, either with or without a proposed solution suggested by British Govt in absence of agreement.

2. Continuing his statement, Bevin said British Delegation was reluctant to be forced to conclusion that only possible solution is one which British must impose. He asked Arab Delegation to consider, just as he had asked JA Delegation to consider, possibility of a bi-national central government combined with a large measure of local autonomy (see paragraph 6 below) for 2 communities.

3. Jamal Husseini said any solution would be difficult so long as Jews are armed. He asked whether British Govt is sincerely endeavoring to disarm Jews. Creech Jones expanded on difficulties of situation and said that it was almost impossible to disarm Jews. Husseini took up this point and asked whether British Govt is sincerely endeavoring to find a solution on basis of right and justice or whether it is following an appeasement policy under Jewish armed threats.

4. Arab Delegation reserved comment on Bevin's statement and at end meeting it was agreed that Arab Delegation, when it had had time to prepare its comments on Bevin's statement, would ask for next meeting—possibly on Monday.

5. Beeley said delegates from Syria and Iraq seemed especially depressed but all were gloomy.

6. Embassy mentioned to Beeley that it heard from outside sources (Embassy's 677, January 30) that at January 29 meeting, Bevin had "dismissed" partition and urged Jews to consider some variant of Morrison plan. Beeley said that from what he had just told Embassy (see above) it would be clear that in carrying out Cabinet's instructions to explore fully all possible lines of thought British Delegation was urging both sides, without in any sense having made up its mind, to consider carefully an intermediate proposal which was not strictly speaking, the Morrison plan although it had a number of features in common with Morrison plan. As an example of differences Beeley said the bi-national state British have in mind would involve two communities being actively associated with central govt from the outset, ultimate independence being goal. Purpose behind plan would be to "drive the two peoples in Palestine into a position of responsibility." It was obviously desirable that Jews and Arabs should both have another look at possibilities inherent in a bi-national state since Cabinet is suspending final judgement until all avenues have been explored.

7. Asked whether British were sending JA Delegation latest edition

["]Morrison plan" Beeley said Colonial Office is sending JA Delegation, in form of mimeographed conference papers, October Arab proposals and Morrison's speech July 31, 1946,[1] in Commons which is also being sent to Arab Delegation. Dept has copy. British do not intend at this stage to show either Arabs or Jews detailed proposals worked out by Grady and Brook because (*a*) proposals are a "US-British document and not sole property of British Govt"; (*b*) showing map might raise storm which could be obviated by negotiation and (*c*) some of proposals are obviously open to negotiation. While British wanted both Arabs and Jews to think about a bi-national state they had no intention of going in writing beyond Morrison's speech as a basis for their thinking.

8. Beeley emphasized that while JA Delegation has promised to comment on Morrison's speech of July 31 and while Arabs have promised to comment on Bevin's statement of yesterday, in substance both will be commenting on bi-national state idea. It was impossible to keep two sets of negotiations exactly parallel.

9. Beeley said that British Govt's efforts to get bi-national state considered had had interesting result of making Arab Delegation feel that it was being edged toward partition by gentle stages and of making JA Delegation feel that partition has been dismissed and that it is being urged toward Morrison plan. Both sides are indignant, their differing interpretations stemming from mutual distrust.

10. Asked what move would be if both sides dismissed possibility bi-national state, Beeley said that British Delegation would have "to think again," and consider desirability of laying before Cabinet a report showing complete absence of any basis for agreement and asking Cabinet to choose one of four alternatives: (*a*) partition (i.e. Jewish state); (*b*) Arab proposals; (*c*) enforcement of some intermediate solution or (*d*) abandonment of mandate and putting problem without any suggestion to UN for solution. In this event British Delegation would be likely to put to Cabinet for decision at same time how and when Cabinet's choice should be brought before UN.

GALLMAN

[1] For extract of speech, see British Cmd. 7044, Palestine No. 1 (1947), p. 2.

867N.01/1–3147 : Telegram

The Consul General at Jerusalem (Pinkerton) to the Secretary of State

worsens

SECRET JERUSALEM, January 31, 1947—7 p. m.

41. Palestine Government has announced that British women and children and non-essential males will be evacuated so Government and

Army will not be hampered in task of maintaining order. No previous intimation this order was received by this Consulate General.[1] High Commissioner [2] received me immediately after announcement and told me no similar action was recommended at this time for Americans because terrorist activities are directed primarly at Government and Army personnel and secondarily at British civilians. He said situation is being watched constantly and if necessary adequate protection will be accorded Americans. British officials will be accommodated in prescribed concentration centers and given protection during hours of work. Civilian Government will continue for present. High Commissioner said present action was designed to give Government free hand for any preventive measures necessary without possible embarrassment of having hostages seized.

He said Gruner had refused to proceed with appeal and intimated that further action in his case would not be taken until after evacuation measures had been completed.

My own opinion that there is no immediate danger to American nationals is similar to that of High Commissioner and I recommend that no steps toward evacuation of Americans be taken now except that all necessary space on *Marine Carp* sailing about mid-February be reserved for Americans who wish to leave.[3] Estimated number 345 registered now and I believe this number will not be greatly increased unless civil strife within Jewish community develops.

PINKERTON

[1] According to a memorandum of conversation of February 3 by Mr. Fraser Wilkins, the Department was not informed in advance of these measures (867N.01/2–347).

[2] Lt. Gen. Alan G. Cunningham, British High Commissioner for Palestine.

[3] In telegram 42, February 4, to Jerusalem, the Department concurred that no steps be taken at this time to evacuate American citizens. Mr. Pinkerton was authorized, however, to consult with the Embassies at Athens and Cairo to "fully utilize space *Marine Carp* accommodate Am citizens and dependents who may wish leave Palestine this time." (867N.01/1–3147)

867N.01/2–447 : Telegram

The Chargé in the United Kingdom (Gallman) to the Secretary of State

SECRET
URGENT

LONDON, February 4, 1947—4 p. m.

752. According Beeley British Delegate and JA Delegation met for two hours yesterday (Emb's 658, January 29 [*30*]):

1. JA Delegation handed Creech Jones a paper which Beeley presumes contained its objections to Morrison plan (Emb's 658 paragraph 2) but paper was not mentioned.

2. First hour meeting was largely devoted to long statement by Ben-Gurion of Zionist case in general terms. He made no definite proposals.

3. Bevin asked JA Delegation flatly what it wanted and where was its map. JA Delegation indicated that it would prefer a Jewish state embracing whole of western Palestine but this was not in form of proposal and "did not advance matters".

4. Bevin "thinking aloud", (and Beeley hoped that JA Delegation understood this) then said that if London talks with both Arabs and Jews could produce no agreed solution he thought British Government would have to lay problem without recommendation before UN.

5. JA Delegation asked whether Bevin still hoped that an agreed solution could be reached.

6. In reply Bevin explained "agreed solution" to mean a solution which would involve a sufficient measure of consent by both sides not to be violently resisted. Acquiescence of both sides in a solution was the important thing. Both sides could and probably would protest before world but if they at least acquiesced it would be an important gain.

7. JA Delegation asked Bevin whether he would let it see his "intermediate" proposals in writing.

8. Bevin replied that he would prepare for study by JA Delegation an "exploratory paper" which they must not take as views of British Govt since it involved no commitment. Beeley said that this paper would be along lines of bi-national state, mentioned Emb's 690, Jan 31.

9. Shertok asked whether JA Delegation would be permitted to submit a partition proposal. Beeley did not recall a specific reply to this question because "all along Bevin has been asking JA Delegate to say what it wanted". Beeley thought personally that Shertok's question may have arisen from latter's fear that JA Delegation has been manoeuvered into the position of apparently itself dismissing partition.

10. Shertok said that it must be assumed that there would be long interval between now and putting any solution into effect. He inquired what would happen in interim.

11. Bevin replied that if long-term policy decided upon is not incompatible with terms of mandate, British could make interim arrangements compatible with long-term policy which of course would have to be ratified by UN.

12. Meeting ended on this somewhat inconclusive note. British Delegation worked last night and is working this morning on paper promised by Bevin (paragraph 8 above) which will be sent to Arab Delegation as well as JA Delegation. Beeley feels JA Delegation is

probably somewhat confused by events of yesterday but that British Delegation has made some progress in crystallizing its own thinking. It is increasingly being borne upon British Delegation that it cannot hope to get UN approval for a drastic solution concocted by British and that it would be wiser if a "sufficient measure of consent from both sides is lacking", to refer matter to UN without recommendation. If, however, "sufficient measure of consent" can be found for an intermediate solution British Delegation is prepared to go ahead subject, of course, to British Cabinet approval.

13. See Emb's 722, February 3,[1] in connection with paragraph 12 above.

14. Neumann is calling at Embassy this afternoon.

15. British Delegation will meet with Arab Delegation this afternoon.

GALLMAN

[1] Not printed.

867N.01/2–547 : Telegram

The Chargé in the United Kingdom (Gallman) to the Secretary of State

SECRET
US URGENT

LONDON, February 5, 1947—2 p. m.

775. During call at Embassy yesterday Neumann confirmed Beeley's outline of February 3 meeting (Embassy's 752, February 4) but provided many details which follow:

1. When Jewish Agency Delegation received only Hansard report of Morrison's speech (Embassy's 690, January 31, paragraph 7) instead of the complete report with a map it expected, at Neumann's suggestion, Jewish Agency Delegation handed Creech Jones, by way of comment, a copy of Ben-Gurion's speech re Morrison plan made at Basel Congress.

2. British Delegation had abandoned term "bi-national state" as a description of what it had in mind in favor of "unitary state" which it used throughout yesterday's meeting.

3. Ben-Gurion held forth on history Palestine problem for benefit of Bevin "who did not seem to be too well informed". Ben-Gurion said that first partition Palestine took place in 1922; in 1937 the Peel Commission suggested partition; and in 1939 White Paper division of Palestine into zones was partition in fact since it confined Jews to narrow area. Ben-Gurion said that from point of view Jews, Britain's "unitary state" is form of partition which Jewish Agency Delegation

could not accept. Ben-Gurion then reverted to his earlier criteria (Embassy's 677, January 30, paragraph 3).

4. Bevin attacked partition as a "counsel of desperation" and said that Britain had no intention of imposing a solution which would result in Britains taking up arms against Arabs. Britain does not need Palestine strategically and is prepared to throw problem without recommendation into UN. On other hand, Bevin thought unitary state, although he had not checked with lawyers, would be within framework of mandate which was an advantage in his eyes. Bevin did not define area he had in mind for Jews.

5. Neumann said it was apparent to Jewish Agency that Bevin and Creech Jones did not see eye to eye because when Creech Jones referred to Jewish zone having a large measure of freedom re immigration to the extent of zones' absorptive capacity, "Bevin tried to correct him". Bevin said that there should be specified limits within which immigration might take place just as in present White Paper. Bevin wanted pre-determined maximum immigration for a number of years. Further along in discussions Creech Jones indicated that if after giving unitary state a fair trial either community desired to withdraw from Federal Union after five or ten years, this might be possible. Bevin said quickly that he did not agree with Creech Jones on this point.

6. Neumann asked Bevin whether British Delegation had received any indication from Arab Delegation that it would consent to British conception of unitary state. Bevin replied that he could not answer this question.

7. Re acquiescence on both sides instead of agreement Neumann described Bevin's reply exactly as reported in paragraph 6, Embassy's 752, February 4.

8. Bevin said that British Delegation would be willing to put its ideas re unitary state in writing. He hoped for early Jewish Agency Delegation consideration of these explanatory views because he wanted to go before Parliament next week to state position.

9. At this point Creech Jones, knowing how Jewish Agency Delegation feels about Morrison plan in any form asked whether Jewish Agency Delegation would be willing to consider the British views set down as in paragraph 8 above. Jewish Agency Delegation said that it would be willing to look at unitary state proposal. In so doing Neumann feels personally that Jewish Agency Delegation was too polite.

10. Jewish Agency Delegation expected to receive British views re unitary state within few hours on the understanding that it was a British suggestion submitted without prejudice.

11. Ben-Gurion ended talk with an appeal to Bevin as Socialist to

Socialist and Laborite to Laborite. Bevin was unmoved being concerned with "practical politics of situation".

12. In summary Neumann felt that Jewish Agency Delegation got no new information on major points and that meeting had clearly shown divergence of views between Bevin and Creech Jones, latter obviously being more inclined to give Jews a square deal than former.

13. Neumann said that at Jewish Agency Delegation meeting today he would recommend to his colleagues that Jewish Agency Delegation terminate talks at once. He thought his colleagues would accept his recommendation which was based on fact that unitary state plan is only Morrison plan disguised, and secondly, because evacuation of British women and children from Palestine and other military measures have established a background against which Jewish Agency leaders in London can hope to do nothing. Of the two reasons latter was most important. Jewish Agency has information of the coming repressions Britain's plan for Palestine. Such repression would play into hands of Irgun. In face of military action, which might include repression of Jewish Agency, Neumann could see no purpose in sitting quietly at conference table with Britains [*sic*]. By so doing Jewish Agency leaders would be ridiculous. He had told some of his colleagues from Palestine that they had better get ready to go back to jail.

14. Neumann said that he had talked yesterday on telephone with Rabbi Silver who was in Washington seeing Ambassador Gardner and the Secretary. He had explained to Silver that nothing could come of present talks and that Jewish Agency was being maneuvered into hopeless position.

15. Embassy seeing Neumann and possibly Shertok later today.

GALLMAN

890B.00/2–547 : Telegram

The Chargé in the United Kingdom (Gallman) to the Secretary of State

SECRET LONDON, February 5, 1947—6 p. m.

US URGENT

789. Meeting Arab Delegation and British Delegation yesterday according Beeley lasted 2½ hours and was marked by "gloves off" attitude from both sides. See Embtel 771 February 5 [1] for agreed statement issued conclusion meeting.

1. Faris el-Khoury opened meeting with formal statement Arab case in general terms and concluded with thought that October Arab Delegation proposals represent only just and equitable settlement. Dele-

[1] Not printed.

gates from Iraq, Lebanon, Syria and Egypt elaborated some points made by el-Khoury but said nothing of special interest.

2. Jamal Husseini said he desired to appeal to Creech Jones and Bevin as Socialists. He said that leaving aside dispute between Arabs and Jews, Palestine constituted a serious social problem as result of congestions on land in Arab parts of Palestine where even now average Arab farmer has insufficient land to support his family. Within next twenty years high Arab fertility will still more seriously congest land even if no more immigrants are admitted. He asked whether mandatory under a Socialist government did not feel responsible for this growing social problem.

3. British Delegation "did its best" to present Zionist counter-arguments to Arab plan and discussion followed until el-Khoury interrupted to say that he wanted to cut these useless arguments short. Would British Delegation answer two questions?

(*a*) Do British intend to propose partition or a course which would lead to partition?

(*b*) Do British intend to permit continuance of Jewish immigration into Palestine?

4. Bevin said that he could not answer first question but that he would put Arab views against partition to Cab[inet]. (At this point a member of Arab Delegation evoked Arab applause by stating "partition means war"). To second question Bevin said that Arabs had better wait until they had seen British proposals. However, public opinion in Britain believed that further Jewish immigration should take place. He intended to put this question before Cab also.

5. At one point Bevin made appeal, mentioned in reference statement, for more yielding attitude on part of Arab Delegation.

6. Bevin said that he would within a few days and after consulting Cab lay before Arab Delegation British proposals in some form.

7. Beeley said that proposals Bevin had in mind were those promised Jewish Agency Delegation at February 3rd meeting (Embtel 752, paragraph 8, February 4th). At first Bevin had thought he would put in "personal paper" without commitment as a basis of discussion and this was what he had in mind when he talked to Jewish Agency Delegation. However, Bevin has changed his mind and decided that before any paper is submitted to either side, Cab must be consulted. Consequently, neither Jewish Agency Delegation nor Arab Delegation will receive proposals from British before Cab gives its clearance which may be obtained either tomorrow or Friday. Cab may decide that proposals should be submitted as Bevin originally intended, (i.e. without commitment) or it may decide that they should be submitted with full backing British Government subject only approval UN. A third

but unlikely possibility is that Cab might decide that British should give no proposals to the two Delegations.

8. Beeley said that he had been working with others night and day on British proposals which he felt represented "an honorable and reasonable attempt to avoid choosing sides". He was not free to go into details regarding them but it was clear that they envisaged a bi-national unitary state. He thought that proposals would please neither side but that they represented a fair and just approach. Beeley indicated that early increased Jewish immigration was involved "at least in the draft as it now stands."

9. One important virtue of proposals now in draft was that lawyers would possibly consider them to be within terms of mandate and thus, if Cab so decided, they could be put into effect at once.

GALLMAN

867N.01/2–547 : Telegram

The Secretary of State to the Embassy in the United Kingdom

SECRET WASHINGTON, February 6, 1947—8 p. m.

623. We are glad to obtain info contained para 4 urtel 793 Feb 5 [1] to effect Colonial Office does not believe there is any question of martial law being imposed unless "further serious terrorist outbreaks occur" and in event disturbances do take place High Commissioner may order only certain areas under military administration.[2]

Recent evacuation order has given rise to considerable apprehension on part of Zionists this country lest Brit Govt is considering possibility of taking drastic measures in Palestine which may lead to what amounts to open warfare between Brit troops and Jewish population of Palestine. Some of more extreme Zionists are beginning preparations to launch new anti-Brit campaign in event measures of this character should be taken. In discussing matter informally with Brit Emb today we have taken occasion to point out that it might be helpful in forestalling such campaign if Brit Govt would find it possible

[1] Not printed.

[2] Telegram 793 also reported information from the Colonial Office that no action was planned against the Jewish Agency or any other law-abiding organization in Palestine. The message concluded with Chargé Gallman's observation that the "Colonial Office is largely informed post facto rather than consulted re measures taken by Palestine Govt. Same is true of Foreign Office." (867N.01/2–547)

to make public announcement along lines of statements made to you by Colonial Office as contained in telegram under reference.

Sent London as Dept's 623 rptd Jerusalem as Dept's 47.

MARSHALL

867N.01/2–747 : Telegram

The Chargé in the United Kingdom (Gallman) to the Secretary of State

SECRET LONDON, February 7, 1947—5 p. m.

850. Beeley gave following outline today of yesterday's meeting British Delegation and JA Delegation (Embassy's 819, February 6) :[1]

1. Meeting followed "familiar pattern" of British Delegation endeavoring to persuade JA Delegation to put a partition plan on table, and of Jews steadfastly refusing to do so.

2. Beeley believes JA Delegation refusal to table plan involves following motives: (*a*) If JA Delegation tables partition plan, it will be sacrificing part of Palestine; (*b*) coalition JA Executive includes both partitionists and anti-partitionists between whom measure of agreement lies in fact that JA Delegation will consider partition plan only if someone else proposes it; (*c*) it is possible JA Delegation cannot agree within itself re frontiers of partition plan which should be put forward in first instance; (*d*) frontiers drawn to extent of more extreme Jewish demands would look absurd, and might cause case of JA Delegation to be laughed out of court.

3. Creech Jones asked JA Delegation what it wanted by way of immigration and sovereignty. Re immigration, Ben-Gurion's considered reply was that under mandate JA Delegation wanted immigration to full extent of economic absorptive capacity of Palestine; if Palestine divided Jews must be free to determine rate of immigration into Jewish area without interference or control. Re sovereignty Ben-Gurion said that when mandate is terminated Jews in Palestine must have same independence as any other state. Ben-Gurion indicated that he would prefer British to carry out mandate in accordance with Zionist interpretation of mandate.

4. Bevin said that British Govt will not be responsible for forcing a solution on either Arabs or Jews. He said that if acquiescence is not forthcoming UN must take responsibility for decision.

[1] Not printed.

5. Since British proposals were not ready, a variety of subjects were discussed including effect of Jewish immigration on Arab unemployed and land transfer regulations which Jews attacked bitterly as racial discrimination. In latter connection Beeley said Sir Douglas Harris (Embassy's 264, January 14)[2] advised that land transfer regulations were drafted two years before White Paper and promulgated about year afterward; they were purely social and economic measures designed to protect Palestinian Arab cultivator in that they forbade anyone except Palestinian Arab cultivators from buying land. There was no racial discrimination because Syrian and Transjordan Arabs were also precluded from buying land.

6. Beeley got impression that JA Delegation had not closed door to some form of cantonization and that JA Delegation would study British proposals in light of area, freedom of control over immigration and sovereignty.

GALLMAN

[2] In telegram 264, January 14, 6 p.m., the Embassy in London notified the Department that Sir Douglas (of the Colonial Office) had been relieved of all other duties to spend full time amassing facts and figures for use if and when partition would be discussed with the Arabs and Jews. (867N.01/1–1447)

News Division Files

Memorandum of the Press and Radio News Conference, of the Secretary of State, February 7, 1947

[Extract]

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PALESTINE

Mr. Marshall said that the Department was being closely and fully informed on the progress of the very critical and delicate negotiations concerning Palestine which were going on in London and the difficulties which were involved. He said that we could only hope that the contending parties would get down to a specific settlement of their vexatious issues. The Secretary stated that we were deeply concerned over the actual situation in Palestine itself and he said that he felt there had been some confusion there as to the purposes of the British Government in its various actions where the implication assumed was that the action taken indicated strong, military tactics. Mr. Marshall felt that this was not the case, that the trouble had been largely the character of the publicity the matter had received. Secretary Marshall concluded that he had to be very careful in what he had to say concerning Palestine because of the delicate negotiations which were going on.

. . . . . .

867N.01/2–747

The British Embassy to the Department of State [1]

SECRET

TEXT OF MESSAGE RECEIVED FROM MR. BEVIN DATED FEBRUARY 7TH 1947

Following is summary of the proposals.

The document begins by reciting our obligations under the Mandate and points out that during the last twenty-five years we have done our best to further the legitimate aspirations of the Jews without prejudicing the interests of the Arabs. We have not however been able to "secure the development of self-governing institutions" in accordance with the Mandate because it has not been possible to find a basis of co-operation acceptable to both Arabs and Jews. A time has come when development in the direction of self-government can no longer be delayed. Forms of government must now be established which have their roots in the people of the country and which offer a prospect of full independence within a reasonably short period.

2. Under our present proposals the people of the country would be associated with the Central Government from the outset and would be given a large measure of responsibility for local affairs. British participation in the government would not continue for longer than necessary to effect the transition to complete independence and this period of transition would be fixed at five years.

3. The proposals would be embodied in a trusteeship agreement. We believe that they are in conformity both with the obligations already resting upon us under the Mandate and with the provisions of Article 76 of the United Nations Charter.

4. There would necessarily be an interval between the present discussions and the conclusion of a trusteeship agreement, but if it appeared that the suggested policy would command sufficient acquiescence in Palestine we could no doubt make interim arrangements in harmony with this policy before it was formally approved by the United Nations.

5. Paragraphs six to ten below outline the essential features of the proposed trusteeship agreement.

6. Areas of local administration would be delimited in such a way as to include in each a substantial majority either of Arabs or Jews. Neither the whole of the Arab territory nor the whole of the Jewish territory would necessarily be contiguous. A reasonably wide range of powers would be granted to the local administrations. There would

[1] There is no indication of the date this communication was received in the Department.

be safeguards for the rights of the Jewish minority in Arab areas and of the Arab minority in the Jewish areas.

7. "The British Delegation cannot accept the contention of the representatives of the Jewish Agency that the rate of Jewish immigration into Palestine as a whole should be determined by the Jews alone. Nor can they accept the demand of the Arab Delegation that all Jewish immigration into Palestine should cease forthwith. They do not contemplate either a settlement which would bring to an end the development of the Jewish National Home, or the admission of Jewish immigrants without reference to the effect of their entry on the rights and position of the non-Jewish population of the country. Any provisions made for future Jewish immigration must rest upon consideration for the well-being of Palestine as a whole.

"With this end in view the trusteeship agreement would provide for Jewish immigration at a rate of 4000 monthly, for a period of two years. This would guarantee the entry of approximately 100,000 additional Jewish immigrants. During the remainder of the period of trusteeship the continuance of immigration and the rate of entry would be determined with due regard to the principle of economic absorptive capacity by the High Commissioner in consultation with his Advisory Council; and in the event of disagreement the final decision would rest with an Arbitration Tribunal appointed by the United Nations."

8. "Control over transfers of land, including the power to amend the existing land transfers regulations would be conferred on the local authorities."

9. "The High Commissioner would continue to exercise supreme legislative and executive authority. He would, however, endeavor to form an advisory council so composed as to include representatives, not only of the Arab and Jewish local administrations, but also of labour, cultural and other organised interests. Despite this composition, it is probable that voting in the Advisory Council would tend first to follow communal lines. Since, however, the functions of the council would be advisory and not legislative, the High Commissioner would be required to give due attention to the views of minorities. On the conclusion of the Trusteeship Agreement the Jewish members of the Advisory Council would supersede the Jewish Agency for Palestine as the official channel of communication between the Jewish community and the High Commissioner.

"During the period of trusteeship, the High Commissioner would introduce Palestinians into his executive council, and would progressively increase the proportion of Palestinian members in that council".

10. At the end of four years, a constituent assembly would be elected.

If the majority of its Jewish members and the majority of its Arab members failed to reach agreement on the terms of a constitution, the trusteeship council would be asked to advise on the next move.

11. The object of the administering authority during the five years of trusteeship would be to prepare Palestine for independence. His Majesty's Government are not prepared to continue indefinitely to govern Palestine themselves merely because Jews and Arabs cannot agree upon the means of sharing its government between them. They have therefore devised a plan which should give the two peoples an opportunity of demonstrating their ability to work together for the good of Palestine as a whole and so providing a stable foundation for an independent state.[2]

[2] For the text of "The Proposals submitted by the British Delegation to the Palestine Conference on 7th February, 1947, and also Communicated to Representatives of the Jewish Agency", see British Cmd. 7044, Palestine No. 1 (1947), p. 11.

867N.01/2–847 : Telegram

The Ambassador in the Soviet Union (Smith) to the Secretary of State

RESTRICTED Moscow, February 8, 1947—3 p. m.

344. Marking first direct Soviet comment on present Palestine crisis, *Izvestia* International Review February 8 indicates British evacuation of women and children is prelude to military action to enforce four-fold partition of Palestine under which British could retain control. Review states such action part of further plan for detachment of northern section of Palestine and its incorporation in Greater Syria.[1] Such reshuffling of states to suit British strategic plan, Review claims, is in conflict with interests of peoples of Arab state.

Beirut repeat to Arab capitals.

Department please repeat to London as Moscow's 41 and Beirut.

SMITH

[1] For documentation on the plan for a Greater Syria, see pp. 738 ff.

867N.01/2–947

The British Secretary of State for Foreign Affairs (Bevin) to the Secretary of State [1]

[LONDON, undated.]

I read with pleasure the newspaper account of your remarks on Palestine at your press conference on February 7th. I know how deeply

[1] Copy transmitted to the Secretary of State by Sir John Balfour, the British Minister, on February 9.

concerned you must be about the Palestine problem, and I am doing my best to keep you fully informed. You will have read the outline of our new proposals left with you by Lord Inverchapel. I am sending you this personal message in addition so that you may be aware of some of the considerations which we have had in mind when drafting this plan.

We were faced with three alternatives. We could have advanced proposals which would have satisfied one party but which we should have had to impose on the other at the point of the bayonet. I think the Arab plan could only have been imposed in this way, and the same is true of partition, especially of partition along any frontier which would have satisfied Zionist claims (incidentally one of our difficulties has been that the Jews have never given us any proposals. I have a feeling that this is due to disagreement among themselves). Or we might have concluded that the problem was insoluble by ourselves alone and referred the whole matter [to] the United Nations without making any recommendations. Even now we may be driven to adopt this course. But we thought it right first to make one more attempt to arrive at a settlement which would seem just to all reasonable people, through negotiation if possible, or at least with a fair prospect of acquiescence from the inhabitants of Palestine. I am sure you will understand my determination that the British Troops who fought for freedom in the late war shall not now be used to impose a policy by force in Palestine. And I think you will sympathise with us in exhausting our own resources of conciliation before we carry the matter to the United Nations.

We have given much thought to our obligations under the mandate. I am sincerely convinced that we have honestly carried them out hitherto, with the very important exception that we have not found it possible to develop self-governing institutions. We have now decided that a time has come when the peoples living in Palestine must be made to accept responsibility for their own fate. We cannot go on for ever maintaining an alien rule over that country. First objective of our new policy is therefore to make Palestine independent after a short period of transition, which we have fixed at five years.

I think you will find that our proposals are consistent with the present mandate. This has the great advantage that, if we find we can carry them into effect, we can begin to do so without waiting for the conclusion of a Trusteeship Agreement, but we intend to seek international approval of our policy through the negotiation of a Trusteeship Agreement as soon as possible.

During period of transition, the High Commissioner would try to

form an Advisory Council, and would be guided as far as possible by its advice. We have left composition of this body open for negotiation. It is obviously a very difficult point to decide, but we have provided that, even if we cannot give numerical parity to the Jews and Arabs, the High Commissioner should pay attention to views of the minority as well as of the majority. We have also thought it logical that, as soon as a central representative organ is established in Palestine, the Jewish population should deal with the High Commissioner through the Jewish members of that body and not through the Executive of the Jewish Agency, which represents Jews in all parts of the world. An international organisation cannot be embodied in the constitution of any country.

We have thought it right, especially as a safeguard for the development of a Jewish National Home, to provide for local areas with a large measure of autonomy. Our difficulty here is of course to de-limit Arab and Jewish areas. As you are aware it is impossible to find in all Palestine, apart from Tel Aviv and its environs, any sizable area with a Jewish majority. But we are still working on this problem and I think we shall solve it and in due course produce a reasonable map.

The vexed question of immigration has worried me more than anything else. I think that time has come to refer it, if the Arabs and Jews cannot agree, to international arbitration. This we have provided for at the end of two years. But in the immediate future we felt we should ask Palestine to make a special contribution to the relief of distress in Europe. We had also in mind President Truman's desire to see 100,000 immigrants admitted into Palestine. The proposals therefore guarantee the entry of approximately that number before international arbitration is invoked. To admit them in a shorter period than two years would probably cause an upheaval.

After four years, we hope to hold elections for a constituent assembly, and to put before the Palestinians themselves the problem of constituting their independent state. If they cannot agree on how to become independent, we shall ask the Trusteeship Council to advise us on our next move.

The initial reaction of the Arabs to our proposals is sharply hostile, and I cannot say that I hope for a better reception by the Jews. I realise that you will receive strong representations against our proposals from sections of American public opinion. But I think that if you imagine yourself in my position you will agree that this last attempt we are making to solve the problem ourselves is just and reasonable.

[Ernest Bevin]

867N.01/2–747

Memorandum by the Director of the Office of Near Eastern and African Affairs (Henderson) to the Under Secretary of State (Acheson)

SECRET [WASHINGTON,] February 10, 1947.

Attached hereto is the summary of Mr. Bevin's proposals of February 7, 1947 to the Jews and Arabs regarding Palestine.

[Here follows the proposals.]

It is interesting to note that the British Government is endeavoring gradually to reduce Palestine from a world to a local issue. Its proposals would mean that the Jews of Palestine through the Advisory Council, rather than the Jews of the world—particularly of the United States—through the Jewish Agency as at present would speak for the Jews. Furthermore, the Arabs of Palestine, rather than the representatives of Arab States, would speak for the Arabs.

The proposals, furthermore, seem to point more directly towards a binational state than did the Morrison–Grady plan. At the end of the five years, however, in case of failure of agreement between Arabs and Jews, partition, cantonization, binationalism, or any other form of state or states could apparently be recommended by the Trusteeship Council.

No reference is made in the summary to the holy places or to the rights of Palestinians who are neither Arab nor Jew. It is probable that the full proposals will have appropriate provisions of this character.

American Zionists will bitterly oppose the plan because:

1. It does not provide for an independent Jewish state.
2. It provides for local administrations which will be predominantly Arab in areas in which Arabs are at present in the majority.
3. It fails to give Jews the right to determine their own rates of immigration.
4. The rate of immigration is too low and for too short a period. American Zionists will certainly insist upon the admission of several hundred thousand Jews during any period of trusteeship.
5. It apparently does not give financial autonomy to the Jewish districts. They will lose a measure of control over the situation since the Agency in which they wield great influence will no longer act as a spokesman for the Jews. They will, nevertheless, be able through their financial power to bring much pressure on the Jews of Palestine.

The Arabs will also object because:

1. Provisions are made for further Jewish immigration. They are sure to be suspicious that the High Commissioner and the Arbitration Tribunal will admit large numbers of Jews during the last three years of the trusteeship.

2. There is no provision for the establishment of a Palestinian State based on majority rule.

In general, the plan should not be so objectionable to the Arabs as to the American Jews.

From the point of view of the American Government, one of the main defects is the slow rate of Jewish immigration. It would be preferable for the 100,000 to go to Palestine during the course of a year, beginning at once, rather than over a two-year period. The proposals are so worded that it is possible under them for immigration to begin at once if there is not too much opposition to them.

If we give our support to the proposals, even if amended so as to speed up the admission of the 100,000, American Zionists will probably charge that we have betrayed them. Nevertheless, the proposals seem to be somewhat nearer to the original Anglo-American plan [1] than were the Morrison–Grady proposals. The British, furthermore, in preparing them were clearly endeavoring to live up to the letter of the mandate and to preserve strict impartiality as between Jews and Arabs.

We feel that it would be unwise for us to comment on the merits of the plan until the storm which its announcement will raise has subsided.

LOY W. HENDERSON

[1] For the report made on April 20, 1946, by the Anglo-American Committee of Inquiry, see circular telegram of April 25 and footnote 22, *Foreign Relations*, 1946, vol. VII, pp. 585 and 588, respectively.

867N.01/2–1047 : Telegram

The Secretary of State to the Embassy in the United Kingdom

SECRET WASHINGTON, February 10, 1947—9 p. m.

680. For Gallman from Henderson. Brit Emb has furnished us summary of Bevin's proposals to Jews and Arabs and has sent Secretary courteous and enlightening personal message from Bevin. Matter (urtel 898 Feb 10 [1]) being studied here with deep interest.

It would be helpful to us in this connection if you would informally inquire with re following and telegraph replies:

1. Are we correct in understanding that areas of local administration are being determined on basis racial or religious complexion of population without consideration being given to economic factors or to potential economic development or settlement factors?

2. If so would Arab majority in what are now predominantly Arab areas have right to use their local administrative jurisdiction over

[1] Not printed.

land transfer so as to prevent settlement by Jews in those areas during period of trusteeship even though certain lands in those areas are particularly well suited for settlement?

3. In considering economic absorptive capacity of Palestine during final three years of trusteeship is it proposed to include capacity of areas predominantly Arab as well as those predominantly Jewish?

4. If not how would it be possible effectively to answer charges which Jews might make that it would be in keeping with the spirit of the mandate to consider absorptive capacity of Palestine as a whole and not merely of certain sections in which there are already substantial Jewish settlements?

5. Is it contemplated that virtually all areas must be considered substantially Arab or substantially Jewish or is it contemplated that some areas should be for time being under control of trusteeship government and open to settlement in accordance with absorptive capacity?

6. Is special provision being made for holy places and is any consideration being given to interests of groups who are neither Arab nor Jewish? [Henderson.]

MARSHALL

867N.01/2–1147 : Telegram

The Chargé in the United Kingdom (Gallman) to the Secretary of State

SECRET LONDON, February 11, 1947—2 p. m.

926. Beeley's report (Embassy's 898, February 10 [1]) re 2½ hour meeting between JA Delegation and British Delegation yesterday afternoon follows:

1. Ben-Gurion opened with statement that JA Delegation has rejected Morrison plan and that present proposals moved away from Morrison plan in direction of White Paper.

2. Ben-Gurion argued that British proposals envisaged 100,000 immigrants in 2 years instead of in 1 year as Morrison plan suggested. Re this argument, Beeley commented that Morrison plan was contingent upon US support for plan as whole. British had given specific warning that alteration in immigration rate might be necessary if US support was not forthcoming.

3. Ben-Gurion said that under British proposals after 2 years further immigration would be dependent upon UN decision. British Delegation pointed out that this was not strictly true: it had in mind decision re immigration by an arbitration tribunal set up under UN auspices.

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[1] Not printed.

4. Ben-Gurion was concerned by fact Jewish areas would not be necessarily continguous. He envisaged a series of Jewish enclaves. Beeley said discussion this point was complicated by absence of British map, and no specific reply was made by British Delegation. What British have in mind, Beeley said is "three or four" Jewish areas united administratively under one Jewish authority, total Jewish area being about the same as under Morrison plan. This will be explained to JA representatives at meeting today. (See paragraph 13.)

5. Ben-Gurion deplored fact that under proposals JA would lose its status under mandate.

6. Ben-Gurion's main objection was under proposals Palestine would be independent state with Arab majority after 5 years. Ben-Gurion said: "We do not care to have a Palestine state. This is not our business". British Delegation replied that it was not prejudging character of Palestine state which would be UN matter.

7. Ben-Gurion said that British under their proposals would continue to control immigration but settlement would be restricted to Jewish areas. Beeley said that this was an unfortunate misunderstanding which he was afraid British Delegation had not yet made clear to JA Delegation. Under proposals Jewish immigrants could go anywhere in Palestine and do anything except buy land in Arab areas. Immigrants could, for example, settle on land already owned by Jews in Arab areas.

8. Ben-Gurion argued at length that position of Arab minority in Jewish state would be far better than that of Jewish minority in Arab state because in former case Jews being surrounded by Arab countries would be forced to treat Arab minority well.

9. At this point Creech Jones said forcefully that JA Delegation was putting worst possible interpretation on every phrase of British proposals.

10. Goldmann said that there is definite risk that when matter is referred to UN, UN will establish a state with an Arab majority. He suggested to British Delegation that it should put forward to UN a partition proposal.

11. Bevin said that if neither side would acquiesce to proposals British Government would go to UN with no recommendations. Govt would, however, make available to UN all plans relating to Palestine including Arab proposals. Bevin made no mention of possibility of special UN GA meeting to consider matter. Bevin asked again for JA's partition proposals.

12. JA Delegation replied that it was prepared to accept, but not to advance, partition and pointed out that if JA Delegation had not produced map neither had British Delegation.

13. Bevin said that British Delegation would show JA Delegation a map. Bevin's intention was that JA would in return show British Delegation its map. Here, Beeley thought JA Delegation got best of argument because while Brook,[2] Harris and Beeley are scheduled to show Ben-Gurion, Shertok and Horowitz a British map this afternoon at 5:30, he was not sure that JA Delegation understood that it would have to produce its map. British would show British map in any case.

14. Beeley said atmosphere meeting was relatively friendly and that while there is no prospect of JA Delegation agreement to British proposals no door is yet closed.

15. Re Arab Delegation British have had no official notice of Arab reactions but are hourly expecting note from Arab Delegation commenting on proposals. British Delegation is standing by to meet this afternoon with Arab Delegation at 3 p. m. if Arab Delegation requests meeting.

GALLMAN

[2] Sir Norman Brook had headed the British Delegation negotiating with the Grady Mission.

867N.01/2–947 : Telegram

The Secretary of State to the British Secretary of State for Foreign Affairs (Bevin)[1]

SECRET WASHINGTON, February 11, 1947—7 p. m.

I am sending you this interim line to thank you for your most helpful explanatory message on your recent Palestine proposals. I am glad that you found my remarks to the press helpful. I was most anxious not to embarrass you in your difficult and delicate task. I am studying the proposals and if questions occur to me to which I cannot get answers here I may bother you with them.

MARSHALL

[1] Sent to London as Department telegram 697, with the instruction: "Please deliver to Mr. Bevin the following message from the Secretary."

867N.01/2–1147 : Telegram

The Chargé in the United Kingdom (Gallman) to the Secretary of State

SECRET LONDON, February 11, 1947—7 p. m.

939. Beeley, Foreign Office, and Mathieson, Colonial Office, collaborated on following replies to questions Department's 680, Feb 10:

Question 1. Great difficulty is that there is no area of substantial size in Palestine, apart from Tel-Aviv and its neighborhood, in which there

is a numerical majority of Jews. On other hand, it is British desire to give Jews as nearly as possible the room for development which was accorded them in Brook–Grady plan.[1] British think at present that only way this can be done is to place all "Jewish" areas under a single administration, so that population of Tel-Aviv would outweigh local Arab majorities in rest of Jewish territory. Thus British are taking potential economic development and settlement factors into account in determining size of Jewish areas.

Question 2. It follows from (1) above there would be a considerable area in which Jews would remain free to purchase land. This would not include northern part of what Jews call the Negeb, but British attach great importance to reserving some part of Palestine which is capable of development to absorb surplus Arab population from the hills, and British see no possibility of doing this except in southern coastal plain.

Question 3. Under British proposal, central government would be responsible for economic development involving country as a whole. Immigration would, so far as it could be determined without reference to arbitration, be fitted into this general economic plan, thus taking into account absorptive capacity of country as whole.

It should be noted that Jewish immigration into Arab areas, as distinct from purchase of land there, would not be prohibited.

Question 4. See answer to 3 above.

Question 5. British do not contemplate that any area should be left under direct control of central govt. In present discussions, Negeb has been divided into two parts. Northern or cultivable part carries already a substantial Arab population, and British hope to develop it further in Arab interest (see 2 above). Jews have themselves stated that uninhabited southern part of Negeb is useless to them. Consequently, Negeb will be left in Arab area.

Question 6. During period of trusteeship, High Commission will continue to be responsible for holy places. At end of that period, it will be for UN to make sure that holy places are adequately safeguarded under the independent state. Palestine Government is at present considering proposals for administration of Jerusalem, which would provide for a Jewish and an Arab council in the Jewish and Arab areas respectively, and for a mixed administration for remainder of Jerusalem. If adopted, this proposal would fit easily into present scheme. Beyond safeguards for minorities generally, no special provision has been made for interests of non-Arab and non-Jewish groups which in any case are numerically insignificant in Palestine.

GALLMAN

[1] Better known as the "Grady–Morrison Plan".

867N.01/2–1347 : Telegram

The Chargé in the United Kingdom (Gallman) to the Secretary of State

SECRET
PRIORITY

LONDON, February 13, 1947—7 p. m.

1005. Following obtained today from Beeley and Sir Douglas Harris:

1. British showed representatives Jewish Agency Delegation February 11 British map "insofar as it has been prepared". Beeley said map is still in draft stage. (Embassy's 926, February 11).

2. Representatives Jewish Agency Delegation did not produce map but by moving fingers over British map showed what they had in mind. According Beeley and Harris it was clear that even if both sides should accept partition in principle there exists no hope of reaching agreement re frontiers. Gap between Jewish Agency thinking and any partition proposal which British have even contemplated is far too great to be bridged.

3. Beeley apologized for not being able to give Embassy fuller account of February 11 meeting. He said he was bound by agreement made with representatives Jewish Agency Delegation present that both sides would keep developments at meeting strictly confidential. Beeley said, however, that little of significance took place and that secrecy did not mark anything of importance.

4. Jewish Agency Delegation has not yet submitted to British Delegation its objections in writing to British proposals (Embassy's 982, February 12 [1]) but Beeley understood that Jewish Agency is drafting them.

5. Having agreed February 10 that another meeting would be held, Jewish Agency Delegation and British Delegation meet today. Beeley could not forecast what would be said.

6. British Delegation and Arab Delegation met February 12. Bevin opened meeting by saying it was clear that agreement was not going to be reached on basis British proposals. He said that Arab objections [2] and Jewish Agency objections to proposals have so much in common that it seemed to him it might be best for British to stand aside and let Jewish Agency Delegation and Arab Delegation work out their own solution. Bevin said he would undertake to put into effect any

[1] Not printed.

[2] In telegram 931, February 11, from London, Chargé Gallman reported information from Mr. Beeley that the British had received a statement from the Arab Delegation rejecting the British proposals but not closing the door on future negotiations (867N.01/2–1147). The text of the statement, dated February 10, was transmitted in despatch 4284, March 14, from London (867N.01/3–1447).

agreement which Arabs and Jews would work out directly between themselves.

7. In absence Faris el-Khoury, Jamal Husseini for Arab Delegation made "fighting speech". He said that so far Arab Governments have been able to restrain their populations but he did not think this was possible for much longer. In his view Middle Eastern peace was gravely threatened by Palestine situation and by strain which British role in Palestine has placed on Anglo-Arab friendship.

8. Lebanese delegate, Nadim Dimechkie, then made speech analyzing and attempting to demolish Jewish case which he said rested upon following four points:

(*a*) Jewish historical case: Arabs have been in Palestine so long that this can hardly be taken seriously;
(*b*) Distress of Jews in Europe: Arabs have not caused this and do not see why they alone should be called upon to remedy this distress;
(*c*) Jewish religious interests: Jews did not have an exclusive religious interest and there was no reason why such interest should have political consequences;
(*d*) Jews are capable of developing Palestine economically better than present inhabitants: This argument was precisely that used by Italians in Ethiopia.

10. Dimechkie said that Arabs are being asked to compromise. Arabs feel that Balfour Declaration was illegitimate and every Jewish immigrant into Palestine was for them a compromise. Arabs have compromised enough by recognizing present Jewish population Palestine and are not prepared to go further.

11. Question then arose as to what Arab Delegation would like British to do in Palestine. Palestine Arabs recommended strongly that British should pack up and get out leaving Palestine Arabs to handle resulting situation. British asked whether Palestine Arabs did not realize strength of Jews and prospect of bloodshed in such an event. Palestine Arabs said they were confident of handling situation and of Arab League support if that should be necessary.

12. Bevin said that he would make full report re proceedings Palestine Conference to Cabinet at its February 14 meeting. He asked Arab Delegation to remain in London until after this meeting. Re this request Beeley said Bevin made it clear that he might or might not have something to say after Cabinet meeting.

13. Creech Jones saw representatives Agudas Israel [3] February 10 and will see representatives Anglo-Jewish Association February 14. Beeley knew of no official reaction from either organization to pro-

[3] The "Association of Israel", the organization of ultra-orthodox Jews in Palestine and abroad. The first part of the name is written also as "Agudat" and "Agudath".

posals but had noted press reports that both are inclined to view British proposals with some favor.

14. Questioned re "Operation Grand National" as British press today describes transfer directly to Palestine of 300 skilled Jewish artisans from British zone Germany, Harris and Beeley said that this movement had been afoot for some time and that 600 Palestine visas had been put at disposal of displaced persons section, British Control Commission. The 300 mentioned in reports are first half such visas which they understood were being granted to Jewish DP's on a point system.

GALLMAN

867N.01/2–1447 : Telegram

The Chargé in the United Kingdom (Gallman) to the Secretary of State

SECRET
PRIORITY

LONDON, February 14, 1947—5 p. m.

1033. British delegate supplied this morning following information re Palestine developments:

1. British delegate and JA Delegation met yesterday for one and one-half hours. Creech Jones opening meeting said that British Delegation had examined reactions both Arabs and Jews to British proposals and found both sides uncompromising. Consequently, British Delegation could only report their situation to Cabinet and seek its further instructions.

2. JA Delegation restated its requirements for Palestine in following order of preference:

(*a*) British Govt should turn western Palestine into Jewish state at once.

(*b*) If above not possible, British should administer mandate as they did prior 1938 until Jews secure majority, at which time Jews would be prepared to consider an independent Palestine.

(*c*) As last resort, Jews would be prepared to consider viable Jewish state in adequate area indicated at meeting between representatives JA Delegation and representatives British Delegation February 11 (Embassy's 1005, February 13).

3. British Delegation replied that it could not agree to any of the three alternatives outlined by JA, and with regard to last British Delegation did not believe that Palestine could be divided into two viable states.

4. Mood of JA Delegation was described as subdued and resigned. British delegate spoke soberly and with finality, and said that this meeting would be "last of present series with JA Delegation."

5. JA Delegation has not yet submitted its objections to British proposals to British Delegation in writing [1] (Embassy's 1005, February 13, paragraph 4).

6. British Delegation and Arab Delegation will meet this afternoon.

7. British Delegation anticipates next move will be statement on Palestine in Commons, possibly Monday which will be followed by Palestine debate towards end week.

8. Results Cabinet meeting today not yet available.

GALLMAN

[1] The text of the reply of the Jewish Agency, dated February 13, was transmitted to the Department in despatch 3943, February 21, from London (867N.01/2-2147).

867N.01/2-1447 : Telegram

The Chargé in the United Kingdom (Gallman) to the Secretary of State

SECRET LONDON, February 14, 1947—7 p. m.

US URGENT

1048. British delegates advised Embassy as follows re brief meeting today between British delegates and Arab delegates (Embassy's 1033, February 14):

1. Bevin informed Arab delegates that his colleagues in Cabinet had agreed with Creech Jones and himself that, inasmuch as plan offered by British Delegation had met with no acceptance from either Arabs or Jews, question must now be referred to UN without British recommendations. Bevin said that Britains would present question before UN as impartially as possible, making available for UN use all proposals submitted, including Arab proposals.

2. Arab delegates asked British to stop all Jewish immigration in interim between now and UN decision. British replied that they would prefer to maintain *status quo*. This Arabs said could only mean a return to White Paper the last of whose 75,000 immigrants had entered Palestine in December 1945. Arabs said British had established 1500 as interim rate in connection with work of now defunct Anglo-American Committee, and that all Jewish immigration should now cease. Bevin replied that he would refer to Cabinet Arab delegates' request to stop immigration.

3. Re Arab request that Jewish immigration should be terminated, Mathieson, ColOff, said that immigration being crux of problem Bevin will undoubtedly ask Cabinet to decide. He thought 1500 visas monthly would be continued on grounds that this interim rate had been established by British in expectation that Anglo-American Committee

would be able to bring Palestine question to some conclusion. Conclusion has not been reached, however, and until it is, 1500 immigrants monthly is reasonable. On other hand, Mathieson thought that emphasis Arab Delegation has placed on immigration made it impossible to yield to Jewish pressure to increase rate above 1500.

4. British Delegation will spend weekend working on a statement to be made before Parliament February 18[1] (not February 17 as reported reftel) and on a White Paper to be issued February 18 in preparation for Palestine debate probably February 20. No final decision has been taken re contents of White Paper.[2]

GALLMAN

[1] For statement made by Mr. Bevin before the House of Commons on February 18 concerning the termination of the conference with the Arabs and the consultations with the Jewish Agency and the British intention to submit the Palestine question to the United Nations, see *Parliamentary Debates*, House of Commons, 5th series, vol. 433, col. 985.

[2] The reference is to British Cmd. 7044, Palestine No. 1 (1947).

867N.01/2–1547

The Under Secretary of State (Acheson) to the Director of the Office of Near Eastern and African Affairs (Henderson)

SECRET WASHINGTON, February 15, 1947.

DEAR LOY: I have been reviewing the last few days' cables about Palestine, as I know you have been, with concern. The following views and questions are put forward without much confidence but in the hope of provoking some thoughts from you:

1. It looks as though the London conferences have blown up and that we have come to the end of the period begun in 1945 of trying to find a solution by inquiry and negotiation.

2. It looks as though the British were preparing to lay the whole matter before the General Assembly without recommendations.

3. It looks as though the British were prepared to maintain as an interim policy the immigration policy at present in force, that is, 1500 a month.

4. If the foregoing is true 1947 is going to be a bad year in Palestine and the Middle East, with increasing violence and grave danger to our interests in that area.

5. I see little hope that without recommendations from the British the General Assembly will be able to do very much.

6. In this situation I suppose that within a very short time we shall have to discuss the matter with the British Government and I suppose also that if the administration does not give a lead in this matter the Congress will undertake to do so with rather disastrous results.

Therefore, there are two problems that we have to consider. First, is, what should the interim program be particularly about immigration? Secondly, what attitude should we take in the United Nations.

As to the first, the British view seems to be that if they make any change in present admission of Jews into Palestine it will produce Arab resistance. This may be true but it seems to me that there will be an equal amount of trouble from trying to maintain the *status quo*. On the other hand, if there is some relaxation of the present strict immigration policy it has the compensating advantage of perhaps making the Arabs more willing to negotiate and to compromise. Therefore, would it be possible to work for an interim policy of 3,000 per month with the idea that if this produces violence we might regard it as a threat to the peace within the jurisdiction of the Security Council and ask the Security Council to rule on that, if possible giving the interim program the strength of its endorsement.

As to the second question—that is what position we should take in the United Nations—if the British make no proposals and take no leadership and we do not I presume that the Russians will take the ball and start off with an immense propaganda advantage. Therefore, it is hard to see how we can escape the responsibility for leadership. Furthermore whatever scheme comes out of the United Nations we shall be called upon to furnish the chief economic support for it and, therefore, we have a considerable stake in helping to formulate the best possible policy. This brings us to the question, if I am right so far, as to whether that policy should be based on partition, which we have favored thus far, or whether we will conclude that despite its domestic advantages for us that policy carries too great a weight of international difficulty to put across. One thing which we should avoid is to get committed at an early stage in any discussions with the British to a plan which will leak and cause repercussions in this country. Therefore, on the long-range plan we ought to get our own views as crystallized and as generally accepted within the Government as possible before exposing them to the British.

I am aware that this only poses but does not answer the $64.00 question but I have come to the end of my ideas for the morning.

DEAN ACHESON

867N.01/2–1547

Memorandum of Telephone Conversation, by the Under Secretary of State (Acheson)

SECRET [WASHINGTON,] February 15, 1947.

I called Sir John Balfour at the British Embassy, after trying to telephone the Ambassador and finding he was away. I told Sir John that Mr. Henderson and I had been talking about the Palestine situation this morning and that it seemed to us from the cables that we had received that the London discussions had come to an impasse; that the

British intention to lay the whole thing before the United Nations without any recommendation raised the question of what to do about immigration in the meantime. The cables seemed to indicate that the British Cabinet would have the question put to them and that the British idea prevailing now was that the present arrangement of 1,500 visas monthly would be maintained.

I said that the President and the Secretary of State were both out of town and that the views I wanted to express to him were those of Mr. Henderson and myself, but I thought would be shared by the President and the Secretary.

We hoped that the British would consider the question of immigration very carefully. Our judgment was that if the rate were doubled, so that 3,000 visas a month would be available, this would not make the situation any more difficult and might make it less. I pointed out that I did not believe the Arabs would be much more excited by 3,000 visas than by 1,500. It seemed to me that the possible advantage that would arise from an increase to 3,000 would be to make the Arabs more ready to look to solutions for the problem since, as long as the situation seemed to be stalled, the Arabs were pleased and willing to maintain the *status quo*. Also with reference to the Jewish side of the question I thought this would be a helpful solution. I said I had had a talk with Rabbi Silver yesterday who seemed to me to be subdued and rather frightened by the impasse that has been produced. If it could be said that the British have done everything they could to negotiate a solution but without success; that they are now laying the matter before the United Nations and in the interim they are making the effort—by raising the visas to 3,000—to take care of the terrible immediate situation in Europe, this would be a very great help to us domestically. I pointed out that so far we have refused to make any statements or to send any notes to the British, pointing to Secretary Marshall's specific statement that he did not intend to say anything that would rock the boat, but it seemed to me that if the situation has blown up we are going to be under great pressure to make a statement of some sort.

I said that I had given him these views without in any way wanting to embarrass him but simply to let him know our concern about the situation now before a final decision is made.

Sir John said that he understood completely our domestic difficulty and believed that the suggestion was a good one and would not add to their difficulties but on the other hand very probably would be helpful. He said he was most grateful for the suggestion and would pass it on immediately.

DEAN ACHESON

867N.01/2–1747

The Director of the Office of Near Eastern and African Affairs (Henderson) to the Under Secretary of State (Acheson)

[WASHINGTON,] February 17, 1947.

DEAR DEAN: I am attaching hereto a summary sent over by the British Embassy of a personal message which the Secretary is to receive today from Bevin.[1]

It is suggested that the Secretary answer this message today; that the reply be brief and that although expressing an understanding of the difficulties of the situation in which the British find themselves, it not go into the substance of the matter except perhaps to express the hope that if the British Government feels that it could do so without a further deterioration of the situation in Palestine it would be helpful if it could make it possible for a larger number of displaced European Jews to enter Palestine during the interim period than 1,500 a month, the rate now in effect.

We might later find it advisable to suggest that the matter be laid before the Trusteeship Council which should have its initial meeting in about a month, rather than to hold it up for the General Assembly in the autumn. It might be preferable not to advance such a suggestion, however, until we have a better idea as to what the various reactions to the British decision will be.

With regard to the line which we should take towards the Palestine problem in the light of recent events, I feel that we should move slowly in committing ourselves in any direction. There is a danger that not only would we not be able to persuade the General Assembly to approve any partition plan not recommended by the British Government, which would provide for a really workable Jewish State, but that an attempt on our part so to do would weaken our prestige and influence in the United Nations and react unfavorably in the end against the Jews. Before we engage in any international discussions regarding the matter or before we begin to make any public announcements committing ourselves to any line of action we should decide only after discussions with Congress, with the White House and with American Jews and other interested American groups what our policy is to be. We cannot afford in the forum of the United Nations to retreat from a position once taken as a result of pressure brought upon us from highly organized groups in the United States.

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[1] Mr. Bevin's message not found in Department files; for summary, see *infra*. The message as received in the Department from the British Embassy seems to have been dated February 17 but may have been sent by the British Foreign Office on February 15; see telegram 1143, February 19, from London, p. 1053.

We are reviewing all the plans for Palestine that have been advanced thus far and hope to have some concrete suggestions in the near future.

[Annex]

The British Embassy to the Department of State

[WASHINGTON, undated.]

SUMMARY OF A MESSAGE FROM MR. BEVIN TO BE DELIVERED TO THE SECRETARY OF STATE ON THE 17TH FEBRUARY

Since Mr. Bevin sent the Secretary of State his personal message on the 9th February the British proposals intended for a basis of negotiations have been rejected by both the Jews and the Arabs and the Palestine Conference has come to an end.

2. The Arabs have never accepted the Balfour Declaration or the Mandate but the British Government in administering this responsibility have nevertheless caused to be admitted some 535,000 Jews between 1920 and 1947. The highest figure in any one year was 62,000 in 1935 due to Hitler's persecution, but this caused an Arab revolt and finally a figure of 75,000 was agreed on for a definite period ending December 1945. But owing to the position in Europe, the British Government extended the monthly quota of 1,500 after that date with the result that some 24,000 Jews have been admitted between January 1946 and the present time.

3. The British Government have tried hard to combine three proposals (1) immigration (2) land transfer and (3) the ultimate establishment of an independent state based on the people resident in Palestine, whether Arab or Jew. This they felt should offer a reasonable solution or at least a basis for discussion, since they consider that the country ought to reach an independent status soon and the Mandatory power yield up its responsibility. This proposed solution has however been rejected by the Jews, since it did not provide for unlimited immigration with the object not of relieving Europe alone but of establishing a Jewish state. When their own partition compromise was looked into, it became clear that the Arabs would be left only a very small and rather desolate area in the hills. The Arabs on the other hand rejected the British solution because it contemplated further Jewish immigration, to which they absolutely refused to agree. In view of the unsatisfactory working of the Mandate and of the respective claims of the two parties, the British Government could only decide to refer the Mandate back to the United Nations which seemed to be the only course open to them in the circumstances.

4. While the British Government will give the United Nations As-

sembly all the information and all the documents relating to the schemes which have been put forward from time to time to solve this problem, they have decided not to make any recommendations themselves but to request the Assembly to consider the position and recommend a settlement.

5. Thus far Mr. Bevin's message. The British Government have informed both the Arab and the Jewish Delegations of what they propose to do and they hope to put the problem to the United Nations Assembly at its next regular meeting in September. An announcement to this effect will be made in Parliament, probably on February 18th, which will be followed by a request for a debate later in the week. Before the debate it is proposed to publish a White Paper [2] containing (1) the Provincial Autonomy Plan (known as the "Morrison–Grady" proposals), (2) The Arab proposals (3) The latest British Proposals.

[2] Released as British Cmd. 7044.

867N.01/2–1947 : Telegram

The Chargé in the United Kingdom (Gallman) to the Secretary of State

[Extracts]

SECRET LONDON, February 19, 1947—6 p. m.

1143.

. . . . . .

1. As result of Secretary's suggestion in final paragraph his Feb 17 reply to Bevin's Feb 15 communication to Secretary via British Embassy Washington,[1] Bevin avoided committing himself regarding GA in statement he read to Parliament yesterday.[2] Meeting of Foreign Office and Colonial Office officials considered possibility of preliminary work in Trusteeship Council but reached conclusion not yet endorsed at ministerial level that reference to Trusteeship Council might prejudice future UN decision. Beeley said that UNGA might decide that Palestine should not be trusteeship but should become an independent state or states at once. British agree that any work which can be done on problem before Sept will be most useful and Beeley said that telegram is now being processed through Foreign Office putting to Cadogan [3] in New York for his comments certain procedural sugges-

[1] The formal reply to Mr. Bevin's communication was conveyed telegraphically to London on February 21; see *infra*. Presumably a copy was sent to the British Embassy on February 17, as recommended in Mr. Henderson's communication of February 17 to Mr. Acheson, p. 1051.

[2] For text, see *Parliamentary Debates*, House of Commons, 5th series, vol. 433, col. 985.

[3] Sir Alexander Cadogan, British Representative at the United Nations.

tions designed to get UN started on Palestine problem in advance Sept UNGA. On basis Cadogan's advice final reply will be sent to Secretary's message which so far has been given only interim reply.[4]

. . . . . .

3. Beeley said that British officials sympathized deeply with Jews in DP camps but that there is strong feeling in London that nothing should be done to tilt scales in favor of either side between now and UN decision. He thought any increase above 1500 monthly would tilt scales and pointed out that there is possibility that UN may ask British Govt to carry on in Palestine for protracted period while UN considers question. If, for example, monthly quota were doubled it would amount to 36,000 immigrants yearly, a figure only exceeded in 1934 and 1935. As things stand 18,000 Jewish immigrants annually was only exceeded in 1925 and in period 1933–36. He thought that relatively high current rate immigration was sometimes forgotten.

. . . . . .

GALLMAN

[4] Not found in Department files.

867N.01/2–2147 : Telegram

The Secretary of State to the British Secretary of State for Foreign Affairs (Bevin)[1]

SECRET WASHINGTON, February 21, 1947.

I have just received your considerate message reporting outcome of London conversations re Palestine and regret learn that since solution acceptable both Arabs and Jews has not been found, Brit Govt feels only course open is to refer Mandate back to UN.

In endeavoring to find solution of Palestine problem which could be carried out by peaceful means, Brit Govt has been undertaking difficult and delicate task and we have refrained during course recent conversations from taking any step which might render task still more arduous. Transfer of vexatious problem to UN unfortunately does not render it any less complicated or difficult. We are considering carefully what our approach to problem should be in light recent developments in order whatever move we do make will be as constructive as circumstances permit. In meantime is it possible, without bringing about any marked deterioration of situation in Palestine, to increase appreciably number of displaced European Jews who might be ad-

[1] Sent to London as Department telegram 857, February 21, 3 p. m., with the introductory comment: "In reply to Bevin's message Feb 17 re reference Palestine question to UN Sec informed Brit Feb 17 substantially as follows".

mitted into Palestine between present and final disposition of problem by UN?

Increase in number of displaced European Jews into Palestine during next few months would have beneficial effect among Jews in displaced persons centers in Europe and would meet with public approval in this country. It might make both Arabs and Jews more willing to look for compromise solution.

Since, however, Brit Govt bears onerous responsibility for maintenance of order in Palestine we must leave this decision to your judgment.

We suggest also that in your statement that matter will be referred to UN you might consider not referring to GA specifically since on further reflection preparatory work in Trusteeship Council might be helpful.[2]

MARSHALL

[2] Telegram 857 closed with: "In reply to press queries Dept stated that foregoing note contained acknowledgment of Brit communication, request for clarification of GB intentions re certain aspects of plan to refer matter to UN and statement that problem was being carefully considered in light of developments." According to a memorandum of February 17 from Mr. Acheson to the Secretary of State, President Truman approved the draft reply to Mr. Bevin's message (867N.01/2–1747).

867N.01/2–2547 : Telegram

The Chargé in Syria (Moose) to the Secretary of State

RESTRICTED

DAMASCUS, February 25, 1947—9 a. m.
[Received March 5—4: 33 p. m.]

59. At press conference February 20, Jamil Mardam Bey[1] stated British decision submit Palestine question UN "shall not influence in any way" decision Arab League Council (taken last extraordinary session) submit question SC or UN should negotiations with British fail.

Prime Minister went on to say "Britain will present an account to UN on its work in Palestine, whereas Arab states will present complaint against British Government in their capacity as plaintiff in accordance with article 5 [*sic*] of UN Charter which gives Arab states the right to raise Palestine question in view of ties of neighborhood. . . .[2]"

MOOSE

[1] Syrian Prime Minister.
[2] Omission indicated in the source text.

867N.01/2–2547

Memorandum by Mr. William J. McWilliams of the Executive Secretariat to the Secretary of State [1]

[WASHINGTON,] February 25, 1947.

The following report of a statement by Mr. Bevin [2] has just come over the news ticker:

Bevin said that Britain might have been able to increase the present Jewish immigration quota of 1,500 monthly and "do more otherwise for the Jews if the bitterness of feeling which surrounds this problem of immigration had not been increased by American pressure for the immediate entry of 100,000 immigrants." [3]

"I do not desire to create any ill feeling in the United States of America," he added. "in fact I have done all I can to promote the best possible relations with them as with other countries but I should have been happier if they had regarded to the fact that we were the mandatory power and that we were carrying the responsibility."

Bevin charged that American intervention in the Palestine problem had "set the whole thing back."

He said that "if they had only waited to ask us what we were doing then we could have informed them but instead of that a person named Earl Harrison [4] was sent out to their zone (of Germany) and collected certain information.

"This document was issued and I must say it really destroyed the good feeling which the Colonial Secretary and I were endeavoring to produce in the Arab states."

He said that Britain realized America's interest in the problem and that "we had to take American interest into account."

"We accordingly," he said, "invited them to join us in forming an Anglo-American committee of inquiry. I must point out that I have been severely criticized by people in the United States for not accepting the committee's report. I was reminded of this when over there recently almost every day. But none of the report was accepted by the United States except one point, namely, admission of 100,000 immigrants."

Bevin revealed that he had pleaded with Secretary Byrnes in Paris at the time of the Foreign Ministers conference in an effort to get him

[1] Addressed also to the Under Secretary of State.

[2] Before the House of Commons on February 25; for full text, see *Parliamentary Debates*, House of Commons, 5th series, vol. 433, col. 1901.

[3] On February 24, President Truman pledged his continuing efforts toward this goal; see *The New York Times*, February 25, 1947, p. 1, col. 2.

[4] Earl G. Harrison, whose report on the condition and needs of displaced persons in the liberated areas of Western Europe and parts of Germany was released by the White House on September 29, 1945; for text, see Department of State *Bulletin*, September 30, 1945, p. 456.

to dissuade President Truman from issuing the demand for entry of the Jews into Palestine.

His pleas, he said, were futile and the Truman declaration was issued [5] just as Bevin believed his negotiations were on the threshold of success.

The Truman statement, he charged, "spoiled" the talks then in progress with Jewish leaders in Paris.

"I think every country in the world ought to know this," Bevin said. "I went the next morning to Secretary of State Byrnes. I told him how far I had gone the day before and that I believed we were on the road if only they would leave us alone.

"I begged that the statement should not be issued but I was told that if it was not issued by Mr. Truman a competitive statement would be issued by Mr. Dewey, (Gov. Thomas E. Dewey of New York).[6]

"I really must point out that in international affairs I cannot settle things if my problem is made the subject of local elections."

The House of Commons cheered Bevin's attack on Mr. Truman's tactics.

[5] For President Truman's statement of October 4, 1946, see his telegram of October 3, to British Prime Minister Attlee and footnote 71, *Foreign Relations*, 1946, vol. VII, pp. 701.

[6] For President Truman's reaction to Mr. Bevin's statement, see *Memoirs by Harry S. Truman: Years of Trial and Hope*, vol. II, (Garden City, N.Y., Doubleday & Company, 1956), pp. 153–154.

Statement Issued by the White House, February 26, 1947 [1]

The impression that has arisen from the debate in the British Parliament on February 25 that America's interest in Palestine and the settlement of Jews there is motivated by partisan and local politics is most unfortunate and misleading.

The President's statement of October 4, 1946, which was referred to in that debate, merely reaffirmed the attitude toward Palestine and Jewish immigration into Palestine which the United States Government has publicly expressed since the summer of 1945. This attitude was and is based upon the desire of the President to advance a just solution of the Palestine problem. Our position on this subject was communicated to the British Government by the President in his letter to Prime Minister Attlee on August 31, 1945,[2] which was publicly released by the President on November 13, 1945, when he announced

[1] Reprinted from the Department of State *Bulletin*, March 9, 1947, p. 449. The *Bulletin* caption reads: "U.S. Reiterates Non-Political Concern in Palestine Situation".

[2] *Foreign Relations*, 1945, vol. VIII, p. 737.

the establishment of the joint Anglo-American Committee of Inquiry. The statement of October 4, 1946 reiterated this Government's position, which was already fully known to all parties to the Palestine negotiations.

America's interest in Palestine is of long and continuing standing. It is a deep and abiding interest shared by our people without regard to their political affiliation.

867N.01/2–2647 : Telegram

The Chargé in the United Kingdom (Gallman) to the Secretary of State

SECRET LONDON, February 26, 1947—8 p. m.

1303. Embassy today discussed informally with Beeley, Bevin's Palestine speech. Following points arose:

1. Bevin had before him comprehensive brief drafted in Foreign Office but for most part he spoke extemporaneously.

2. Full text Hansard report of speech has been telegraphed British Embassy Washington.

3. Bevin looks forward to early opportunity to discuss Palestine with Secretary at Moscow.[1] Beeley doubted whether any communications on subject would be sent Washington in interim.

4. Asked what Bevin has in mind when he said that he would be willing to try again for settlement prior UN decision, Beeley said this meant that if either Arabs or Jews took the initiative British Govt would be willing to give anything they had to say most careful consideration to hopes of working out settlement prior UN. Bevin still hoped this might come to pass but prospects were not bright.[2]

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[1] The Fourth Session of the Council of Foreign Ministers met at Moscow from March 10 to April 24, 1947; for documentation, see vol. II, pp. 139 ff.

[2] According to telegram 1507, March 7, from London, Mr. Goldmann informed the Embassy on March 6 that Mr. Bevin had invited him and a colleague to attend a private conversation with him and Mr. Creech Jones on February 27. "They told JA representatives that they were loath to see Palestine problem sent to UN if there was any possibility of reaching agreement outside UN. Goldmann replied that if British wanted to avoid UN they should leave larger question in suspense and work out with JA a two-year agreement permitting 100,000 immigrants and providing some form of municipal autonomy and new lands laws which would not discriminate against Jews. Bevin indicated that he thought he could persuade Arabs to admit 100,000 provided thereafter Arabs would have a say regarding future immigration. Since JA representatives could not accept 'Arab veto' conversation had no positive results." He noted also that "towards end of British–JA representative talks Ben-Gurion had sent Bevin personally a map and a memorandum dealing with partition, both of which JA in reply to Bevin's direct question on later occasion acknowledged as 'official'." (867N.01/3–747)

Telegram 1508, March 7, 5 p. m., from London, reported that Mr. Beeley subsequently gave an account of the meeting almost identical with Mr. Goldmann's. He said, however, that the Jewish Agency "memo was largely about strategic advantages of partition to British and dealt only incidentally with partition itself. JA did not send map, but B–G indicated on British map what he had in mind." (867N.01/3–747)

5. Beeley summarized speech as Bevin's rejection of Zionist demand for Jewish state.

6. Beeley said that Bevin had recently expressed to him repeatedly his deep concern for DP's and of his desire on humanitarian grounds to liquidate this problem. Consequently Beeley was not surprised that Bevin inserted extemporaneously a section on the subject in his speech. Beeley thought personally that Bevin is not very far from the American point of view re the 100,000 because Bevin would undoubtedly use his best efforts to get 100,000 into Palestine at earliest possible date provided this could be done either as a part of political settlement (either inside or outside of UN) or as part of general international humanitarian settlement of refugee problem as a whole. He thought that Bevin is anxious to see 100,000 Jews go to Palestine, but this must be on humanitarian grounds only and not as a step towards establishing a Jewish majority in Palestine with a Jewish state as ultimate goal.

GALLMAN

867N.01/2–2747

Memorandum of Conversation, by the Secretary of State [1]

[WASHINGTON,] February 27, 1947.

Participants: The Secretary.
Mr. Henderson, Director, NEA.
Mr. M. Shertok, Representative in the United States of the Jewish Agency.

Mr. Shertok, a Palestinian citizen and representative in the United States of the Jewish Agency, called upon me today in order to present to me certain views of the Jewish Agency with regard to Palestine. A memorandum left by him with the Department and setting forth the substance of his statements is attached hereto.[2]

After listening to Mr. Shertok's remarks, I assured him of the deep interest of the American Government and of myself in this matter. I told him that I could, of course, make no commitments at this time with regard to Palestine, that I had not even as yet had an opportunity to talk with Mr. Bevin, that I expected to see Mr. Bevin in Moscow, and that if, during the course of our conversations in Moscow, the problem of Palestine should arise,[3] I was sure that the statements which Mr. Shertok had made to me would be helpful.

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[1] Drafted by Mr. Henderson.

[2] Not printed.

[3] No documentation has been found in Department of State files to indicate that the problem of Palestine was discussed at the Moscow meeting of the Council of Foreign Ministers.

867N.01/3–347 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

SECRET
PRIORITY

NEW YORK, March 3, 1947—6:20 p. m.

192. SYG Lie called on me to discuss possible procedures for handling the Palestine question. Lie was concerned at the expense incurred in calling a special session of the GA and indicated that this would also be a heavy burden on the Secretariat. He put forward the following proposal:

That the British should formally request that the SYG appoint a special committee to examine the situation and make recommendations to the GA;

That the SYG would send a circular telegram to all members of the UN asking whether they would consent to the appointment by the SYG of a committee of eight members: UK, USSR, US, France, China, Sweden, Czechoslovakia and Brazil, with authority to go to Palestine to conduct an investigation on the spot, hearing all interested parties, and to report to the GA in September their substantive recommendations for the composition of the problem.

If the majority of the members of the UN indicate by telegram their assent to this proposal, Lie feels he has the authority and would be prepared to appoint such a committee.

Lie indicated that he had discussed this with the British on a tentative basis. They had preferred the Netherlands to Sweden but Lie had rejected this on the grounds that the Netherlands had oil interests.

Lie also indicated he had discussed this with Gromyko [1] who seemed personally to favor this suggestion and who was telegraphing for instructions.

I raised the question as to whether Lie was authorized under the Charter and the GA rules to appoint such a committee. Lie felt that his action in postponing the GA last fall was a precedent. No commitment was made and Lie was advised he [*I*] would inform him as soon as possible of the US reaction to his proposals.

AUSTIN

[1] Andrey Andreyevich Gromyko, Soviet Representative at the United Nations.

867N.01/3–347 : Telegram

The Acting Secretary of State to the United States Representative at the United Nations (Austin)[1]

SECRET WASHINGTON, March 6, 1947—6 p. m.

PRIORITY

71. 1. Reurtel 192, March 3. We feel proposal regarding Palestine made by Lie is legally of doubtful validity and on the merits would not accomplish the purposes intended.

2. We find it difficult to reach any conclusion regarding procedure for dealing with the Palestine problem in UN in the absence of any formulation of the problem by the UK Government. We assume that after UK has formulated in principle if not in detail specific substantive proposals for submission to UN it will communicate its intentions to SYG.

3. After receiving such a communication SYG might find it appropriate to have an analysis of the Palestine problem prepared by his Secretariat staff for the use of the appropriate body of UN. Such a study would probably not have as its purpose the formulation of conclusions or recommendations but rather an impartial and objective analysis of the factors involved in the Palestine problem and of proposals which have been made from time to time with regard, for example, to immigration, partition, and the like.

4. To assist in making this study the SYG would presumably wish to avail himself of expert assistance which he is authorized to employ. He would probably also wish to consult with representatives in NY of various Member Governments and in this connection might even desire to establish an informal committee to advise him.

5. In your discretion you may wish to discuss this matter with Cadogan in sense of foregoing paragraphs. You will probably also wish to inform Lie of our tentative views regarding his proposal in the sense of paragraph 1 above, but you may feel that it would be desirable not to discuss the other suggestions with Lie until after you have discussed them with Cadogan.

ACHESON

[1] Telegram 71 to New York was drafted by the Deputy Director of the Office of Special Political Affairs (Ross). It was based on discussions with Mr. Acheson on March 6 and was approved in draft by Mr. Henderson and officers of the Division of Near Eastern Affairs. In a memorandum of March 7 to Mr. Ross, the Legal Adviser (Fahy) stated that the first paragraph of the telegram "cast legal doubt upon the proposal made by Lie. I have thought that the proposal was legally permissible, though it might be impracticable." (867N.01/3–747)

867N.01/3–847 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

SECRET
PRIORITY

NEW YORK, March 8, 1947—4:45 p. m.

217. Urtel 71, March 6, 6 p. m. Johnson[1] conveyed Department's views informally to Cadogan yesterday.

With particular reference to numbered paragraph 2, Johnson explained to Cadogan that we felt it essential that the problem of Palestine be formulated by the British Government with an analysis which would indicate how the British Government considered that it might be dealt with by the UN and what they would hope and expect the UN might accomplish toward solution of the problem. Cadogan said that he would report these views immediately to his Government and would have to await instructions before giving us his reply. He suggested that the UK Government might request an immediate meeting of the GA. He seemed skeptical, however, of the efficacy of such a proceeding.

He conceded that legality of Lie's proposal is debatable. He was not critical of the suggestions for possible action by Lie in your numbered paragraphs 3 and 4 of telegram under reference, but did not understand what we mean by the suggestion for an "informal committee" of representatives of various member governments in New York mentioned in your paragraph 4. This suggestion was not clear to Johnson either, who suggested that no importance should be attached to the word "committee", but that it should be taken as a suggestion that Lie might wish to consult closely with representatives of member governments in New York who had interest in the Palestine problem and were in possession of valuable information. It was felt that Lie would have no authority to set up even an informal "committee" of representatives of member nations in New York.

In full agreement with Cadogan, Johnson conveyed Department's views also to SYG Lie. Lie said that if the British follow our suggestion, he will proceed immediately along the lines suggested by the Department. He informed Johnson that the Russians had yesterday agreed to his original suggestion. Lie accepted apparently without resentment our suggestion that his proposal might be of doubtful legal validity, and said that he did not want to take any action which did not

[1] Herschel V. Johnson, Deputy United States Representative, with the rank of Ambassador, in the United Nations Security Council. During the absence of Senator Austin, he served as Acting United States Representative at the United Nations.

have the unanimous agreement of five permanent members SC, as such agreement was essential to any hope of success.[2]

AUSTIN

[2] In telegram 1241, March 19, the Department informed the Embassy in London that "Our attitude on UN procedure re Palestine as expressed to Cadogan and SYG arose from consideration that report of any *ad hoc* committee constituted in manner suggested by SYG, or as result of circularization of members as distinct from action by GA as a body, might be criticized by some of UN and in other quarters as lacking Charter foundation. It would be unfortunate to have any serious question arise regarding legality UN consideration Palestine question at any stage proceedings . . . . Our basic attitude is that we would like to see UN give fundamental consideration Palestine problem soon as possible. In considering question procedure in as definite manner as we can in absence Brit formulation problem to UN, we have given some thought to idea of special, brief session of GA restricted to single agenda item of formation of fairly large but workable *ad hoc* committee to consider problem and make recommendations to GA at regular Sept session. Such committee might consist delegates countries represented in SC, TRUSTCO and ECOSOC. *Ad hoc* committee might appoint small 'neutral' subcommittee to assemble documents, hold hearings and visit Palestine in order to establish essential facts for consideration parent committee." (867N.01/3–1147)

867N.01/3–2047

The British Embassy to the Department of State [1]

SECRET

PALESTINE AND THE UNITED NATIONS

There are two points on which the Foreign Office have asked the United States Embassy in London for information. These questions have since been referred to Mr. Bevin in Moscow, who has instructed H.M. Ambassador to raise them in Washington:

1. The Foreign Office would like to know whether the State Department, in asking for a fuller definition of the part which H.M.G. wish the United Nations to play, desire H.M.G. to make suggestions for procedure or for policy. H.M.G. have already made it clear that they wish the United Nations to make recommendations concerning the future government of Palestine. In submitting the problem to the General Assembly (and to the suggested *ad hoc* Committee if set up), they had in mind simply to provide factual and historical material dealing with the administration of the country under the Mandate.

2. The Foreign Office would also like to obtain a fuller explanation of the legal and other difficulties which the State Department see in the proposal for an *ad hoc* Committee appointed by the Secretary General.

H.M.G. themselves are doubtful as to the efficacy in helping to solve the problem of a study by the United Nations Secretariat, such as the U.S. Government are understood to have favoured as an alternative to an *ad hoc* Committee. They think that if nothing more than such a

[1] Handed to Acting Secretary of State Acheson by the British Ambassador on March 20.

study were done between now and September, the Assembly would be likely to appoint a Committee when it meets, and postpone the decision until next year. They consider, accordingly, that an *ad hoc* Committee would be much more likely to produce results. Such information as the Foreign Office have received indicates that the attitude of the Soviet, French and Chinese Governments is also favourable to this proposal. Although there is nothing in the powers of the Secretary General which positively authorises him to set up an *ad hoc* Committee, he does not appear to be precluded specifically from doing so, more particularly if he obtains the approval of a majority, or preferably of a two-thirds majority, of the members of the United Nations. The only question, in the view of H.M.G., is that of the precedent which would be set.

It seems therefore that the problem is to devise a way of reconciling the wish of H.M.G. to find some means of making a real step forward in the consideration of this problem before September, with the objections which the State Department see in the creation of a body such as the proposed *ad hoc* Committee.

WASHINGTON, 18 March, 1947.

867N.01/3–1947

Memorandum of Conversation, by the Deputy Director of the Office of Near Eastern and African Affairs (Villard)

[WASHINGTON,] March 19, 1947.

During the course of his call at the Department today, Dr. Zurayk [1] observed that the Arab States were strongly opposed to present plans for appointing a committee of the United Nations to study the Palestine case prior to its consideration by the General Assembly next September. He said that he feared the appointment of such a committee, whether it was composed of members of the United Nations or of Secretariat personnel, would result in heavy pressure being applied in such a way as to prejudice the findings of the committee before its report was submitted to the General Assembly.

I said that our own thinking had not been crystallized on this subject, but that we were inclined to feel that some work should be done in the United Nations on the Palestine problem before it was formally aired in the General Assembly. I said that we furthermore were not sure

[1] Costi K. Zurayk, the Syrian Minister.

whether the British were going to present the problem to the General Assembly, the Security Council, or the Trusteeship Council. If nobody in the United Nations devoted any thought or study to the problem before it was considered publicly, the pressures which might be built up could be even heavier.

Dr. Zurayk said that in his opinion, and in the opinion of the other Arab representatives in the United Nations, any committee appointed should be by direction of the General Assembly, either in plenary session or in a special session called for the purpose of considering the Palestine problem. If the committee received its terms of reference direct from the General Assembly and reported back to it, the Arab States would probably be satisfied.

867N.01/3–2647 : Telegram

The Ambassador in Egypt (Tuck) to the Secretary of State

RESTRICTED CAIRO, March 26, 1947—2 p. m.

368. [League of] Arab States at Council meeting Monday night: (1) pledged themselves to defend independence Palestine; (2) authorized establishment League committee to organize such defence; (3) requested member states to supply necessary funds to Higher Arab Committee [*sic*] to intensify Palestine propaganda and to educate Arabs abroad with view of creating Arab university in Palestine; (4) demanded complete and immediate stoppage immigration. Council also protested against inefficient British measures against illegal immigration. Criticism of America and President Truman were dropped from original resolution.[1]

Council reiterated support of unity and independence of Libya and charged Secretary General of the League to exert every effort to participation of League or Arab states [2] in any inquiry or plebiscite concerning Libya. Embassy advised informally that League is drafting note on this subject.

Repeated London 25.

TUCK

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[1] The texts of the four resolutions were transmitted to the Department in despatch 2385, March 28, from Cairo. The despatch reported that during the Council discussions, the Iraqi delegate advocated drastic action against the United States and Great Britain, amounting to a breaking-off of diplomatic relations. This view was tempered by the other member states (867N.01/3–2847).

[2] Seemingly garbled; despatch 2385 indicates participation of "the Arab League or some Arab countries" was intended at this point.

867N.01/3–2847

The Department of State to the British Embassy

WASHINGTON, March 28, 1947.

MEMORANDUM

PALESTINE AND THE UNITED NATIONS

Following the conversation on March 20, 1947, at which time a memorandum dated March 18, 1947 with regard to Palestine and the United Nations was presented by the British Ambassador to the Acting Secretary, careful consideration has been given to the various points which have been raised and informal discussions have taken place between officers of the British Embassy and of the Department.

It is stated in the memorandum under reference that the British Government has already made it clear that it wishes the United Nations to make recommendations concerning the future government of Palestine and that in submitting the problem to the General Assembly the British Government had in mind simply to provide factual and historical material dealing with the administration of the country under the Mandate. The British Government, in the memorandum under reference, has raised the question whether the Department, in asking for a fuller definition of the part which the British Government wishes the United Nations to play, desires the British Government to make suggestions for procedure or for policy.

The United States Government is of the opinion that it would be extremely difficult for the United Nations to undertake to consider the problem of Palestine unless the United Nations was in receipt of some kind of a communication from the British Government containing its formulation of the problem. The position of the United States Government, in this latter respect, is that the British Government itself is in the best position to determine the nature of the formulation of the problem which it desires to present to the United Nations.

The position of the United States Government, with regard to the procedure in the United Nations, is that it is prepared to agree to any procedure for handling the problem which is clearly in accordance with the Charter of the United Nations and which would appear to expedite such handling. The United States Government would, for example, be prepared to support what it has been given to understand was the original British proposal that a special session of the General Assembly of the United Nations be called for the purpose of appointing a committee to consider the Palestine question. Such committee could assemble, analyze and collate all pertinent available data; could

study the various issues which appear to be involved; and could present the various alternative solutions of the problem, together with the committee's recommendations concerning each alternative solution, to the General Assembly of the United Nations.

The Department is of the opinion, with regard to the legal and other difficulties which it sees in the proposal for an *ad hoc* committee appointed by the Secretary General, that the appointment of a committee in this manner is neither sanctioned nor prohibited by the Charter of the United Nations. In view of this opinion, the Department feels that, if a committee were appointed in this manner, any work which it undertook or recommendations which it made to the General Assembly of the United Nations with regard to the delicate and complex problem of Palestine might be open to question and might have the effect of rendering a complicated problem more difficult.[1]

[1] During conversations between officers of the Department and the British Embassy on March 21, it was informally agreed that the Department would request the U.S. Delegation at the United Nations to obtain the comments of the Secretary General regarding a special session of the General Assembly for the purpose of creating an *ad hoc* committee. In telegram 105, March 22, 8 p. m., to New York, the Delegation was directed to approach the Secretary General along these lines (867N.01/3–1147).

Herschel V. Johnson had informal discussions with Mr. Lie and reported in telegram 289, March 26, from New York, that the latter "thinks the best way to proceed is for Great Britain to request a special session of the Assembly. He will then immediately send out the notice to member nations and as soon as twenty-eight affirmative notes have been received, he will call a meeting to take place within a fortnight." Mr. Lie noted further that he would be unable to limit additional items which might be placed on the agenda after a two-thirds vote of the Assembly (867N.01/3–2647).

The British Representative at the United Nations (Cadogan) to the the Assistant Secretary General of the United Nations (Hoo)[1]

NEW YORK, 2 April 1947.

SIR: I have received the following message from my Government:

"His Majesty's Government in the United Kingdom request the Secretary-General of the United Nations to place the question of Palestine on the agenda of the General Assembly at its next regular annual session. They will submit to the Assembly an account of their administration of the League of Nations mandate and will ask the Assembly to make recommendations, under Article 10 of the Charter, concerning the future government of Palestine.

"In making this request, His Majesty's Government draw the attention of the Secretary-General to the desirability of an early settlement in Palestine and to the risk that the General Assembly might not be

[1] Reprinted from United Nations, *Official Records of the General Assembly, First Special Session*, vol. I, *Plenary Meetings*, hereafter cited as "GA (S–I), *Plenary*, vol. I", p. 183.

able to decide upon its recommendations at its next regular annual session unless some preliminary study of the question had previously been made under the auspices of the United Nations. They therefore request the Secretary-General to summon, as soon as possible, a special session of the General Assembly for the purpose of constituting and instructing a special committee to prepare for the consideration, at the regular session of the Assembly, of the question referred to in the preceding paragraph." [2]

I have [etc.] ALEXANDER CADOGAN

[2] The same day, Mr. Hoo sent telegrams to all members of the United Nations, except the United Kingdom, inquiring whether they concurred in the summoning of the special session for the purpose set forth in Mr. Cadogan's letter; the text is printed in General Assembly document A/295, April 25, 1947, found in depository libraries for the United Nations.

501.BB/4–447 : Circular telegram

The Acting Secretary of State to Certain American Diplomatic Missions [1]

SECRET WASHINGTON, April 4, 1947—10 p. m.

US URGENT

Please inform FonOff we are replying affirmatively to SYG's request to UN Members re summoning special session GA for purpose constituting and instructing a special committee to prepare for consideration Palestine question at next regular GA session in Sept.

Please express our hope agenda can be confined to this question alone. We feel it highly desirable establish precedent that in general agenda special session be confined to speedy consideration urgent problems for which summoned and fear this would be impossible if

[1] Sent to 52 diplomatic missions. The Code Room was directed to preface the first sentence of the message sent to Moscow, Belgrade, Warsaw and Prague with "In your discretion".

According to telegram 134, April 7, from Baghdad, the Ambassador in Iraq (Wadsworth) presented an *aide-mémoire*, based on the circular telegram, to Foreign Minister Jamali on April 6. The Foreign Minister handed him a message he had telegraphed to other Arab League states, proposing a uniform communication to the Secretary General of the United Nations. It expressed opposition to a special session but stated that if the session were summoned to declare Palestine's independence immediately, the Iraqi Government would welcome the session. Ambassador Wadsworth suggested that the General Assembly did not possess authority to declare Palestine's independence and that the word "immediately" was ill-chosen in view of the British communication. Thereupon, the Foreign Minister modified his language to read that his Government would welcome a General Assembly session to the end that Palestine's independence be declared forthwith (867N.01/4–747). The Arab states finally decided to request inclusion of an additional item in the agenda, calling for termination of the mandate over Palestine and the declaration of its independence. These views were sent to the Secretary General by the diplomatic representatives in the United States of Egypt, Iraq, Syria, Lebanon and Saudi Arabia in communications dated April 21 and 22; for texts, see GA (S–I), *Plenary*, vol. I, pp. 183–186.

agenda broadened. You might also express view it might be difficult for govts to prepare adequately for discussion other items in short time prior to special session.

In order avoid strain on UN budget, we would plan to limit our delegation to one representative and one alternate, with necessary advisers, on assumption agenda can be limited. We trust other govts planning along similar lines and would appreciate info re views FonOff.[2]

ACHESON

[2] Telegram 2108, April 7, from London reported that the British Foreign Office informed the Embassy that restriction of the agenda to a single item was entirely in conformity with its wishes (501.BB/4–847).

501.BB/4–1747 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

[Extract]

RESTRICTED NEW YORK, April 17, 1947—5 p. m.

359. Following memorandum sent to me today by Lie personally on organization of the special session of the General Assembly:[1]

"I. Regular versus *ad hoc* procedure.

"It is natural to assume that the calling of a special session of the General Assembly for the consideration of a single item would strengthen the argument for *ad hoc* procedures limiting organization to the strict needs of the business to be considered. Under rule 100 of the provisional rules of procedure the General Assembly 'may set up such committees . . . as it deems necessary for the performance of its functions.' Under this rule it would be possible, for example, to set up an *ad hoc* steering committee to consider important policy question, such as the role which the Jewish Agency for Palestine might play in the Assembly. A special full committee might also be set up to give actual consideration to the United Kingdom item.

"On the other hand, strong argument can be advanced for close adherence to regular procedure, especially in connection with the setting up and use of the general committee. Since a number of Jewish and Arab organizations will undoubtedly be requesting opportunity for a hearing in the General Assembly, it is of great importance that policy with regard to such requests should be worked out by a committee of the Assembly whose composition and competence have been well established and are widely understood. A move to create an *ad hoc* committee to deal with such delicate questions would precipitate a

[1] The U.S. Delegation at the United Nations reported in telegram 346, April 13, from New York, that it had received a telegram from the Secretary General on April 13 notifying that a majority of the members concurred in the summoning of a special session, which was to open on April 28 (501.BB/4–1347).

prolonged debate on the composition and terms of reference of the committee.[2]

[Here follows remainder of the Secretary General's memorandum, setting forth various suggested procedures for the establishment of the General Committee and possible methods of considering the United Kingdom item on Palestine.]

AUSTIN

[2] In telegram 179, April 24, the Department informed the U.S. Delegation at the United Nations it was "willing agree establishment General Committee for special session GA. Dept has serious doubts, however, re advisability of using GC to work out policy on hearings for Jewish and Arab non-governmental organizations.

"If GC is constituted and suggestion is made that it arrange for such hearings, Dept's position would be that GA must itself or on recommendation of Committee 1 decide basic preliminary political question whether such ngo's may be heard, before matter is referred to GC. In event GA agrees to reference to GC, latter would be limited to making recommendations re procedure, specific ngo's to be heard, and precise scope of hearings." (501.BB/4–1747) The First Committee of the General Assembly dealt with political and security matters.

501.BB/4–1747

Memorandum by the Secretary of State to President Truman[1]

WASHINGTON, April 17, 1947.

The special session of the General Assembly to consider the Palestine question is expected to meet on April 28. The present plan is that this special session will limit its agenda [2] to the appointment of a committee to report back to the regular session of the General Assembly in September. The question arises as to the composition of this committee.

[1] Drafted by the Director of the Office of Special Political Affairs (Rusk).

[2] In telegram 130, April 7, 7 p. m., the Department notified the U.S. Delegation at the United Nations that "We are most concerned that agenda of special session be limited to one item proposed by UK and that it not become, in effect, a preliminary GA." Later in the same communication, it stated that "Department seeks at this special session to limit Palestine issue to procedural questions only; to establish the necessary machinery proposed by UK for performing preliminary spade work on the problem and then to terminate the special session promptly. Substantive policy on how to deal with Palestine can best be determined in our view after the *ad hoc* Committee makes its report to the next regular GA session." (501.BB/4–247)

In telegram 133, April 9, the Department informed the U.S. Delegation of its views that the "Special GA on Palestine if confined in scope to appointment special committee should be of short duration. It should not be necessary to set up committees of GA as all necessary action can be taken in Plenary Session or in GA sitting as committee of whole." (501.BB/4–447)

The State Department considers that our first choice should be a small committee of comparatively disinterested states, excluding the Big Five and the Arab States, which would ascertain the facts, narrow the issues and offer alternative practicable solutions for the consideration of the General Assembly. Such a committee would have the advantage of providing a fresh approach and a consideration not unduly influenced by public positions already taken by the more interested governments. It has the disadvantage that it might be charged that the larger powers are shirking a responsibility which is in fact theirs. The members of such a committee might include:

Canada	Brazil
New Zealand	Mexico
Sweden	Colombia
Belgium	Norway
Czechoslovakia	Siam

The State Department considers that our second choice should be a small committee consisting of the Big Five and six of the smaller powers, again excluding the Arab States. Such a committee would have the advantage of placing responsibility directly upon the larger powers and also of obtaining the assistance and advice of comparatively neutral United Nations members. It would have the disadvantage of injecting into the consideration of the Palestine problem the more general problems of the world settlement and of subjecting this government to great domestic pressure between now and the September meeting of the General Assembly. There is some indication that the Arab States would strongly object to a committee containing this particular membership and without an Arab member. The membership of this second type committee might be as follows:

China	Canada
France	Sweden
U.S.S.R.	Czechoslovakia
United Kingdom	Belgium
United States	Mexico
	Siam

Although the State Department does not suggest that we recommend it, the special session of the General Assembly may also have before it a proposal to name a larger committee consisting of those governments now members of the Security Council, the Economic and Social

Council and the Trusteeship Council. These would provide the following membership:

China	New Zealand
France	Turkey
U.S.S.R.	Venezuela
United Kingdom	Canada
United States	Chile
Belgium	Netherlands
Colombia	Peru
Syria	Cuba
Australia	Czechoslovakia
Brazil	India
Poland	Norway
Byelorussian S.S.R.	Iraq
Lebanon	Mexico

It will be noted that the above list contains three Arab States, to which the Jewish Agency can be expected to object strongly. If such a committee were constituted, it would undoubtedly be necessary for it to establish a subcommittee along the lines of one of the alternatives described above.

501.BB Palestine/4–1747

Memorandum by the Under Secretary of State (Acheson) to the Director of the Office of Near Eastern and African Affairs (Henderson) [1]

[WASHINGTON,] April 17, 1947.

At my meeting today with the President I discussed with him the attached memorandum,[2] giving him the views of Senators Vandenberg and Connally.

The President agreed with our first suggestion regarding the committee, that is, the small committee of neutral nations—nations which have not been involved in the Palestine matter. He did not undertake to pass on the exact nations included in your memorandum.

The President felt that our second suggestion was probably the most desirable second choice on the assumption that for some reason the first suggestion proved not to be feasible. He discussed with me and will give me his final views later regarding the inclusion of an Arab state on this second-choice committee. The President made the very pertinent observation that if the second-choice committee was decided upon, which included nations which would be opposed by the Arabs, they might very possibly try to get an advocate on the committee and might turn to the U.S.S.R. for that purpose. With this in mind, the

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[1] Addressed also to Mr. Rusk.
[2] *Supra.*

President wished to think over the desirability of giving them their own advocate and suggested for this purpose Egypt. He is fully aware that this action would be most unpalatable to the Zionists and he will give me his views on this tomorrow.

The President agreed that our third suggestion would be a most undesirable way to have the matter handled. He thought that this would be very little better than a full meeting of the General Assembly and that in order to get anywhere this large committee would be thrown back on the very considerations involved in choices one and two.

DEAN ACHESON

867N.01/4–2347

Memorandum of Conversation, by the Acting Secretary of State

SECRET [WASHINGTON,] April 23, 1947.

Participants: Mr. Acheson, Acting Secretary.
Mr. Henderson, Director, NEA.
Mr. Shertok, Jewish Agency.

Mr. Shertok, the representative in Washington of the Jewish Agency and a member of the Executive Council of that Organization, called upon me today in order to discuss problems arising from the presentation of the Palestine question to the United Nations. Mr. Henderson was present.

Mr. Shertok made a long oral statement presenting the views of the Agency with regard to the attitude and the positions which in its opinion the United States should take with respect to the handling and disposition of the case before the United Nations. The following represents a summary of what Mr. Shertok had to say:

1. The Jewish Agency opposes the appointment of a neutral committee to consider the Palestine problem. The Agency feels that the question is primarily a great power question and should not be turned over to small states which would be too timid to make the type of bold decisions which the situation demands. Small states appointed to such a committee would in any event be inclined to turn towards the various great powers with the question: "What shall we do?" The great powers should therefore work on the problem themselves. The Agency would prefer that the Soviet Union be not on the committee, but feels that it would be better for it to serve on the committee than for the United States not to be a member.

2. The Agency suggests that the United States present a resolution to the Special Assembly calling upon Great Britain to administer the mandate faithfully. The expression "to administer the mandate faith-

fully" is intended to include the lifting of restrictions upon Jewish immigration and upon land ownership in Palestine.

3. The Agency also suggests that the American delegation be prepared to rebut any arguments of a substantive nature which might be advanced by the Arab delegates during the course of the Special Assembly. It hopes, for example, that the American delegation will oppose the Arab proposal that the mandate be terminated at once and a Palestinian state be established.

4. The Jewish Agency has written a letter to the Secretary-General asking that it be permitted to appear on the floor of the Assembly in order to present the Jewish case. It is hoped that the United States will support this request. The Arabs are certain to take occasion during the session not only to obtain the adoption of procedures favorable to themselves, but also to attack the Jewish side of the case. It would manifestly be unfair if there would be no spokesman for the Jews to present their side of the case.

5. He is sure that the United States will oppose Arab demands that all immigration into Palestine be stopped during the time that the Palestine question is under discussion in the United Nations, and hopes that the rejection of such demands will not be considered as a concession to the Jews. A decision sharply to increase Jewish immigation to Palestine would, of course, be a concession.

6. The element of time is of crucial importance and the great powers concerned, including the United States, cannot afford to escape their international responsibilities by postponing the making of decisions. They cannot run away from the problem. They must grapple with it courageously. At the present time there are two agencies in Palestine which are doing great harm to the country and are rendering the solution progressively more difficult. These agencies, while opposed to each other, nevertheless are working towards a common end, namely, the ruin of the country. These agencies are the British military administration and the Jewish terrorists. Unless some effort is made at once to break the vicious circle of repression breeding terror and terror leading to new repression, the situation in Palestine might well become so desperate that consideration of the problem by the United Nations would become a mere academic process. It is hoped that the United States Government will endeavor to impress upon the British Government the importance of making some move such as lifting restrictions on immigration which might tend to break this circle. In the meantime, the situation of the Jews in the detention camps in Germany is deteriorating rapidly. The anti-Semitic feeling in Germany is so intense at present that Jews cannot find a place for themselves in the economy of the country. They, therefore, are being driven into blackmarketing and

other illicit activities with the result that charges are increasing that illegal trading and violation of controls on trade are racial characteristics peculiar to the Jews. The question is: "What will the United States do at this time to help solve the Palestine problem?"

7. The Agency desires to know just what is the basic policy of the United States at the present time with regard to Palestine. Has the United States a definite policy and is it prepared to back this policy? If it has not, the situation of the Jews is almost hopeless since they have no other powerful friend on whom they can depend.

The following represents a summary of my reply:

1. The American Government is preparing for the Special Session of the General Assembly with a full realization of the importance of the Palestine problem not only to the parties most immediately concerned, but to the whole world. We believe that this may be the last chance for the solving of this problem in a peaceful and fair manner. If this chance is missed, chaos and disorders might well result in Palestine of so serious a nature that that country would be ruined physically and morally. We are, furthermore, convinced that if the United Nations is to meet with success in its efforts to solve the Palestine problem, the decision which it makes not only must be fair, but must be one which has the support of world opinion. It will be extremely difficult, if not impossible, to enforce any decision which does not rally the support of most of the peoples of the world. It is also the opinion of this Government that if a decision is to have the support of world opinion, it must clearly have been reached after careful study and consideration in an atmosphere free from pressures on the part of the great powers and from intrigues behind the scenes. It is our belief that we can best contribute to the reaching of a fair and enforceable decision by doing our part to maintain proceedings on the highest possible level and to limit the activities of the Special Assembly to the setting up of machinery for giving the problem the careful and impartial study which it deserves.

2. At the present time we are inclined to the opinion that perhaps the most effective type of machinery to study the problem would be a committee created by the Special Assembly composed of perhaps nine or ten so-called neutral powers; that is, countries other than the Great Powers and countries which have already taken a definite position with regard to Palestine. Such a committee would be called upon to examine during the next few months such data as are already available with regard to the Palestine question; it would assemble additional data by such means as it considered desirable, such as the holding of hearings at which representatives of governments or organizations as well as private persons could appear; it would hold its meetings in whatever

locality it might choose; and it might visit Palestine or elsewhere if it considered such visits would be helpful; it would be expected to submit to the regular session of the General Assembly in the fall such data as it has assembled in a form convenient for study, together with such recommendations as it might decide to make for the solution of the problem. We are inclined to believe that the other members of the United Nations as well as the world in general might give more weight to the findings of a committee of this character than to those of a committee in which the Great Powers are included.

3. Since we are of the opinion that the Special Session should, if possible, limit its work to matters of a procedural character, we would probably not be inclined to present or support any resolution calling upon Great Britain faithfully to administer the Mandate. In order that the Assembly should not become involved at this time in arguments relating to the substance of the problem, we would probably oppose the introduction of any resolution calling for either an immediate increase or decrease of Jewish immigration to Palestine. We have been constantly endeavoring to prevail upon the British Government, thus far without success, appreciably to increase the Jewish immigration quotas for Palestine. The British Government has consistently taken the position that increases at this time of these quotas would result in a deterioration rather than in an improvement in the situation in Palestine.

4. We are not convinced that the absence of a representative of the Jewish Agency on the floor of the Assembly during this session would necessarily be to the disadvantage of the Zionists. If, at the Special Session, various members of the Assembly, taking advantage of their right to speak, should endeavor to distort facts in their own favor or to insist upon procedures which manifestly would not permit all parties fairly and fully to present their views at the proper time, they are likely to injure their own case rather than that of the parties whom they tried to place at a disadvantage. The Agency should, of course, be given every chance to present its views with regard to the substance of the case to such a committee as the Special Session creates.

5. We fully realize the existence of the vicious circle to which Mr. Shertok referred. As already stated, we have been endeavoring to prevail upon the British to permit an increase in Jewish immigration, and we have also on a number of occasions expressed our abhorrence of the employment of terror as a political instrument in Palestine. We shall not hesitate to take advantage of any opportunity which might present itself in order to endeavor to effect a break in this circle. We are also deeply concerned with regard to the decline in morale of the

displaced Jews in the detention camps in Central Europe and shall continue to make every possible and proper effort on their behalf.

6. We have nothing to add at this time to what has already been said regarding the policy of the United States with regard to Palestine. We shall continue to make a careful study of the problem in the light of the present situation and future developments and shall strive for the attainment of a fair, equitable and enforceable solution.

867N.00/4–2447 : Telegram

The Consul General at Jerusalem (Macatee) to the Secretary of State

SECRET JERUSALEM, April 24, 1947—2 p. m.

169. Head of Political Department [1] of JA states High Commissioner asked Ben-Gurion to call yesterday for purpose of informing him that military would very soon take over complete control of Palestine. Myerson added that Cunningham expressed regret at this move, saying he realized it would "wipe out many Jewish achievements here". We do not understand implications of above but they will no doubt become clear within short period when will report further.[2]

MACATEE

[1] Golda Myerson.

[2] In telegram 175, April 26, the Consul General at Jerusalem reported that the British version of these events differed considerably from that of the Jewish Agency. The Chief Secretary of the Palestine Government stated to Mr. Macatee that the "High Commissioner informed Ben-Gurion that if Agency did not get control of terrorists very soon it would be necessary for military to reestablish martial law in Jewish areas. Without mention Agency I said certain sources seemed to believe underlying implication was that entire civilian government would depart from Palestine. Chief Secretary dismissed this idea as completely unfounded as conversion to purely military government could not possibly occur so quickly." (867N.00/4–2647)

Editorial Note

At the opening meeting of the special session of the General Assembly on April 28, President Oswaldo Aranha requested that the General Committee consider the provisional agenda and the supplementary list of items and report on them to the General Assembly. The provisional agenda called for "Constituting and Instructing a Special Committee to prepare for the Consideration of the Question of Palestine at the Second Regular Session." (General Assembly document A/293, April 24, 1947). The supplementary list dealt with "The termination of the mandate over Palestine and the declaration of its independence", as proposed by Egypt, Iraq, Syria, Lebanon, and Saudi Arabia (GA doc. A/294, April 25, 1947). At the same meeting,

President Aranha announced that he would also submit for consideration by the General Committee pertinent communications from various organizations, if there were no objection by the General Assembly. There was no objection (GA (S–I), *Plenary*, volume I, pages 11–12).

The General Committee considered the first two items on April 29 and 30. The provisional agenda was adopted on the morning of April 29 (GA (S–I), *Plenary*, volume II: *General Committee* (hereafter called "GA (S–I), *General Committee*, volume II"), page 12.

Consideration of the supplementary list began the same afternoon and continued through both meetings on April 30. President Aranha invited Representatives of Iraq, Lebanon, Syria, and Saudi Arabia to come to the table (the Egyptian Representative was a member of the General Committee). The United States Representative, Herschel V. Johnson, spoke in opposition to inclusion of the item proposed by the Arab states (*ibid.*, pages 17–19, 63–65). The proposal was defeated by an 8 to 1 vote, with 5 abstentions (*ibid.*, page 81).

The General Committee, thereupon, recommended to the General Assembly that the British item be placed on the agenda of the Assembly and be referred for consideration to the First Committee and that the item of the Arab states not be included; for the text of its report, see GA (S–I), *Plenary*, volume I, page 194. The Assembly debated the British item on the morning of May 1, whereupon, President Aranha stated he considered it adopted (*ibid.*, page 30). After extended debate on the item of the Arab states during the afternoon of the same day, the Assembly, in a roll-call vote, defeated inclusion of the item on the agenda by a vote of 24 to 15, with 10 abstentions (*ibid.*, page 60).

The General Committee, on May 2, began consideration of the communications from various organizations. Among the four communications discussed was one from the Jewish Agency requesting authorization to participate in the meetings of the special session. A Polish resolution called for an invitation to the Jewish Agency to appear before the General Assembly for consultation (GA (S–I), *General Committee*, volume II, page 91). The Czechoslovak Representative proposed an amendment to the Polish resolution calling for the representatives of the Jewish Agency to appear before the plenary meeting of the Assembly to express the Agency's views (*ibid.*, page 99).

Senator Austin, on behalf of the United States, proposed informally that the four communications and others of similar nature should be dealt with by the Secretary General who would circulate lists of such communications and make them available to any member requesting them. He stated that "it has been and still is the position of the United States that this special session of the General Assembly should confine its activities to the procedural task of appointing a committee and

instructing it to assemble data and draw up recommendations which would enable the General Assembly to give full consideration to all aspects . . . of the Palestine problem at the next regular session." (*ibid.*, page 102). He considered it inappropriate for the General Assembly to invite the views of organizations other than member states. He noted that the views of the Arab states had been heard and that it would be useful to obtain the views of the Jews on the work of the special session. He would limit the appearance of Jewish organizations, however, to the Jewish Agency and advocated that its views should not be presented before the plenary meetings of the Assembly but before the First Committee. Furthermore, he proposed that the Jewish Agency should not be regarded as speaking for all the Jews of the world or even for all the Jews in Palestine (*ibid.*, pages 105–106).

The Polish proposal, as amended by the Czechoslovak Representative, was rejected by a vote of 8 to 3, with 3 abstentions (*ibid.*, pages 125–126). The United States resolution, as amended by the British Representative, called for the General Committee to recommend to the Assembly that it refer the communications from the Jewish Agency and the other three communications, as well as any communications of a similar character, to the First Committee for its decision. The proposal was adopted by 11 votes, with 3 abstentions (*ibid.*, page 126). The text of the report of the General Committee, dated May 2, is printed in GA (S–I), *Plenary*, volume I, page 195.

The report of the General Committee on this matter was considered by the General Assembly on May 3 and 5. The Delegations of Uruguay, Yugoslavia, Chile, Argentina, and the Byelorussian Soviet Socialist Republic submitted a joint resolution, which stated: "1. That the First Committee grant a hearing to the Jewish Agency for Palestine on the question before the Committee; 2. To send to that same Committee for its decision those other communications of a similar character from the Palestinian population which have been received by this special session of the General Assembly or may later be submitted to it." (*ibid.*, page 114) The Assembly on May 5 adopted the joint resolution by a vote of 44 to 7, with 3 abstentions and 1 absence (*ibid.*, pages 114, 115).

The following day, the First Committee resolved to grant a hearing to the Jewish Agency, the Arab Higher Committee and to any other organization representative of a considerable element of the population of Palestine. The record of its deliberations on this matter is printed in GA (S–I), *Plenary*, volume III, *Main Committees*, pages 6–78.

The First Committee deliberated on constituting and instructing the special committee at successive meetings from May 7 to 13; the record of these deliberations is printed *ibid.*, pages 78–362. Both

333–774—72——69

matters produced dissent. United States Representative Austin began the preliminary debate on May 7 by advocating designation of a small special committee of seven nations, excluding the Big Five and the Arab states (*ibid.*, pages 80–83). Soviet Representative Gromyko proposed that the permanent members of the Security Council become members of the special committee and indicated no objection to inclusion of an Arab state (*ibid.*, pages 147–153). The Soviet proposal was rejected on May 13 by a vote of 26 to 6, with 21 abstentions and 2 absences (*ibid.*, pages 343–344). A broadened special committee of eleven "neutral" nations was finally decided on (*ibid.*, pages 347–356).

On May 10, Mr. Gromyko proposed that the special committee be instructed to submit proposals "on the question of establishing without delay an independent State of Palestine." (*ibid.*, pages 203–204) Mr. Johnson, representing the United States, dissented, stating that the Soviet proposal would prejudge the issue and that the Committee, without specific instruction, would be in a position to make such a recommendation if it thought fit (*ibid.*, page 205). The matter came to a vote on May 13. The Soviet proposal was defeated by a vote of 26 to 15, with 2 abstentions and 2 absences (*ibid.*, pages 312–313).

501.BB/4–2847

Memorandum by the Secretary of State to President Truman

CONFIDENTIAL WASHINGTON, April 29, 1947.

The question arises as to the attitude of the United States toward requests of non-governmental organizations (particularly Jewish and Arab) to present their views to or to be represented in the forthcoming special session of the General Assembly.

The Department of State considers that the United States position should be based upon the following principles:

a. That the General Assembly should maintain its position that only Member governments have a right to take part in the discussions of the General Assembly, whether in plenary session or in committee of the whole; representation in the General Assembly of other than Member states is not provided in the Charter and would be contrary to the nature of the Organization.

b. That, since the task before the special session of the General Assembly is the procedural one of appointing and instructing a committee to prepare for the consideration of the question of Palestine at the next regular session, no occasion should arise for the presentation of the views of non-governmental organizations to the Assembly.

c. In general, written communications to the Secretary General should be dealt with by the Secretary General in accordance with existing practice under which lists of such communications are circulated

and the communications themselves are available to any Member requesting them. An exception has arisen because of the intention of the Secretary General to refer two letters from the Jewish Agency and the Hebrew Committee for National Liberation to the President of the General Assembly; this exception is dealt with in the Annex hereto.[1]

d. National non-governmental organizations and individuals should be encouraged to transmit their views to their respective governments and not to the United Nations. Governments may, of course, present such views to the General Assembly.

e. The committee to be appointed by the special session to study the question of Palestine should be given discretion to ascertain the views of organizations or individuals.

f. If it becomes necessary, because of extended discussion of the issues before the special session by Member governments, to provide for the hearing of other views during the special session of the General Assembly, a subcommittee might be designated to hear the views of non-governmental organizations of Palestine such as the Jewish Agency and the Arab High[er] Committee. In view of *b*, above, the test for determining the need for such hearings during the special session should be the necessity for maintaining public confidence in the impartiality and fairness of the General Assembly in considering such questions.

To be dealt with later is the question of hearing non-governmental organizations when the General Assembly considers its recommendations on Palestine at its regular session next September.[2]

G. C. MARSHALL

[1] Not printed.

[2] According to telegram 199, May 1, to New York, this memorandum was approved by President Truman (501.BB/5–147).

867N.01/5–1047 : Telegram

The Chargé in the Soviet Union (Durbrow) to the Secretary of State

CONFIDENTIAL Moscow, May 10, 1947—2 p. m.

1712. Recent press articles (Embtels 1636, April 30 and 1670, May 6 [1]) as well as Gromyko's conduct in special GA meeting provide further indication that long-range Soviet policy toward Palestine is based upon:

1. Opposition to formation in all or part of Palestine of Jewish State, which USSR would regard as Zionist tool of West, inevitably hostile to Soviet Union.

[1] Neither printed.

2. Support of [Arab?] side in Palestine controversy, and specifically of independence of Palestine with present Arab majority population. Chambrinski in *Red Fleet* article [2] was undoubtedly speaking for Soviet Union in declaring "progressive circles of entire world consider entirely just demand of Palestinian people for independence and democratic path of development.["]

So far the Kremlin has been content to play a waiting game, accumulating good will as a result of unsuccessful British and American initiatives and the mounting hostility of the Arabs, and to a lesser extent the Jews, toward the UK and the US. It seems likely that the Soviet Government will continue to avoid any overt decision in favor of the Arabs until it is in a better position than at present to take active measures to expand its influence throughout Moslem world, unless decision should be forced upon it earlier by developments. We should accordingly expect Soviet representatives during UN handling of issue cautiously but consistently to support Arab side, while leaving enough uncertainty to avoid alienating world Jewish opinion. Soviet representatives are likely to speak in general terms of ideals of independence and democracy, to charge that Jewish-Arab hostility has been artificially engendered by British imperialists and imply that this artificial racial animosity clouds the only real conflict of interests . . .[3] that of the mass of the population, both Jewish and Arab, against the Zionist politicians on one side and the feudal Arab lords on the other.

Gromyko's support of the proposal to permit access to the General Assembly to "the Jewish Agency and other representative Jewish organizations" fits into this general picture, as a concession to the Jewish side which could only cause confusion and probable embarrassment to the British and ourselves. However, we believe his action in this connection was motivated primarily by other considerations. The Soviet Government has attempted, not without some success, to use the UN as a sounding board for its propaganda, and has particularly sought to extend and increase the utility of this device by securing official recognition of the WFTU. Admission of miscellaneous Jewish groups would clearly pave the way for renewed demands for recognition first of the WFTU and subsequently of a whole series of front agencies of Soviet foreign policy from the World Federation of Democratic Women to the Greek EAM.

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[2] In the issue of April 27, as reported in telegram 1636.
[3] As in the original.

Department please repeat London as No. 205, Paris as 198, and Jerusalem, asking latter repeat Arab capitals.

DURBROW

Report of the First Committee on a Special Committee on Palestine [1]

[Extract]

. . . . . .

RECOMMENDATION

The First Committee recommends to the General Assembly the adoption of the following resolution:

WHEREAS the General Assembly of the United Nations has been called into special session for the purpose of constituting and instructing a Special Committee to prepare for the consideration at the next regular session of the Assembly a report on the question of Palestine,

THE GENERAL ASSEMBLY RESOLVES THAT:

1. A Special Committee be created for the above-mentioned purpose, consisting of the representatives of Australia, Canada, Czechoslovakia, Guatemala, India, Iran, Netherlands, Peru, Sweden, Uruguay and Yugoslavia;

2. The Special Committee shall have the widest powers to ascertain and record facts, and to investigate all questions and issues relevant to the problem of Palestine;

3. The Special Committee shall determine its own procedure;

4. The Special Committee shall conduct investigations in Palestine and wherever it may deem useful, to receive and examine written or oral testimony, whichever it may consider appropriate in each case, from the mandatory Power, from representatives of the population of Palestine, from Governments and from such organizations and individuals as it may deem necessary;

5. The Special Committee shall give most careful consideration to the religious interests in Palestine of Islam, Judaism and Christianity;

6. The Special Committee shall prepare a report to the General Assembly and shall submit such proposals as it may consider appropriate for the solution of the problem of Palestine;

7. The Special Committee's report shall be communicated to the Secretary-General not later than 1 September 1947, in order that it may be circulated to the Members of the United Nations in time

[1] Reprinted from GA (S–I), *Plenary*, vol. I, pp. 197–203. The report is dated May 13.

for consideration by the second regular session of the General Assembly;

. . . . . .

Statement by the Soviet Representative at the United Nations (Gromyko)[1]

[Extracts]

. . . . . .

Neither the historic past nor the conditions prevailing in Palestine at present can justify any unilateral solution of the Palestine problem, either in favour of establishing an independent Arab State, without consideration for the legitimate rights of the Jewish people, or in favour of the establishment of an independent Jewish State, while ignoring the legitimate rights of the Arab population. Neither of these extreme decisions would achieve an equitable solution of this complicated problem, especially since neither would ensure the settlement of relations between the Arabs and the Jews, which constitutes the most important task.

An equitable solution can be reached only if sufficient consideration is given to the legitimate interests of both these peoples. All this leads the Soviet delegation to the conclusion that the legitimate interests of both the Jewish and Arab populations of Palestine can be duly safeguarded only through the establishment of an independent, dual, democratic, homogeneous Arab-Jewish State. Such a State must be based on equality of rights for the Jewish and the Arab populations, which might lay foundations of cooperation between these two peoples to their mutual interest and advantage. It is well known that this plan for the solution of Palestine's future has its supporters in that country itself.

. . . . . .

Thus, the solution of the Palestine problem by the establishment of a single Arab-Jewish State with equal rights for the Jews and the Arabs may be considered as one of the possibilities and one of the more noteworthy methods for the solution of this complicated problem. Such a solution of the problem of Palestine's future might be a sound foundation for the peaceful co-existence and co-operation of the Arab and Jewish populations of Palestine, in the interests of both these peoples and to the advantage of the entire Palestine population and of the peace and security of the Near East.

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[1] Made before the General Assembly on May 14; reprinted from GA (S–I), *Plenary*, vol. I, pp. 133, 134.

If this plan proved impossible to implement, in view of the deterioration in the relations between the Jews and the Arabs—and it will be very important to know the special committee's opinion on this question—then it would be necessary to consider the second plan which, like the first, has its supporters in Palestine, and which provides for the partition of Palestine into two independent autonomous States, one Jewish and one Arab. I repeat that such a solution of the Palestine problem would be justifiable only if relations between the Jewish and Arab populations of Palestine indeed proved to be so bad that it would be impossible to reconcile them and to ensure the peaceful co-existence of the Arabs and the Jews.

Of course, both these possible plans for the solution of the problem of Palestine's future must be studied by the committee. Its task must be a multilateral and careful discussion of the plans for the administration of Palestine, with a view to submitting, to the next regular session of the General Assembly, some well-considered and reasoned proposals, which would help the United Nations to reach a just solution of this problem in conformity with the interests of the peoples of Palestine, the interests of the United Nations and our common interest in the maintenance of peace and international security.

. . . . . .

501.BB/5–1647

Memorandum by the Secretary of State to President Truman

WASHINGTON, May 16, 1947.

Subject: Results of special session of United Nations General Assembly on Palestine [1]

The special session of the United Nations General Assembly adjourned on May 15 after adopting a resolution which establishes a Special Committee to study the Palestine problem and submit, by September 1, such proposals as it may consider appropriate for the solution of the problem. The report of the Special Committee [2] will be considered at the second regular session of the Assembly, in September.

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[1] The General Assembly discussed the report of the First Committee on May 14 and 15 (GA (S–I), *Plenary*, vol. I, pp. 122–177). On May 15, the Assembly adopted the report by a vote of 45 to 7. Afghanistan, Egypt, Iraq, Lebanon, Saudi Arabia, Syria, and Turkey were recorded in opposition; Siam abstained; and Haiti and the Philippines were absent (*ibid.*, pp. 176, 177).

[2] The United Nations has published the report of the United Nations Special Committee on Palestine as Supplement No. 11 to the *Official Records of the Second Session of the General Assembly*. The report is in five volumes: vol. I comprises the body of the report; vol. II consists of annexes, appendix and maps; vols. III and IV contain the oral evidence presented at public and private meetings, respectively; and vol. V is the index. When referred to hereafter, these volumes will be identified as *UNSCOP*, with appropriate volume number.

The principal decisions reached at the special session were as follows:

1. *Composition of Committee*

The Special Committee consists of eleven relatively neutral states, not including the Great Powers or an Arab state. The members of the Committee are Australia, Canada, Czechoslovakia, Guatemala, India, Iran, the Netherlands, Peru, Sweden, Uruguay, and Yugoslavia.

2. *Terms of Reference* (See Enclosure 1)[3]

The Committee has broad and flexible powers to investigate all relevant issues, in Palestine and elsewhere, and to receive testimony from such sources as it deems necessary. Non-governmental organizations, particularly those which represent elements of the population of Palestine, will be heard by the Special Committee in its discretion.

3. *Appeal to Avoid Prejudicial Action*

At its final meeting the Assembly passed a resolution calling upon "all governments and peoples, and particularly upon the inhabitants of Palestine, to refrain, pending action by the General Assembly on the report of the special committee on Palestine, from the threat or use of force or any other action which might create an atmosphere prejudicial to an early settlement of the question of Palestine."[4]

The results of the special session are very satisfactory to the United States and afford some ground for hope that a practicable solution may be presented to the General Assembly in September.

If this Government's views should be requested by the Special Committee, the Department of State will wish to make recommendations to the President regarding the submission of such views. The Department of State will also wish to make recommendations regarding the position which the United States should take at the next session of the Assembly.

G. C. MARSHALL

[3] The text of the General Assembly resolution, not printed.
[4] For the official text, see GA (S–I), *Plenary*, vol. I, pp. 173, 174.

501.BB Palestine/5–2247

The United States Representative at the United Nations (Austin) to the Secretary of State

SECRET [NEW YORK,] May 22, 1947.

MY DEAR MR. SECRETARY: My general impression of this Session is encouragement. Although the Session dealt only with perhaps the most simple phase of the problem of Palestine, namely, the initial procedural question, nevertheless I feel that the approximation of unanimity in the passage of the final resolution establishing the Special

Committee of Investigation gives us reason to hope that the United Nations can work out an objective solution of this problem which will be in the true interests of the people of Palestine and the maintenance of peace and security. To expedite this happy result, active leadership by the United States will be useful.

Although the United States will not, under the resolution passed by the Special Assembly, participate actively as a member in the work of the Special Committee of Investigation, we should be prepared to state to the Special Committee at the proper time our views as to the solution of the problem of Palestine. The Committee may ask for them early, under its terms of reference. Our views could help the Special Committee in its work. This does not, of course, mean that, once having stated our views, we would bring pressure of any kind on the Committee to accept our proposal as the solution of the problem which it would recommend to the General Assembly. The forum in which our views can properly be pressed will be the regular session of the General Assembly in the Fall.

The time allowed for completion of the Special Committee's work, taking into account the time which it necessarily will have to spend in travel, is short. This means that the time available to formulate at least a tentative United States position is also short. Furthermore, for a number of other reasons I feel that the sooner we can formulate and have a tentative position the more probable will be the finding of a sound recommendation by September.

It is necessary, therefore, I feel, for us to agree among ourselves at the earliest possible moment upon a working hypothesis which could then be developed in whatever further detail might be necessary for presentation as the tentative views of the United States to the Special Committee of Investigation. Also this would make it possible for us in our discussions with other representatives to the United Nations to state our tentative views in clear and simple terms and thereby get them and their governments thinking along the lines which we consider constructive.

As a basis for a working hypothesis I should like to suggest as broad terms the following:

1. The objective should be an independent Palestinian state which would be admitted as a Member of the United Nations. This would *not* be a state based on racial or religious factors. It would be *neither* a Jewish state *nor* an Arab state. There would be full guarantees of the civil and religious rights and liberties of all minority groups, full account being taken of the special status of the holy places.

2. There should be authorization of a minimum of immigration per year based on the absorptive capacity of the country. This might be as high, for example, as 2½% of the present total population of Palestine for the first two years, and 1% per annum thereafter. Immigration

should be on a non-discriminatory, non-privilege basis excepting that greater facilities would be given to relatives and members of families already living in Palestine. The volume of immigration could, of course, be increased by the Palestinian government above the minimum, depending upon the improvement of absorptive capacity.

3. Provision should be made for a period of perhaps five to ten years of preparation for independence. During this period Palestine should be placed under a United Nations trusteeship.

4. During at least this preparatory period provision should be made for economic and financial assistance by the United Nations through its Economic and Social Council and subordinate bodies and the various specialized agencies such as the FAO, the Bank, the Fund, the Health Organization, and UNESCO.

I realize, of course, that the foregoing suggestions involve many controversial and difficult points but I feel that a solution worked out along these lines would be the most objective one and should be the most appealing one to all reasonable people. There is some indication, for example, that the Soviet Union would go along, at least in principle, with a solution of this kind. I refer you in this connection to Mr. Gromyko's statement before the General Assembly on Wednesday, May 14. Although my optimism may be unwarranted, I feel that a solution along these lines might be acquiesced in by the Arab states. Furthermore, I also feel that such a solution would commend itself to the more reasonable and better-balanced elements of the Jewish population of the United States and other countries.

I hope that it will be possible for you to have work done in the Department along the foregoing or possible alternate lines as a basis for discussion of this matter at your convenience.[1]

Sincerely yours, WARREN R. AUSTIN

[1] In an undated memorandum to the Secretary of State, attached to Senator Austin's letter, Mr. Acheson stated: "Our views, which have been discussed with Senator Austin, are reflected in this letter." The memorandum was initialed by the Secretary of State.

501.BB/5–2747

Memorandum by the Director of the Office of Special Political Affairs (Rusk) to the Under Secretary of State (Acheson)

RESTRICTED [WASHINGTON,] May 27, 1947.

Subject: Position Taken by the USSR on Problems Arising at Special Session of United Nations General Assembly

The attached memorandum,[1] prepared at your request, and reviewed in EUR and NEA, analyzes the statements on various aspects of the

[1] Dated May 27, not printed; it was drafted by officers of EUR and OA.

Palestine problem made by the Soviet Delegation at the special session of the General Assembly. The voting record of the Soviet bloc, the Arab States, and the United States on the principal roll call votes taken at the special session is also appended.[2]

The memorandum indicates that, despite an apparent shift in the Soviet position at the final meeting of the Assembly, there is no real inconsistency in the various statements of position made by the Soviet Delegation. Throughout, the statements seem designed to straddle the fundamental issue. The Soviets supported full debate on the substantive aspects of the Palestine problem; non-voting participation in the discussions by the Jewish Agency and the Arab Higher Committee; consideration of the possibility of immediate termination of the Mandate and an independent status for Palestine; independence after partition if a bi-national state proved to be impracticable; and representation for the Great Powers on the special investigating committee.

In the opinion of a number of delegations and of most, if not all, of the United States delegation, the Soviets thus succeeded in "playing both ends against the middle" in such a way as to gain credit both with the Jews and with the Arabs. It is believed that this non-committal position was maintained to the end because the Soviets are not yet ready to come out forthrightly on the side of the Arabs, preferring to do so later at a moment when the Soviets could reap the greatest benefits in the Moslem world. Meanwhile, as might have been expected, the Soviets made every effort to direct criticism against the mandatory Power.

The efforts of the United Kingdom and United States to avoid discussion of the substance of the Palestine problem at the special session, and to create a neutral committee without Great Power participation, provided the Soviet Union with an opportunity to gain credit for a certain degree of leadership in the Palestine question. Gromyko exploited this opportunity by (1) appearing to champion the principle of full discussion; (2) generally favoring immediate independence and termination of the Mandate; and (3) arguing for Great Power participation in the Committee—with the implication that the Soviet Union was the one Great Power willing to assume its responsibilities in relation to this matter.

The course pursued by the Soviets appears to leave the USSR in an excellent tactical position for the future.

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[2] Not printed.

867N.01/5-2847

Memorandum by the Jewish Agency for Palestine [1]

WASHINGTON, May 28, 1947.

UNITED STATES GOVERNMENT FINANCING OF PALESTINIAN DEVELOPMENT

1. The Jewish Agency for Palestine suggests that a constructive resolution of the Palestine problem would be facilitated if, during the next three or four months, confidential exploratory conversations on the financial implications of a Palestinian settlement were to take place between the appropriate officers of the United States Government and the representatives of the Jewish Agency. The Agency contemplates presenting its ideas, in the first instance, to the officers of the Department of State and of the Export-Import Bank. It requests guidance from the State Department on whether other Agencies of the United States Government should also be consulted at this stage.

2. In proposing confidential exploratory financial conversations at this time, the Agency's objectives are, first, to facilitate the working-out of a just settlement of the Palestine problem through the United Nations and, second, to assure that this settlement is followed by such substantial immediate economic growth as would render the settlement really definitive and firm. It is clear that an equitable settlement will be rendered much more attainable if the Government of the United States indicates its readiness to support such a settlement by participating in practical development financing. It is further clear that the political solution has its maximum chance to make a positive contribution to the peace, security and welfare of the Middle East if it begins to operate in the constructive atmosphere of large-scale development activity.

3. In the course of the next months, the Jewish Agency shall be presenting, to the special committee of the United Nations Assembly, comprehensive plans for the economic development of Palestine. In part, insofar as they deal with irrigation and agricultural development, these plans have profited from the participation of the distinguished American engineers who were responsible for designing—and, in part, constructing and operating—such projects as TVA, Boulder, and Grand Coulee. We believe that the rest of our economic planning is equally firmly based, in practical businesslike terms. We are taking steps to assure that these plans are reviewed carefully by American economists with the widest experience in economic planning and international finance.

[1] Transmitted to Mr. Henderson by Eliahu Epstein, Director of the Washington Office of the Jewish Agency, on May 28, with a request for the views and decision of the Department on the subjects raised.

We would like to present all these plans also to the responsible officers of the United States Government during the next few months.

4. On June 14, 1946, the American members of the Executive of the Jewish Agency sent President Truman a letter outlining the Agency's plans for the absorption of 100,000 immigrants. On July 6, 1946, this outline was expanded on the financial side in a memorandum to Mr. Henry F. Grady, then Chairman of the Cabinet Committee on Palestine. President Truman was so gracious as to compliment the members of the Agency on the workmanlike character of the plans submitted; the President also expressed his sympathy with the general proposals which the Agency then outlined. These plans and proposals (though they have been modified in some particulars) are substantially as relevant today as they were a year ago. (Copies of the Agency letter and memorandum and of the White House press release on the matter are attached for convenience in reference.[2])

5. The financial requirements of a definitive settlement which weigh most heavily in the Jewish Agency's plans are naturally those connected most directly with the capital needed to absorb Jewish immigrants into productive, self-sustaining livelihoods. The Agency is concerned also, however, with the capital needed to raise the productivity of our Arab neighbors in Palestine. As the Agency has repeatedly emphasized, in its submissions to the United States Government as well as to other bodies, the capital that needs to be employed productively in Palestinian development, for these purposes, far surpasses available Jewish resources.

6. Moreover, the Jewish Agency suggests that it would be advisable to present the United States Government not only its general plans but also much more particular projects in the financing of which the Export-Import Bank could appropriately participate. The Agency's representatives will be prepared to discuss these projects in all relevant detail. We would like such projects to be subjected to searching scrutiny because we are confident that they qualify as sound investments.

7. The Agency turns first to the Export-Import Bank as a public lending body operating in the international sphere for the following reasons: (*a*) The Congress and Executive of the United States Government have declared their support for the objective of large-scale Jewish immigration and settlement in Palestine; (*b*) Many of the development projects that we envisage in Palestine are specially dependent on materials, equipment and engineering talent that the United States is particularly suited to supply; and (*c*) We do not yet

[2] Letter of June 14 not printed; for press release of July 2, 1946, see *Foreign Relations*, 1946, vol. VII, p. 642.

have the status requisite for a direct approach to the International Bank for Reconstruction and Development. Nevertheless we do intend to have a preliminary exchange of views with the International Bank. For the longer run, we look to the International Bank to play a perhaps even larger role in our development financing than that of the Export-Import Bank.

8. In a statesmanlike effort to break the deadlock over the implementation of the proposals of the Anglo-American Committee of Inquiry, President Truman generously announced that the United States Government was prepared to meet the cost of transporting 100,000 Jews from Europe to Palestine and caring for them in transit. It would be extremely helpful if the Jewish Agency could have the State Department's assurance that this offer still stands. Firm evidence of United States continued willingness to transport displaced Jews from Europe to Palestine would contribute to the likelihood of a constructive general settlement and would enable corresponding Jewish Agency funds to be budgeted for other urgent needs.

Jewish people the world over—and particularly in the United States—are now contributing on a most generous scale to aid in the rehabilitation of their less fortunate brethren and in their resettlement in Palestine. Reparations and UNRRA assistance were counted upon to lighten our burden in these respects, but these sources of funds have hitherto made only a minor contribution to our needs. The Jewish Agency would like to explore with the State Department the problem of funds for transitional care and maintenance—particularly the maintenance of orphaned children. The relief and rehabilitation requirements that we face far surpass the unaided resources of world Jewry.

9. Our highest hopes for the exploratory conversations which we suggest would be realized if the United States Government were prepared to make a public announcement about their progress at the time when such an announcement could be most helpful in achieving a general settlement. If the United States Government were then in a position to announce that it was prepared immediately—given a political settlement—to participate to the extent of $75 million or $100 million in the financing of the first stage of sound, businesslike development work in Palestine, a great constructive contribution will have been made to the resolution of an unnecessarily tangled and embittered situation. Our ultimate requirements of international public development financing will be very much larger than this, but such an amount loaned from the United States would aid greatly to assure a successful beginning on our large development tasks.

ELIEZER KAPLAN
Treasurer, Jewish Agency for Palestine

867N.51/5–2847

*Memorandum by the Director of the Office of Near Eastern and African Affairs (**Henderson**) to the Under Secretary of State (Acheson)*

SECRET [WASHINGTON,] May 29, 1947.

As Mr. Shertok and Mr. Epstein of the Jewish Agency plan to see you this morning at 11:30 am, I believe it will be helpful for you to have a brief account of my conversation yesterday afternoon with Mr. Shertok and Mr. Kaplan of the Jewish Agency, accompanied by Mr. Gass and Mr. Epstein, with regard to economic developments in Palestine.

Mr. Shertok expressed the hope that the Special Committee on Palestine, which represented a new phase in the consideration of the problem, would be successful in finding a solution. Mr. Kaplan then spoke at length on Palestine's economic and financial needs. During Mr. Kaplan's talk requests, on behalf of the Jewish Agency, were made for the following:

[Here follows a summary of main points of Mr. Kaplan's memorandum, *supra*.]

I told Mr. Kaplan that the Department appreciated the expression of the views of the Jewish Agency with regard to the financial implications of a Palestinian settlement, that I would immediately study his memorandum and that I would communicate with him concerning it as soon as possible.

Although I have not yet had an opportunity of studying the memorandum of the Jewish Agency in detail, it is my preliminary opinion that if the United States Government engaged in "confidential exploratory conversations" with the Jewish Agency at this particular moment the most serious repercussions might ensue.

The commencement of such conversations would immediately be publicized in the press throughout the world and might be taken as an indication that the United States Government had developed its policy in advance of the report of the Special Committee on Palestine and had prejudged the case in favor of the Jews. Such conclusions might well cause such serious doubts to arise in the minds of the Arabs with regard to the sincerity and impartiality of our support of the British request for a Special Committee of the United Nations that they might refuse to cooperate with the Committee and thus nullify its work before it had even been undertaken.

It is accordingly suggested that you might wish to indicate to Mr. Shertok, during the course of your conversation with him this morning, that the United States Government would be reluctant at the present time to take any type of action which might prejudice the

work of the Special Committee. It might be added that the views of the Jewish Agency with regard to the financial implications of a Palestinian settlement would undoubtedly prove of interest to the Special Committee on Palestine in its consideration of the problem. You might also wish to add that the Department was prepared to receive the plans of the Jewish Agency as they developed and were presented to the special Committee but that it felt it would be untimely for it to enter into discussion with regard to such plans at least before the meeting of the General Assembly in the autumn.[1]

L[OY] W. H[ENDERSON]

[1] Marginal notation by Mr. Acheson: "I agree." In reply on June 25 to the Jewish Agency's memorandum, Mr. Henderson advised Mr. Epstein: "I am now able to inform you that this matter has been discussed and that the Department believes it would be unwise to engage in conversations of the character suggested by the Jewish Agency while the Special Committee of the United Nations is endeavoring to make constructive suggestions with regard to a solution of the Palestine problem." (867N.51/5–2847)

867N.01/5–2947

Memorandum of Conversation, by the Under Secretary of State (Acheson)[1]

CONFIDENTIAL [WASHINGTON,] May 29, 1947.

Participants: Mr. Moshe Shertok, Member of the Jewish Agency.
Mr. Eliahu Epstein, Washington Representative of the Jewish Agency.
Mr. Acheson, Under Secretary.
Mr. Loy Henderson, Director, NEA.

Mr. Shertok, a member of the Executive of the Jewish Agency charged with conducting relations on behalf of that Agency with this Government, and Mr. Epstein, head of the office of the Jewish Agency in Washington, called upon me this morning. Mr. Henderson was present during the conversation.

Mr. Shertok informed me that he expected to leave for Palestine about June 6 in order to assist the Jewish Agency in presenting its case to the Special Committee of the United Nations. He said that before leaving for Palestine, he desired on behalf of the Agency, to discuss various matters with the Department of State. He said that he would appreciate it if arrangements could be made for him to have a talk with General Marshall and with Mr. Lovett[2] before his departure.

[1] Drafted by Mr. Henderson.
[2] Robert A. Lovett, who was appointed Special Assistant to the Secretary of State on May 29. He succeeded Mr. Acheson as Under Secretary of State on July 1, 1947.

Mr. Shertok referred to the recent Special Session of the General Assembly of the United Nations and said that the Jewish Agency in general was somewhat encouraged at what transpired during the course of that Session. In particular, the Jewish Agency was pleasantly surprised at the attitude displayed in the fine speech of Mr. Gromyko, the representative of the Soviet Union. It would appear from that speech that the Soviet Union, which heretofore had been considered as favorable to the Arab side of the case, had finally decided to support partition. It was, of course, impossible to judge the sincerity of the Soviet pronouncement. Nevertheless, the pronouncement was extremely helpful to the Zionists, particularly since it should assist in removing concern lest the Soviet Union would back the Arabs in case the United States and Great Britain should decide in favor of partition.

The negative feature of the Session was the fact that the United States failed to make any statement clarifying its present substantive policy with regard to Palestine. The United States, which in the past had displayed such active interest in Palestine, remained silent. On behalf of the Jewish Agency, he wished to ask whether the United States would not be willing to inform the Special Committee of the United Nations in the near future regarding its policy towards Palestine. Although it was possible to infer what the American policy was by an examination of statements made in the past, nevertheless, a complete statement regarding the American position would be helpful at this time.

The Jewish Agency in general was fairly satisfied regarding the composition of the Special Committee. It was true that Iran and India would probably support the Arab cause. On the other hand, Czechoslovakia and Yugoslavia, in view of the Soviet attitude, as well as statements made by representatives of these countries during the Session of the United Nations, would probably favor the establishment of a Jewish state in Palestine and the linking up of the displaced Jews in Europe with the problem of Palestine. The other members of the Committee could probably be considered as genuine neutrals.

It seemed clear that any solution which the Special Committee would recommend would provide for considerable Jewish immigration from Europe to Palestine. The Jewish Agency was concerned, however, at the possibilities of further delay in the inauguration of this immigration. It hoped, therefore, that the United States would find it possible to suggest to the Special Committee that in its report to the General Assembly it would recommend that steps be taken before the final solution of the Palestine problem had been decided upon for the immediate inauguration of large-scale immigration from Europe to Palestine.

333-774—72——70

Mr. Shertok said that before departing for Palestine he would like to have the answers of the American Government to the two suggestions just made by him on behalf of the Jewish Agency. An affirmative response by the American Government to these suggestions would be of material assistance to the Agency in its efforts to obtain a fair solution of the Palestinian problem which would bring prompt relief to the persecuted Jews in Europe.

I informed Mr. Shertok that it would be impossible for me to let him know what the reaction of the American Government was to the suggestions advanced by him until after they had been carefully considered and discussed. There were a number of considerations involved, and I, myself, was puzzled as to what our answer should be. I could see the force of the suggestions; on the other hand, the American Government was extremely anxious not to take any steps which might be considered as applying pressure to the Special Committee; it was important that the impression should not be created that the United States or any of the other Great Powers was endeavoring to influence the work of a Committee which had been established on the theory that it could approach the problem in a spirit of complete neutrality.

Mr. Shertok said that perhaps when he saw General Marshall and Mr. Lovett in the course of the next week, a reply might be given to him. I repeated that it would be necessary for these suggestions to be carefully considered before a reply could be made to them.

I also informed Mr. Shertok that we would let him know early next week whether it would be possible for the Secretary and Mr. Lovett to receive him before his departure.

D[EAN] A[CHESON]

Records of the USUN

Memorandum Prepared in the Department of State [1]

TOP SECRET [WASHINGTON,] June 4, 1947.

A PLAN FOR THE FUTURE GOVERNMENT OF PALESTINE

I. BASIC PRINCIPLES

A. It is imperative that the General Assembly of the United Nations, at its second regular session, should recommend a definitive solution of the Palestine problem, in order that the current strife and

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[1] In a memorandum of June 5 to Ambassador Austin, John C. Ross, Deputy to the Ambassador, stated: "Attached is copy of the draft Working Paper on Palestine which we discussed with Loy Henderson and Dean Rusk in the Department on Tuesday. I am sending a copy to Herschel Johnson and I have a third for myself. Loy Henderson is anxious, for apparent reasons, that there be no

uncertainties may be ended and that the people of that historic land may face the future with confidence.

B. Palestine should become neither an Arab State nor a Jewish State but a single independent Palestine State in which all its people, of whatever religion or blood, may dwell together in concord. In particular, Palestine should continue to provide a Jewish National Home in its spiritual and cultural aspects, as well as a home for the Arabs and all others who live there.

C. All the inhabitants of Palestine should accept the responsibilities and share the rights and privileges of a common Palestinian citizenship.

D. The Government of Palestine should represent all Palestinian citizens and should protect their human rights and fundamental freedoms. Conversely, every effort should be made to foster the active collaboration of all Palestinian citizens in the government of their country.

E. The various Holy Places of Palestine, which are sacred to Christians, Jews and Moslems throughout the world, should be forever safeguarded.

F. Until Palestine is able to take its rightful place as a Member of the United Nations, its people should be assisted by the United Nations to create a democratic government and to prepare for their forthcoming independence.

II. PREPARATION FOR INDEPENDENCE

A. The General Assembly at its second regular session should approve a trusteeship agreement for Palestine to enter into force on January 1, 1948.

B. The administering authority for Palestine under trusteeship should be either the United Nations itself or one or more of its Members. If the United Nations were to undertake direct administration of Palestine, its responsibilities should be exercised through the Trusteeship Council; if one or more Members of the United Nations

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further distribution or discussion of this plan at this time within the Mission. I assured him that we would respect this wish.

"It is also understood that this is a working paper which is not yet cleared, even within the State Department."

The origins of the memorandum of June 4 may be traced back to a preliminary draft prepared by Mr. Henderson as an initial United States position on a solution of the Palestine problem. The draft has not been found in Department of State files. According to a memorandum of May 21 by Robert R. McClintock, Special Assistant to Mr. Rusk, Mr. Merriam read the paper, however, at a meeting on May 20 attended by Mr. McClintock and three other officers of SPA (501.BB Palestine/5–2147). A subsequent undated draft, prepared by officers of NEA and SPA, was transmitted to Mr. Rusk on May 26 by James F. Green, Associate Chief of the Division of Dependent Area Affairs (501.BB Palestine/5–2647).

were to be the administering authority, their administration should be supervised by the Council.

C. The terms of the trusteeship agreement should:

1. Prepare Palestine for its ultimate establishment as a single, independent state in accordance with the basic principles set forth in Section I above;
2. Provide immediately for the maximum degree of urban and rural self-government;
3. Provide for the early inauguration of full self-government during the trusteeship period; and
4. In other ways carry out the basic objectives of the trusteeship system as specified in Article 76 of the Charter of the United Nations, namely:

[Here follow sections *a* through *d* of Article 76.]

D. The independence of Palestine should be achieved in the following manner:

1. Not later than three years after the trusteeship agreement comes into force, the administering authority should convoke a Constituent Assembly of Palestine, elected on the basis of proportional representation, for the purpose of formulating a constitution.
2. The Constitution of Palestine should come into effect upon adoption by the Constituent Assembly and approval by the Trusteeship Council of the United Nations. The proposed Constitution should in the first instance be drafted by the administering authority and submitted for the approval of the Trusteeship Council. After approval by the Trusteeship Council the Constitution should be submitted to the Constituent Assembly. If changes or additions are made by the Constituent Assembly these should be ratified by the Trusteeship Council. If substantial numbers of the population of Palestine refrain from participation in the Constituent Assembly, the administering authority should resubmit the Constitution, with recommendations, to the Trusteeship Council. Upon further approval by the Trusteeship Council with such changes, if any, which it may adopt, the Constitution should be resubmitted to the Constituent Assembly. Should substantial numbers of the population of Palestine again refrain from participation in the Constituent Assembly, it would be for the Trusteeship Council to decide whether (*a*) the Constitution as amended should have force and effect, or (*b*) the trusteeship should continue.
3. With the coming into effect of this Constitution a period of self-government should follow under the general supervision of the Trusteeship Council or an agency of the Trusteeship Council. The administering authority should take immediate steps for the establishment of the legislative bodies provided for in the Constitution in order that the administration and the judiciary may be created on the basis of powers derived from the legislative branch. The administering authority should transfer the administrative and judicial functions of government to the Palestinian authority so constituted, progressively and as rapidly as circumstances permit. This period of the transfer of governmental powers should, if possible, be completed within eight

years after the adoption of the Constitution so that, by the end of that period, there would be full self-government in Palestine.

4. At the expiration of this eight-year period, Palestine should be declared an independent state by the General Assembly of the United Nations and should thereupon take its place as a Member of the United Nations, unless the General Assembly should determine that a further period of self-government under trusteeship is necessary.

5. At the time it becomes a Member of the United Nations, the independent State of Palestine should be required to give adequate international guarantees for the protection of the rights of all its inhabitants and for the safeguarding in perpetuity of all the Holy Places.

E. The Constitution of Palestine should include provisions relating to form of government, immigration, economic development and land policy, education, and the safeguarding of the Holy Places. These constitutional provisions should be consistent with the proposals set forth in Sections III to VII below, all of which are predicated upon the basic principles stated at the beginning of this memorandum. Detailed recommendations for the implementation of these proposals have been avoided as premature. The administering authority, the Constituent Assembly, and the Trusteeship Council should be free to work out a Constitution for Palestine in consonance with principles accepted by the General Assembly.

III. FORM OF GOVERNMENT

A. The form of government of the proposed independent State of Palestine must be based upon broad democratic principles and must preclude any discrimination on grounds of religion or blood.

B. The Constitution of Palestine, which should include a bill of rights, and a new legal system—equally applicable to Jew, Christian, and Moslem alike—should be in harmony with the principles of the Charter of the United Nations and with the practices of advanced democratic countries. They should encourage the continued existence and development of the Jewish National Home in its spiritual and cultural aspects. The term "Jewish National Home", as used herein, means Jewish religious and cultural institutions established and supported by Jewish groups throughout the world which should be operated in accordance with the laws of Palestine and to which the Jews of the world should have free access in accordance with Palestine law. In view of the importance of Palestine to Judaism, Christianity and Islam, the Constitution and the legal system of Palestine should also similarly permit and encourage the establishment and maintenance of religious or cultural homes for any Moslem or Christian groups which desire to establish spiritual and cultural international centers in Palestine.

C. The Palestine State should have a federal form of Government. An appropriate number of federal divisions should be created upon the basis of economic and social considerations rather than upon considerations of religion or blood. Each federal division should enjoy considerable home rule within the framework of the Constitution.

D. The chief legislative organ of the Palestine State should be a national parliament. Whether the parliament should consist of one or two houses should be for the Constituent Assembly to decide.

E. The title and powers of the head of the State and the method of his selection, the relationship between the executive and the parliament, and the organization of the administrative departments are all matters which should be determined with the approval of the Constituent Assembly.

F. A comprehensive system of Palestinian courts, independent of the legislative and executive branches of the Government, should be established in accordance with the Constitution. The new legal codes—civil, criminal, and family status—should be of such a character that they could be applied to Moslem, Jew, and Christian alike. There should not be set up one system of law for the adherents of one religion and a different system for the adherents of another religion. Nevertheless, the laws should be so devised that they would not force a Christian, Jew, or Moslem to commit acts which would be contrary to the fundamental tenets of his religion. The modernized laws and codes of certain Near Eastern states should be examined in connection with this problem.

G. Prior to the attainment of independence by Palestine, there should be no amendment of the Constitution except with the approval of the Palestine parliament, by a two-thirds vote, and with the approval of the Trusteeship Council of the United Nations.

IV. IMMIGRATION

A. The immigration laws of Palestine should not discriminate against prospective immigrants on grounds of religion or blood.

B. For the two years beginning January 1, 1948, an immigration quota for Palestine should be established not to exceed two and one-half percent a year of the estimated population of Palestine as of January 1, 1947.

C. Beginning January 1, 1950, and until the termination of the trusteeship, the annual immigration quota shall not be in excess of one-half of one percent of the estimated population of Palestine as of January 1, 1947, unless after the inauguration of full self-government under trusteeship, the Palestine parliament should decide to increase that quota.

D. During the period of trusteeship, persons admitted to Palestine should be of two categories:

(1) persons entering on a temporary basis; and
(2) persons entering as immigrants.

[Here follow paragraphs E and F expanding on D (1) and (2) and paragraph G concerning appeals from decisions of the Palestine immigration authorities.]

V. ECONOMIC DEVELOPMENT AND LAND POLICY

A. Since the creation of a sound economy is prerequisite to the effective independence of Palestine, a program should be initiated for the over-all economic development of the country. Such a program should include plans for the fuller utilization of Jordan water power, for more extensive irrigation of the land of Palestine, for the wider use of scientific methods of agriculture, and for the progressive improvement of public health and rural welfare services.

B. In order to insure the implementation of a comprehensive welfare program, the Government of Palestine should be empowered to establish and maintain a land system appropriate to the needs of the State. The Government should accordingly be responsible for enacting equitable legislation governing the sale, purchase, lease, or use of land. Furthermore, there should be adequate legal protection for the rights of tenant cultivators in cases of land transfers.

[Here follow Sections VI and VII dealing with education and the Holy Places, respectively.]

VIII. CONDITIONS FOR SUCCESS

Any plan for the future government of Palestine should be designed to provide a definitive and early solution of the problem. Neither this plan nor any alternative proposal will satisfy all of the people of Palestine and all of the governments, private organizations, and individuals who have taken a position with respect to the problem. Yet, if any solution of the Palestine problem recommended by the General Assembly is to succeed, it must be accepted in good faith by all governments and all peoples. Once a final solution is agreed upon by the General Assembly, it must be put into effect immediately by the collaborative effort of the world community.

Editorial Note

The White House, on June 5, released a statement made by President Truman on the Palestine question, which made an appeal to "every

citizen and resident of the United States, in the interests of this country, of world peace, and of humanity, meticulously to refrain, while the United Nations is considering the problem of Palestine, from engaging in, or facilitating, any activities which tend further to inflame the passions of the inhabitants of Palestine, to undermine law and order in Palestine, or to promote violence in that country."

The text of the statement is printed in Department of State *Bulletin*, June 15, 1947, page 1154.

501.BB Palestine/6–1147 : Telegram

The Consul General at Jerusalem (Macatee) to the Secretary of State

CONFIDENTIAL JERUSALEM, June 11, 1947—noon.

243. Local Arab reaction to decision of [Arab] Higher Committee to boycott UNSCOP [1] is thus far unfavorable. Jamal Husseini and Faris [el-] Khouri are in Jerusalem and are giving following reasons for decision to prominent Arabs:

1. Policy procrastination through investigating committees well understood by Arabs; their rights need no bargaining or confirmation.
2. Omission provision for independence from Committee's terms of reference.
3. Connection Palestine with displaced persons problem.
4. Insufficient eastern representation on Committee and membership thereon of countries "in direct relations with Jews, Americans and British whose sentiments toward Arabs well known".
5. Insertion religious matters in terms of reference for purposes justification British remaining in Palestine.
6. Handling of matter in special assembly was sufficient to create apprehension.

Jamal Husseini reliably reported to have informed Arab gathering last night that information from New York indicates Committee already decided on position. Aranha alleged to have informed Arab delegate that while he personally understood Arab rights in matter, his Government and that of US and British had already formed opinion in favor partition. Husseini also alleged that this is reason Faris [el-] Khouri favors boycott.

Strong indications Arab Communists will not boycott.

MACATEE

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[1] In a letter of June 13 to the Secretary General of the United Nations, Jamal Husseini as Vice Chairman of the Arab Higher Committee announced that the Palestinian Arabs would abstain from collaborating with the Special Committee and would not appear before it; for text, see *UNSCOP*, vol. II, p. 5.

501.BB Palestine/6–1347 : Circular telegram

The Secretary of State to Certain Diplomatic and Consular Officers [1]

SECRET WASHINGTON, June 13, 1947—6 p. m.

Dept concerned by current tendency among certain persons and organizations interested in general Palestine problem to describe various solutions which have been suggested in recent years as, for example, "the Arab plan," "the Jewish plan," "the British plan for provincial autonomy," or "the American plan for a partition of Palestine."

Dept realizes many persons and organizations use such descriptions as labels. Dept is convinced however that others may reiterate such descriptions for propaganda reasons, thereby conveying impression that those to whom proposed solution is attributed favor one solution as opposed to another.

Dept's attitude at recent special session UN GA was based on view that special session was called solely for procedural purpose of constituting and instructing special committee to prepare Palestine question for consideration at regular session UN GA in Sep.

Those persons and organizations who now, for example, urge US Govt to recommend some particular Palestine solution or to advocate immediate immigration into Palestine are being informed it would be inadvisable for US Govt to make specific recommendations at this time or take specific action concerning particular aspects of question while Special Committee which is preparing report has entire problem under consideration.

In any discussions which you may have concerning Palestine you should emphasize Dept's views re UN consideration of problem. You should also make clear that this Govt has not at any time put forward or supported any plan for future of Palestine and at this stage it is not supporting any solution in preference to another.

MARSHALL

[1] Sent to twenty posts at London, Paris, Rome, Moscow, Ankara, Arab capitals in the Near East and North Africa, Tehran, New Delhi, Jerusalem, Kabul and New York.

501.BB Palestine/5–2247

The Secretary of State to the United States Representative at the United Nations (Austin)

TOP SECRET WASHINGTON, June 13, 1947.

DEAR AUSTIN: I have read with interest your letter of May 22, 1947 in which you refer to the recent Special Session of the General Assembly and touch upon the vexatious problem of Palestine.

In reviewing the proceedings of the Special Session, I share your general impression of encouragement. I am convinced that the success of the Session from the point of view of our Government was due in large part to your courageous and effective leadership.

The suggestions contained in your letter with regard to the kind of approach which the Department might make towards the Palestine problem are extremely helpful and are being carefully studied.

During the latter part of May, we were considering the advisability of making a public statement at an early date clarifying the substantive policies of the United States with regard to Palestine. At that time there was a possibility that the Special Committee, before departing for Palestine, might hold hearings in the United States in order to obtain the views of individuals and of various organizations maintaining headquarters in this country. It was our thought that it would be unfortunate for the United States Government to remain silent while certain American citizens or groups were making statements which might be considered as representative of the views of the Government.

It is now our understanding that the Special Committee has decided not to hold any hearings in the United States before making its investigations in Palestine and that the members of this Committee are either already en route to Palestine or are preparing to leave within the next few days.

We are inclined to believe, therefore, that it might be preferable not to make any public statement of our views with regard to the future government of Palestine in the immediate future unless unexpected developments should take place. We should of course continue to concentrate upon the task of determining the kind of government for Palestine which in our opinion would be in closest accord with the principles enunciated by us during the war and during the postwar period, including those incorporated in the Charter of the United Nations.

Although this Government has long cherished the hope that a solution of the Palestine problem might be found, an agreed settlement no longer appears possible. We are convinced that there is no solution of the Palestine problem which will not meet with strong opposition from one or several quarters. It is also possible that at least a certain degree of force may be required in implementing any solution of the Palestine problem. We therefore believe that it would be wise for us to review the whole problem in order to make certain that any kind of a solution is based upon principles which can be defended before the world, both now and in the future.

I hope that you will continue to keep us informed of the views of

the representatives of various countries to the United Nations with regard to Palestine and that you will also communicate to us any further ideas on the subject as may occur to you. It is hoped that in the not distant future the Department's studies will have progressed sufficiently far to enable us to exchange views with you on the subject of the future of Palestine. Even though we may not make any public announcement in the near future, it is important that we decide at the earliest possible moment what our basic attitude should be in regard to this serious problem.

Faithfully yours, G. C. MARSHALL

867N.01/6–1947

Memorandum of Conversation, by the Secretary of State [1]

SECRET WASHINGTON, June 19, 1947.

Participants: The Secretary.
Rabbi Abba Hillel Silver, Jewish Agency and Zionist Organization of America.
Mr. Loy W. Henderson, Director, NEA.

Dr. Silver called upon me this afternoon in order to present the views of the various organizations which he represents respecting our policy with regard to Palestine. The following represents a summary of Dr. Silver's remarks:

1. The investigating Committee of the United Nations is now in Palestine for the purpose of obtaining facts to be used in the preparation of a report to the United Nations regarding the problem of Palestine and the solution of that problem. It is not believed that this Committee will unearth any new facts. The decisions which it makes are certain to be of a political, rather than of a juridical or fact-finding nature. There is a danger that unless the Committee is acquainted with the American Government's views regarding what the solution of the Palestine problem should be, it will be working in a vacuum and its report will be of such a character that no solution of the problem will be found next fall and there will be again considerable delay before the problem can be approached realistically.

2. The American Government has two alternatives before it. One is to fail to make its views clear before the minds of the members of the Committee are made up, with consequent confusion in the General Assembly in September. The other is to state its views at a sufficiently early date to permit the Committee to give careful consideration to them before it draws up its report. The Jewish Agency and affiliated organizations hope that the United States Government will present its views in the near future and that before doing so, it will consult privately with Zionist leaders so that the latter will have an oppor-

[1] Drafted by Mr. Henderson.

tunity to correct any misunderstandings or misapprehensions under which the United States may be laboring and to make suggestions which will enable the United States Government and American Zionists to find common ground.

3. The American Zionists are completely in the dark as to what the present policy of the United States is with regard to Palestine. They would like to exchange views privately at once with the American Government on this subject. They are anxious that when the problem comes up before the General Assembly in the fall, they will not find themselves compelled to oppose the policies of their own Government.

4. The Zionists have the impression that in the past the Government of the United States has looked with favor upon partition. They are not sure whether the American Government still has these views. In any event, he feels that he should emphasize that partition could mean many things. A partition plan could be developed which would have the support of 95 percent of the Jews; one could also be suggested which would be unequivocably opposed by 95 percent of the Jews.

5. In about two weeks, there will be a national meeting of Zionist leaders in New York. Dr. Silver will preside. He hopes that at that time he will be in a position to bolster the morale of the Jews both in this country and abroad by making some statement with regard to the attitude of the American Government which would be encouraging. Specifically, he would like to know whether the Department of State is willing to exchange views with the Jewish Agency and if so, at what time.

I informed Dr. Silver that the question of Palestine is very much in our minds. We are devoting much time and study to it. We hope to find a definitive solution. The problem is extremely complicated. To the difficult international factors connected with it, there have been added factors of internal politics. We are anxious that a fair and equitable solution be found. There is nothing further which we can say at this time.

I added that I would give consideration to the views expressed by Dr. Silver, including his suggestion that, if possible, he would be placed in a position to make some kind of a statement at the Zionist meeting scheduled to take place in New York in two weeks.

I also told Dr. Silver that if the Zionists would like to convey to the Department any of their views which they have not already made known to it regarding what the solution of the Palestine problem should be, they might present them to Mr. Henderson either in writing or orally. Dr. Silver replied that they would be glad to do so provided the Department on its part would tell the Zionists what the views of the United States Government were. I told Dr. Silver that we were not prepared at this time to make any statement with regard to what our views are or might be.

Dr. Silver asked whether there was a possibility that some time during the summer we would be in a position to talk frankly with the

Zionist leaders. I replied that I hoped we would be able to do so. He asked if I could assure him that such a talk would precede any announcement which the Government might make regarding its Palestine policy. I replied that I hoped that it might be found possible to discuss any policy which we might contempate adopting relating to the future of Palestine before announcing it.

Before his departure, Dr. Silver handed me the attached memorandum [2] setting forth the views of the organizations which he represents as to the course of action which the United States Government might take.

[2] Undated memorandum, not printed.

501.BB Palestine/6–2347

The Consul General at Jerusalem (Macatee) to the Secretary of State

SECRET JERUSALEM, June 23, 1947.

No. 106

Subject: UNSCOP in Palestine—The First Week.

SIR: I have the honor to report that on Monday, June 16, the United Nations Special Committee on Palestine found itself settled in Jerusalem and ready to commence its efforts to find a solution for the problems which hold this country in a state of continual crisis. The Chairman of the Committee, Chief Justice Emil Sandstrom of Sweden, had arrived on the previous day to join the great majority of the membership of the Committee and Secretariat already in this country for several days.

Confronted by the large and energetic press corps of Palestine when he stepped off the plane at Lydda airport on June 15, the Chairman immediately ran into the pressmen's request for comment on Arab accusations that the Committee was biased, and the decision of the Arab Higher Executive to boycott its proceedings. Justice Sandstrom covered those two aspects of the Arab attitude by saying simply, "It would be easier and more correct, if they were right, to come and give their opinions."

The Committee commenced on June 16 with an informal exchange of views on its program of work. On that day an Arab general strike, called by the Arab Higher Executive, was in progress, effectively tying up all Arab-controlled commerce and transportation. On that day, too, the Chairman of UNSCOP went on the air in a broadcast which seemed directed mainly toward the Arabs, and which was, in effect, a plea for cooperation.

"I cannot put it too strongly that this Committee has come to Pales-

tine with a completely open mind . . . . We are impartial on this problem . . . . We have reached no conclusions . . . . ." he assured them.[1]

During the afternoon of that first day, June 16, representatives of the Palestine Government appeared before the Committee [2] in private session, from which even the press was barred. UNSCOP, according to Justice Sandstrom, had agreed to this procedure as it felt that otherwise Government testimony would not have been heard. Though the Government representatives, among them Chief Secretary Sir Henry Gurney, presented little more than statistical information, the fact that they were received privately obviously irked the Jewish Agency whose English-language organ, *The Palestine Post* headlined the next day that "The Secret Session Was Not Needed". If for reasons of security the public was excluded, the *Post* went on, then the presence of the Agency's liaison officers with UNSCOP would not have endangered matters.

On the morning of June 17, members of UNSCOP met in secret session the principal item on the agenda being consideration of the Arab boycott. To the surprise of the other members, the Yugoslav alternate, M. Brilej, rose and read a long prepared statement censuring the Arab Higher Committee for its attitude. It was M. Brilej's idea to have his statement accepted by the whole committee as its reaction to the boycott. After considerable discussion, as the Department was informed in telegram no. 254 of June 17, 5 p. m.,[3] the Committee defeated this proposal by a nine-to-one vote, with Guatemala abstaining. Subsequently, the Committee decided to consider Justice Sandstrom's radio appeal mentioned above as sufficient reply to the Arab move.

While this was going on, the Secretariat was involved in technical problems with both the Government and the Jewish Agency. The Government desired to search all persons attending open hearings, or alternatively, to strike off names of persons listed to receive tickets to such hearings, UNSCOP to provide lists four days in advance. There was strong resistance in the Secretariat to these suggestions, and the Government was finally forced to capitulate. Open hearings will, in fact, be open to the public, the YMCA now being outside the barbed-wire barrier which formerly enclosed it in Zone "B".

On June 17, I also informed the Department (telegram no. 253 [3]) of the contact established by the Irgun Zvai Leumi with the Committee through a letter delivered by a secret source to Mr. Victor Hoo, the personal representative of the Secretary-General of UNO with

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[1] For full text of broadcast, see *UNSCOP*, vol. II, p. 5.

[2] For summary record of the hearing of the representatives of the Palestine Government, see *ibid.*, vol. IV, p. 1.

[3] Not printed.

UNSCOP. The text of the letter is being forwarded to the Department. In effect, it more or less requests the Committee to bring pressure to bear upon the British Government to cease military trials and executions, with particular reference to the trials of those Irgunists apprehended after the Acre prison operations.

This attempt to involve UNSCOP in the processes of British military justice in Palestine was, from the Irgun's point of view, most timely: At about the time the terrorists' letter was delivered, a British military court was sentencing to death three of the five Irgunists captured at Acre. Their two comrades received life imprisonment. These sentences immediately evoked outcries in the Hebrew press that the Government was giving fresh impetus to the vicious circle of executions and more terrorism. There was nothing new in the direction Hebrew comment took. As we have pointed out to the Department in the past, the complete inability of Jewish legal organizations to cope with terrorism has been well illustrated. They choose, therefore, to emphasize the Government role in such matters.

On the afternoon of June 17, the Committee received from Mr. Moshe Shertok, Head of the Jewish Agency's Political Department, an oral "picture of Palestine's geography, people, industry, agriculture and potentialities".[4] Mr. Shertok's hour and a quarter discourse was presented in the Committee's first open hearing in the YMCA auditorium. At the hearing were rows of correspondents, newsreel cameramen, representatives of various Jewish bodies, consular officials—but no Arabs. Mr. Shertok took pains when commencing his speech to make it clear that he was not presenting the "Jewish case", but was merely giving background information for the Committee's benefit. In discussing his presentation with me later, however, he said that he went somewhat farther than that, to which I would not be disinclined to agree.

The main interest while Mr. Shertok and his colleague, Mr. Horowitz, were at the Committee table centered in the attitudes of, and questions put to him by, the various members. Seated by the Indian member, Sir Abdur Rahman, who regarded him with a somewhat unpleasant expression, Shertok answered all queries with his customary agility. The Indian, however, would not be put off on one or two matters, particularly with regard to immigration and land transfers. In connection with immigration, he asked Mr. Shertok if the latter would like to see all the immigration laws in the world disappear. Mr. Shertok replied that he would not go so far as to say that, but what had the Indian member's question to do with the matter? The

[4] For the summary record of the hearing of Mr. Shertok, see *UNSCOP*, vol. III, p. 1.

Indian then asked if Mr. Shertok would like to see such laws remain as they are now, to which the Jewish Agency's representative replied he had no opinion on that.

On another matter when discussing land transactions, Mr. Shertok took occasion to say that the present restrictions were on a discriminatory racial basis. He was then asked by Sir Abdur Rahman if he, Mr. Shertok, was aware that such discrimination exists in other parts of the world, that, for example, a Sikh may not buy land in the Punjab. To this Mr. Shertok said there was a distinct provision in the Mandate that the Government should encourage the close settlement of Jews on the land.

Of interest, also, during this period, was the question posed by the Iranian member, M. Entezam, who politely inquired in French if, in view of the examples of Arab-Jewish cooperation cited by M. Shertok, that was not a good indication that both peoples might collaborate, "if, as and when a Palestinian state were created". Mr. Shertok explained to the Iranian that the Jews felt they would be left in the lurch if subjected to an Arab majority with hostile leaders. Cooperation in day to day matters did not mean, Mr. Shertok added, that the Jews and Arabs are ready to compose their political differences and cooperate in one state. The Iranian member said he was satisfied with this reply for the moment, but would return to the subject at some future time.

Late in the evening of June 17 during a closed meeting, UNSCOP commenced consideration of a letter received from the parents of the three condemned terrorists.[5] The fact that the activity of these groups was being carried on in all its deadly ferocity was revealed by the press of June 19, which gave considerable publicity to the foiling by Haganah of a tunneling operation which had been undertaken by Irgun with the intention of eventually blowing up Citrus House in Tel-Aviv, a fortress at present occupied by British officers and troops. Subsequent Irgun reaction to this Haganah activity is described in airgram no. 136.[6]

On the morning of June 19, the Committee commenced its travels around Palestine.[7] The first day was taken up with visits to the Haifa district, followed on the 20th by a trip to Jericho and the Dead Sea. The sub-Committee formed to determine the itinerary was believed to have decided on journeys which would take up approximately two weeks' time, during which there would be very little opportunity to hold hearings.

In the meantime, Mr. Moshe Shertok chose the morning of June 19

[5] For letter of June 17, see *UNSCOP*, vol. II, p. 11.
[6] Not printed.
[7] For itinerary of the Special Committee, see *UNSCOP*, vol. II, p. 4.

to call on me at the Consulate General. The Department will recall from my telegram no. 247 [8] of the irritation with American policy on Palestine which he expressed to an officer of the Consulate General in a talk on June 13. During his visit on the 19th, Mr. Shertok indicated that in presenting its case to UNSCOP the JA would:

1. Put aside Ben-Gurion Statement to Vaad Leumi on May 22 (in which JA Chairman expressed desire for Jewish state at once in part of Palestine, remaining "small portion" to continue under mandate for purpose facilitating Jewish immigration and settlement and raising Arab standard of living);
2. Put forward in public hearing a claim to all Palestine on historic basis;
3. Indicate in private hearing that JA would accept partition as settlement;
4. Present outline of Agency's desires with respect to partition if requested to do so by UNSCOP.

Questioned later by a member of my staff as to the difference between this approach and that of Ben-Gurion, Dr. Leo Kohn of the Agency's Political Department stated that whereas Ben-Gurion statement implied eventual absorption into Jewish state of areas not initially included therein, the United Nations Committee would be informed in connection with point no. 3 of the above that partition would be considered by the JA as a final political settlement.

As the week ended, UNSCOP found itself deadlocked over the issue as to whether it should bring pressure to bear on the Palestine Government in connection with the death sentences passed on three terrorists caught at Acre. After three long secret meetings, a majority decided to inform the parents of the condemned men, in reply to the letter received from them that:

"It is beyond the Committee's instructions and function to interfere with the judicial administration in Palestine, but having regard in the circumstances to the task of the Committee, the matter is being brought to the attention of the proper authorities." [9]

This was done through the medium of a "Resolution" to which a majority of the members of UNSCOP agreed, and which was forwarded to the Secretary General of the United Nations for transmission to the British Government. This resolution read:

"In view of the fact that the majority of the members of the Committee have expressed concern as to the possible unfavourable repercussions that execution of the three death sentences pronounced by the Military Court of Jerusalem on June 16, the day on which the Com-

[8] Not printed.
[9] For full text of letter of June 22, signed by Chairman Sandstrom, see *UNSCOP*, vol. II, p. 13.

mittee held its first meeting in Jerusalem, might have upon the fulfilment of the task with which the General Assembly of the U.N. has entrusted the Committee, and considering the opinion of such members as to the scope of the resolution on the Palestine question adopted on May 15 by the General Assembly, the Committee resolved that the Chairman communicate to the Secretary General of the U.N. a copy of this resolution and of the letter received from the relatives of the condemned persons, for transmission to the Mandatory Powers."

At about the time this resolution was made public, Mr. Ben-Gurion was writing the High Commissioner that "hangings don't stop terror", and terrorists were attempting to kidnap a high British police official from a bookshop within a hundred yards or so of UNSCOP's seat of deliberations.

And so UNSCOP's first week ended. We could discern no weakening of the boycott, and the Committee's action in communicating to the Mandatory Government its fear of "possible unfavorable repercussions" will undoubtedly harden Arab opinion of its pro-Zionist bias. We shall attempt, in the weeks to come, to report on its travels, and public hearings, and to convey to the Department such indications as may become available as to its views on the situation it now finds itself in contact with.

Respectfully yours, ROBERT B. MACATEE

867N.01/6-2747

The British Secretary of State for Foreign Affairs (Bevin) to the Secretary of State [1]

LONDON, 27 June, 1947.

DEAR MR. MARSHALL: Lord Inverchapel will have told you of our grave concern at the persistent and successful attempts of Jewish organizations to send Jewish illegal immigrants to Palestine from various European countries and will have explained to you how much we regret that the funds for this illegal immigrant traffic are largely subscribed in the United States.

For this reason, His Majesty's Government have greatly valued the recent statement of President Truman [2] calling the attention of the American people to the resolution recently adopted by the United Nations Assembly requesting all Governments and peoples to refrain, pending action by the General Assembly on the report of the Special Committee on Palestine, from the threat or use of force, or any other action which might create an atmosphere prejudicial to an early

[1] This letter is numbered E 5001/48/G and is marked "confidential" and "personal".

[2] Issued on June 5; see editorial note, p. 1101.

settlement of the question of Palestine. We hope also that the publicity which Trygve Lie has given to Cadogan's note to him,[3] asking that all Member States should take the strictest precautions to prevent the transit through their territory and the departure from their ports of Jews attempting to enter Palestine illegally, will discourage the activities of the organisers of this traffic, who are using Jewish refugees as a means of exerting political pressure on the Government of Palestine at a moment when the future of that country is under consideration by the United Nations.

May we count upon the assistance of your Government in preventing the situation from deteriorating still further? I should like to ask in particular that United States officials and representatives on charitable and refugee organizations in Europe should be requested to discourage the unauthorised movement of Jewish refugees leading to the departure of illegal immigrant ships for Palestine. My colleagues and I feel very strongly that the organisers of this traffic are not only endangering the peace and security of the Middle East but are now flouting the authority of the United Nations.

Yours sincerely, ERNEST BEVIN

[3] Dated May 23; for text, see *UNSCOP*, vol. II, p. 12.

501.BB Palestine/6–3047

The Consul General at Jerusalem (Macatee) to the Secretary of State

SECRET JERUSALEM, June 30, 1947.

No. 113

Subject: UNSCOP in Palestine—the Second Week.

SIR: I have the honor to continue the chronicle begun in my despatch no. 106 of June 23, 1947, in which we commenced a weekly summary of the activities of the United Nations Special Committee on Palestine, together with such background information in relation thereto as we believe may be of interest to the Department and the field.

The beginning of its second week in Palestine found the Committee involved in a near-dispute with the Palestine Government and making no headway whatever toward changing the rigid line of non-cooperation adopted by the Arab Higher Committee. The Department will recall that on June 22, UNSCOP transmitted to the Secretary General of the U.N. a resolution to the effect that a majority of its members had "expressed concern as to the possible unfavourable repercussions" which might result if the Government carried out the death sentences of three convicted terrorists. The Secretary General was requested to forward the text of the resolution to the Mandatory Power.

The vote on this resolution, we are informed, was nine to one (the

Australian holding that such action exceeded the Committee's terms of references) and the Yugoslav abstaining because he felt that the wording of the resolution was too weak.

The next day the *Palestine Post*, ever ready to create difficulties for the Government, announced that the Chief Secretary had "rebuked" UNSCOP for its action. In the text of Sir Henry Gurney's message on this subject, the Chief Secretary, after observing that the Committee had in fact published such a resolution, went on to say that the Committee was, no doubt, aware "the sentences referred to above have not been confirmed . . .[1] and the matter being *sub judice* it was necessary to avoid comment". Referring to that part of the resolution which mentions that the death sentences were passed on June 16, the day on which the Committee held its first meeting in Jerusalem, the Chief Secretary said:

"It is presumably not suggested that the Court pronounced sentence on that day otherwise than in the course of judicial process. There would of course be no truth in any such suggestion." [2]

I was informed by the Chief Secretary on June 23 that the Committee had sought the Government's advice as to desirability of making a statement in reply to the letter received from the condemned persons' parents, and had been told that the Government would consider it most inadvisable to do so. Nevertheless, the Committee had proceeded to issue its resolution.

Editorializing on the Chief Secretary's statement the same day, the *Post* poured out the usual compliments to the Committee which we have been reading in the Hebrew press, and announced that the Chief Secretary "had ventured to give advice to the United Nations Special Committee on Palestine".

For once the Agency and the Irgun saw eye to eye, though the latter, in its broadcast of June 25, expressed itself somewhat more forcefully in referring to Sir Henry Gurney:

[Here follows the Irgun characterization of the Chief Secretary.]

As was to be expected, the Arabic press, led by the Mufti's organ *Al Wahda*, laid down a barrage of editorial criticism of this "interference" and "additional evidence of bias" on the part of UNSCOP. *Al Wahda* hammered home the point that the Committee's resolution merely confirmed the good judgment of the Arab Higher Committee in deciding on boycott from the start.

Though Monday, June 23, was supposed to be a day of rest, several members of the Committee and its secretariat, including the Chairman, journeyed to Rehovoth to lunch with Dr. Chaim Weizmann, erst-

[1] Omission indicated in the source text.
For full text, see UNSCOP, vol. II, p. 13.

while President of the World Zionist Congress, now cast in the role of elder-statesman in retirement.

On June 24, UNSCOP visited the Jaffa District, accompanied by the usual group of Government liaison officials and journalists. The Municipal Council of Ramle, a nearby Arab town, had stipulated on the previous day that no representatives of the Jewish press be allowed to accompany the Committee on its visit to that municipality, and UNSCOP was simultaneously informed that only the Mayor of Ramle would greet the visitors but even he would not accompany them on their tour. This attitude was typical of what they encountered in Jaffa, where despite Arab objections Jewish pressmen insisted on being present. At one textile factory where the journalists crowded in, the management stalked out in protest.

In marked contrast to this Arab reception, was that accorded the Committee the next day in Tel-Aviv, where its members were confronted with "an almost staggering volume of information". Crowds clapped and sang for the delegates and pressed around their cars to shake their hands. Hebrew newspapers extolled the individual members and at the Great Synagogue, the Committee heard Chief Rabbi Unterman call upon the Almighty "to instill in the hearts of the United Nations Committee knowledge, wisdom and intelligence, to judge honestly and to gather the people of Israel in their Holy Land to revive and rebuild it".

The Indian Moslem member, Sir Abdur Rahman, did not participate in the Tel-Aviv tour.

While this reception was being accorded UNSCOP in the principal Jewish city of Palestine, Jewish terrorists in Jerusalem were making their second kidnapping attempt within four days. This time, a Government liaison officer with UNSCOP, Mr. Alan Major, was involved, but through his continued struggles after being struck on the head with a hammer and because his wife's screams attracted considerable attention, the would-be kidnappers were forced to abandon their purpose.

On the following day, June 26, the Committee set out for the Negeb to examine Jewish settlements in that wasteland of the South. At Revivim, Nir Am and Hafetz Haim, they again encountered cheers and applauding settlers, and were assured that there was room in that region for "thousands and thousands" of young men and women.

On June 26, also, the Government of Palestine presented to UNSCOP a Memorandum on the Administration of Palestine under the Mandate. The complete text has been forwarded with despatch no. 112 of June 30, 1947.[3] In it, the Government stressed, among other

[3] Not printed; the text of the memorandum was published by the Government of Palestine (Jerusalem, the Government Printer, 1947).

things, its role in preserving a balance between conflicting obligations imposed by the Mandate.

This paper at once aroused the ire of the Jewish Agency, which voiced its rebuttal in the shape of an editorial in the *Palestine Post* of June 27. Said the *Post:*

[Here follow quotations from the editorial and from the political correspondent of the newspaper.]

Arab journals, while not allotting as much space, also tore into the Government paper. On June 27, *Al Diffa* editorialized:

[Here follow quotations from two Arab newspapers.]

UNSCOP remained in Jerusalem on Friday, June 27, devoting the early part of the day to visits to the Hebrew University and to Hadassah Hospital.

[Here follow accounts of UNSCOP's visits to these two institutions and to the Arab areas of Ramallah, Nablus and Tulkarm and of the murder of three members of the British military by terrorists.]

This weekend orgy or [*of?*] murder, by no means unusual in this country, gave the Committee some food for thought. The Arab newspapers were still publicly proclaiming that the Committee had tried to appease the terrorists by its intervention on behalf of the convicted terrorists, described earlier in this despatch and the preceding chapter of this chronicle. Accordingly, the Chairman called a closed meeting on Sunday, June 29, at 9 p.m. After two hours' deliberation, the following communiqué was published at 11 p.m.:

"At this evening's meeting the members of the Committee, taking note of the published report of acts of violence, committed in Palestine since their arrival in the country, decided by nine votes (Australia and India abstaining), to record their sense that such acts constitute a flagrant disregard of the appeal made in the resolution of the General Assembly of the United Nations on May 15.

"The members of the Committee unanimously charged the Chairman to express their sympathy to Mr. Alan Major, Assistant to the Palestine Government's Liaison Officer to UNSCOP, for the act of violence to which he was subject."

By the time it got around to the issuance of this Resolution No. 2, the Committee was presumably getting acquainted with the facts of life in Palestine. If along with such knowledge there came a certain quality of bewilderment at the maelstrom into which they had been thrust, that is understandable. For at the end of their second week, despite the appeals of the General Assembly, and of UNSCOP itself, two facts stared the Committee-members in the face:

1. Jewish terrorism is as rampant as ever.
2. The Arab boycott is as firm as ever.

Respectfully yours, ROBERT B. MACATEE

501.BB Palestine/7–747

The Consul General at Jerusalem (Macatee) to the Secretary of State

SECRET JERUSALEM, July 7, 1947.

No. 118

Subject: UNSCOP in Palestine—the third week.

SIR: I have the honor to refer to my despatch no. 113 of June 30, 1947, and in continuation thereof to submit the following report of the activities of the United Nations Special Committee on Palestine during its third week in this country. The Department will recall that at the end of the second week, as recorded in the despatch under reference, the Committee expressed its abhorrence of terrorists' deeds, and conveyed its sympathy to the British official attached to UNSCOP for liaison purposes, who had been severely battered while resisting terrorist attempts to kidnap him.

Setting out again on the morning of June 30, the Committee had for reflection the fact that the immediately preceding week-end had witnessed the deaths of four more British soldiers at terrorists' hands; it also had for reflection the fact that there was no sign of a weakening of the Arab boycott. The first three days of the week were scheduled for the last leg of the Committee's tour of Palestine, covering the regions of Sharon, Esdraelon and Galilee.

[Here follows an account of various visits by UNSCOP.]

Meanwhile, on the previous day, the British Government had sent to the Secretary General of the United Nations a communication [1] which constituted a reply to the Resolution which UNSCOP had forwarded to the Secretary General mentioning possible repercussions which might be expected if certain condemned terrorists were executed. The British Government's statement was, in effect, a repetition of that of the Palestine Government. It stressed that (*a*) the death sentences had not been confirmed and therefore the whole matter was still *sub judice*; (*b*) if the sentences are confirmed then the High Commissioner may exercise, if he thinks fit, the royal prerogative of pardon delegated to him. At this point, the British statement added:

"It is invariably the practice of His Majesty's Government not to interfere with the High Commissioner's discretion, whether or not exercised by this prerogative."

Concluding, the statement referred to the General Assembly's Resolution on Palestine adopted on May 15. In this connection, the British Government states, it interprets the Resolution as applying

[1] For telegram of June 30 from the British Representative at the United Nations to the Secretary-General, see *UNSCOP*, vol. II, p. 14.

to action calculated to disturb peace in Palestine; it "cannot admit its relevance to normal processes of Justice there".

[Here follows an account of further visits by UNSCOP.]

The public hearings scheduled by the Committee in the YMCA auditorium in Jerusalem got into full swing on July 4 when David Ben-Gurion, Chairman of the Jewish Agency Executive, commenced presentation of the case, as he put it, for "establishing Palestine as a Jewish State". The two-hour statement made by Ben-Gurion has been lengthily reported in the press, but certain general trends may be recorded briefly here:

1. "The settlement of the twin problems of the Jews and Palestine was perhaps the supreme test of the United Nations . . . . Great empires had tried to assimilate and crush the Jews, but they had with an indomitable obstinacy preserved their identity."
2. "There had been 'a very sad and very painful conflict' between the Jews and the Mandatory . . . . Palestine is not part of the British Empire."
3. "The Government's memorandum abounds in 'half-truths' . . . . Palestine is the only place in the civilized world where racial discrimination still exists in law" . . . .
4. "Promises made to the Arabs have been fulfilled . . . . The Arabs have their freedom in an area 125 times the size of Palestine . . . . An Arab minority in Palestine would remain safe in national association with their race . . . . a Jewish minority in an Arab State, even with the most ideal paper guarantee, would mean the final extinction of hope for the entire Jewish people for national equality and independence" . . . .
5. "The Jews are against the continuation of the Mandate, whether of Britain or the United Nations . . . . Only by establishing Palestine as a Jewish State can the true objectives be accomplished: immigration and settlement for the Jews, economic development and social progress for the Arabs . . . . Nothing will further the Jewish Arab alliance more than the establishment of the Jewish State . . . ."

Mr. Ben-Gurion was followed by Rabbi Fishman, President of the Central Council of the World Mizrahi, who addressed the Committee in Hebrew. Rabbi Fishman outlined the central position of Palestine in Jewish religious and ritual life and emphasized that "it was only in Palestine that the orthodox Jew could fulfil himself religiously". The Rabbi added, "In our view, it is the duty of every Jew to come and live in Palestine and any regulation restricting the fulfilment of this commandment is not only devoid of legal authority, but positively sinful."

Following Rabbi Fishman, Mr. D. Horowitz, head of the Jewish Agency's Economic Department, gave the Committee a series of statistics. With his assistants displaying many charts, Mr. Horowitz

gave a running commentary for about an hour and a half, with two main objectives:

1. To prove that with the advent of the Jews, no Arab had ever been displaced, and,
2. In fact, because of the impact of Jewish economy on Palestine, the lot of the Arabs here—economically as well as hygienically—was vastly better than that of the Arabs of surrounding countries.

Mr. Horowitz, in discussing "absorptive capacity", insisted upon the point that more and more immigration was the only answer, "that each man added to the population is not only a worker or an employer, he is also a consumer . . . ."

The meeting adjourned at two o'clock in the afternoon of July 4, leaving observers somewhat exhausted. It might be safe to assume that members of the Committee also found the session exhausting, especially those members who are not fluent in English. (The public hearings have been conducted entirely in English, with the exception of the discourse by Rabbi Fishman, which, as noted above, was in Hebrew and later translated into English.)[2]

On Sunday, July 6, the hearings resumed with Mr. E. Kaplan and Mr. F. Bernstein, the Treasurer of the Jewish Agency, and the Head of the Trade and Industry Department, pointing out in some detail the economic hardships which they contend the Government of Palestine has imposed upon the Yishuv[3] and the country as a whole during the past twenty-seven years. In fact, condemnation of the Government of Palestine occupied an even greater portion of the speeches of these two gentlemen than it had those of their predecessors. Mr. Bernstein perhaps made his cardinal point when he told UNSCOP:

". . . . The Palestine administration, barely tolerating Jewish development—instead of assisting it—seemed chiefly concerned with what was explained as the protection of the Arab population from the dangers threatening them from Jewish colonization.

"The Arab population nevertheless derived immense advantages, but what Arab goodwill towards the Jews could have been obtained as a result of economic benefits was largely lost because those benefits were represented as the gift of a 'protecting' Administration which, by the very attitude of the protector, denounced Jewish colonization as harmful and dangerous to the Arabs."[4]

At the close of the third week, the view was widely held in Jewish circles that UNSCOP had had insufficient contact with the Yishuv. Typical of this feeling, the *Palestine Post* featured an article entitled,

[2] For texts of the statements made by Mr. Ben-Gurion, Rabbi Fishman and Mr. Horowitz, see *UNSCOP*, vol. III, pp. 8–34.

[3] The Jewish community in Palestine.

[4] For texts of the statements by Messrs. Bernstein and Kaplan, see *UNSCOP*, vol. III, pp. 34–47.

"They Don't Meet the People—UNSCOP REMAINS REMOTE". Probably no member of the Committee would disagree with that article, so far as the Arabs are concerned, because contact between their leaders and UNSCOP continues, apparently, to be nil. However, many a member might properly be somewhat annoyed if the *Post* was referring to the Jews, whose organizations, settlements and people UNSCOP had listened to and visited to the point of complete physical weariness.

The uneasiness in Jewish circles was perhaps reflected by a sentence in the same article in the *Palestine Post*, which made reference to the Arab boycott and the Mufti thus:

"So far as the Arabs are concerned, UNSCOP is getting only a monstrous reflection of an exile's sinister shadow over Palestine, monstrously exaggerated."

Respectfully yours, ROBERT B. MACATEE

867N.01/7–747

Memorandum by the Director of the Office of Near Eastern and African Affairs (Henderson) to the Secretary of State

TOP SECRET [WASHINGTON,] July 7, 1947.

There are attached hereto the outlines of four plans [1] for the future of Palestine which have been worked out tentatively by members of the Office of Near Eastern and African Affairs in cooperation with members of the Office of Special Political Affairs. These plans are in outline form and are not fully developed in detail. It would be difficult to refine them much further without the assistance of other Offices of the Department. Other Offices have as yet not been called upon in view of the necessity of maintaining the utmost secrecy in the matter.

The plans as outlined are as follows:

1. A plan for a uninational Palestine state.
2. A plan for a binational Palestinian state; that is, a single state in which there shall be recognized Arab and Jewish communities.
3. A plan for partition in which a Jewish state shall consist of approximately 1,500 square miles of the territory in which the Jews are in the majority.
4. A variation of this plan for partition in which the Jews, in addition to the territory assigned to them in Plan no. 3, would have also the Negeb, which is composed of approximately 5,000 square miles of land in southern Palestine; most of the Negeb is desert; and it is sparsely inhabited; although there are a few villages and towns in it and nomadic Arabs wander through it from time to time.

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[1] None printed.

No partition plan has been prepared which would give to the Jews a state on the territory of which there are at present more Arabs than Jews since it is felt that a partition on such a basis would be extremely difficult to defend in the light of the principles of the Charter. The Jewish state outlined in Plan no. 4 would contain territory on which there are approximately 450,000 Jews and 310,000 settled Arabs.

Suggested Procedure for Handling of Palestine Problem by the United States Government in Connection With the Coming Session of the General Assembly of the United Nations.

The suggestions set forth below are tentative and subject to revision in accordance with changes in the situation.

In considering the procedure which we should follow with regard to the Palestine problem, which is to come before the General Assembly of the United Nations in the middle of September, we should bear in mind the following:

1. It is improbable that any plan or plans for the future government of Palestine proposed by the Special Committee of Investigation will be acceptable both to Arabs and Jews. It is also possible that such plan or plans will be of such a nature that Great Britain, now the mandatory power, will be unwilling to undertake without assistance to enforce any of them.

2. It is probable that the Special Committee of Investigation will propose several plans for the future government of Palestine, a majority plan and one or more minority plans.

3. There will undoubtedly be extensive debate before the General Assembly or a Committee of that body as to the plan which should be adopted. This debate will probably be extremely heated and there may be threats on the part of various states to withdraw from the United Nations in case the General Assembly should approve a plan which in their opinion would be contrary to the principles of that organization.

4. It is probable that groups of American Zionists supported by members of Congress and other prominent Americans will do their utmost before the General Assembly meets and during the course of the debates to influence the American Government to take a public position with regard to the Palestine problem which would be agreeable to the Zionists. This pressure will become more and more intense from now on.

5. An examination of the various statements and resolutions emanating from Executive and Legislative officials during the last twenty-five years would indicate that in general this Government has taken the position that the mandate for Palestine, which incorporates the

substance of the Balfour Declaration, is recognized by us as an international commitment; that the United States Government favors mass Jewish immigration to Palestine; and that it might look with favor upon some arrangement providing for a partition of Palestine, provided such an arrangement gave promise of being workable.

6. It appears probable that it will not be possible, except through the use of force, to continue mass Jewish immigration to Palestine or to establish a workable Jewish state in the whole or in a part of Palestine. The situation today in Palestine is different from that envisaged at the time the mandate was instituted and during the early years of the mandate when it was still considered that a peaceful solution of the Palestine problem could be found. It is therefore proposed that:

1. The United States will not take any public, definite position with regard to the future government of Palestine until:

a. The Special Committee of Investigation has presented its report to the United Nations;

b. The British Government and the representatives of the Jews and Arabs have stated their views with regard to the various proposals contained in that report.

2. At an appropriate time during the debates following the expression of the views of the three parties mentioned in 1(*b*), the United States will present its views. The timing of the presentation of the views of the United States will depend upon the circumstances.

3. The plan for the future government of Palestine to be presented by the United States will depend to an extent upon the international situation and the situation in the General Assembly developed as a result of the report of the Committee and of the debates. In the light of the present situation, it is our belief that Plan no. 1 would be preferable from the point of view of the international position of this Government since that plan is based on principles of the character upon which the Charter of the United Nations is based.[2] There might however be changes in the situation as the result of the Committee's report and of the debates which would prompt us to present one of the other plans or a variation of any one of the four plans.

4. The United States delegation should exercise special care, in presenting the view of the United States, to make it clear that our pro-

[2] In a memorandum of August 27 to Mr. Lovett, Mr. Henderson stated: "It is realized that Plan I for a uninational Palestine is idealistic and may not be attainable; that Plan II may likewise not be acceptable to the Jews and the Arabs. Either one or a variation thereof would, however, in our opinion be preferable to Plans III and IV. Close study invariably indicates that the seeming advantages of partition are outweighed by the real disadvantages which this type of solution would create." (867N.01/8–2747)

posals are intended as an elaboration or an improvement upon some plan already tentatively suggested since we must not permit ourselves to be maneuvered into such a position that the plan finally adopted by the General Assembly should be considered as primarily an American plan. If the plan finally adopted should be considered as primarily an American plan or as a plan decided upon as a result of American pressure, we should probably be held primarily responsible for the administration and enforcement of such a plan.

5. We should so shape our tactics that we can retain a considerable amount of flexibility in determining our final position until the final decision with regard to the future of Palestine is made by the General Assembly. By so doing, we might be able to exert in the final stages of the discussion an ameliorating influence which would avert a breakdown in the proceedings of the General Assembly with a subsequent resort to wide scale violence as a means for the settlement of the problem.

6. Before making any proposals of our own at the Assembly regarding the future government of Palestine, we should in advance privately notify both Zionist and Arab leaders what our attitude is and what we intend to do, and endeavor to prevail upon them to go along with us.

7. We should also consider the advisability of announcing publicly our present intention not to take a position with regard to Palestine until we consider that an expression of views by us might be helpful during the course of the proceedings of the General Assembly.

8. In order to facilitate the work of our representatives to the General Assembly, it is suggested that we consider the advisability of:

a. directing one of the delegates of the United States to the General Assembly to concern himself solely with the Palestine problem and of relieving the other delegates of any responsibility for that problem.

b. arranging for the delegate selected to receive his orders direct from the President or from the Department of State, and for him to have a staff, including liaison officers, distinct from the regular staff of the United States delegation to the General Assembly.

501.BB Palestine/7–1447

The Consul General at Jerusalem (Macatee) to the Secretary of State

SECRET JERUSALEM, July 14, 1947.
No. 123

Subject: UNSCOP in Palestine—the Fourth Week.

SIR: I have the honor to report that the United Nations Special Committee on Palestine continued, in a series of hearings, to probe ever more deeply into the attitude of the various Jewish and other

representatives who appeared before it during the week commencing on Monday, July 7, 1947. Following the hearing given Mr. D. Horowitz, head of the Jewish Agency's Economics Department, on July 4 (reported in my despatch no. 118 of July 7, 1947), the Committee called David Ben-Gurion, the Executive's Chairman, to appear for questioning. This was on the morning of July 7th.

For three and one half hours, Mr. Ben-Gurion, with Moshe Shertok of the Agency's Political Department seated behind him, was questioned by all members of the Committee. This period was highlighted by sharp exchanges with the Indian (Moslem) member, Sir Abdur Rahman. At times, in fact, both raised their voices and showed feeling as the Indian attempted to pin Ben-Gurion down on various points. Aggressive in manner, and loud of tone, the Indian refused to pay any attention to the attitude of the audience, which was approximately 95% Jewish, and which made its sentiments known almost to the point of open ridicule. The Iranian member, unable to cope with listening jointly to Ben-Gurion, his Indian colleague, and the audience, sharply insisted to the Chairman that the audience not make its views known so audibly. The Chairman admonished the audience to that effect, with Ben-Gurion supporting him, but without notable success.

The prolonged examination of Ben-Gurion cannot be fully recorded here. We shall set forth, however, his replies to certain questions:

1. When the Chairman asked whether the Jews' controversy with the Mandatory might be solved if the Jewish-Arab conflict were to disappear, Ben-Gurion said the Jews had no conflict with the Arabs . . . .

2. If the U.N. decides to set up a Jewish State, then the U.N. should be prepared to use force to attain that end, if necessary . . . .

3. When the Chairman asked if Arab occupancy of the country for 1000 years meant anything to him, Ben-Gurion replied that in this case it did not . . . .

4. When the Chairman said that the use of the term "National Home" in the Mandate implied reservations, Ben-Gurion stated that there were only two reservations in the Mandate, first, that the civil and religious rights of non-Jewish communities should not be prejudiced and, secondly, that the status of Jews elsewhere should not be prejudiced . . . .

5. The Czech asked if Ben-Gurion would be willing to consider a compromise, to which the latter replied they had informed the British they would consider a State in a viable part of Palestine . . . . At this point the Czech made a remark that has disturbed the Agency . . . . He said, "You know, Mr. Ben-Gurion, politics is the art of knowing what is possible" . . . .

6. In reply to the Canadian's question, Ben-Gurion said that if the Government were to leave Jews and Arabs alone in the country, the Jews could take care of themselves . . . .

7. After telling Ben-Gurion to "be precise", the Indian asked if the

Jews based their case on the Balfour Declaration . . . Ben-Gurion replied that the Jewish claim was 3000 [*3500*] years old and had merely been confirmed by that Declaration . . . .

8. Asked by the Iranian how he reconciled the delay in establishing an independent state in Palestine until the Jews have a majority here with the principle of self-determination of peoples, Ben-Gurion, after long consultation with Shertok, replied that delay was justifiable in this case because whereas the Jews desire a state wherein all citizens will be equal, the Arabs have officially announced that they would continue restrictions in matters of land sales and immigration . . . .[1]

[Here follows an account of further testimony by economic experts of the Jewish Agency on July 9; for texts, see *UNSCOP*, volume III, pages 94–103.]

With the appearance of Dr. Chaim Weizmann on the morning of July 8, there was not a seat to be had in the auditorium. For other sessions, the hall had been from one-third to one-half empty, but all classes of Jews turned out to hear their star performer.

Dr. Weizmann spoke for approximately two hours in a well-modulated tone which contrasted pleasantly with intense pitch often attained by Mr. Ben-Gurion. The former President of the Zionist Organization reminisced at length of his experiences in the days when he was the guiding hand of the Zionist effort, and gradually shaped his discussion toward an appeal "to sweep away the White Paper" and for partition along the lines recommended by the Peel Commission "plus the Negeb". He had words of praise for the British Government and its efforts on behalf of the Zionists in the past, which was also in vivid contrast to the torrential flow of denunciation of that Government which had been poured forth by the Agency. The "High Command" of the latter organization—Ben-Gurion, Shertok, and Kaplan—occupied front row seats in the auditorium while Weizmann was speaking, and it was evident that they did not like everything they heard, particularly in the question period which followed his discourse:

1. When the Chairman asked if force should have been used to quell Arab resistance to Jewish immigration, Dr. Weizmann replied that if the Mandatory had been firm in the beginning, force would not have been needed . . . .

2. The Chairman asked if Feisal, in his agreement with Dr. Weizmann,[2] had not made a reservation to the effect that promises of Arab

[1] For the text of the hearing of Mr. Ben-Gurion, see *UNSCOP*, vol. III, pp. 48–71.

[2] This agreement, dated January 3, 1919, was signed at London by Amir Faisal on behalf of the Arab Kingdom of Hejaz and Dr. Chaim Weizmann on behalf of the Zionist Organization; for text see George Antonius, *The Arab Awakening: The Story of the Arab National Movement* (New York, G. P. Putnam's Sons, 1946), p. 437, or The Jewish Agency for Palestine, *Book of Documents Submitted to the General Assembly of the United Nations Relating to the Establishment of the National Home for the Jewish People* (New York, May 1947), p. 16.

independence must be carried out . . . . (the Agency, in mentioning the Feisal–Weizmann Agreement, had failed to mention that point) . . . . When Weizmann replied that there was in fact such a reservation, the Chairman then asked if Feisal, in view of what later happened at Damascus, was not justified in considering the agreement void . . . . Ben-Gurion put his head in his hands when Weizmann said, "Yes, I think he was, and we never pressed the point" . . . .

3. When asked by the Indian member if Palestine was not included in Feisal's Arab States, Dr. Weizmann replied "Definitely not. He was ready to exclude Palestine." [3]

While Dr. Weizmann was talking, the Secretariat of the Palestine Government issued a communiqué, the core of which follows:

" . . . . The findings and sentences (of terrorists Nakar, Weiss and Habib) have been confirmed by the General Officer Commanding.

"It will be remembered that as a result of the attack on Acre Prison on 4th May 1947, 251 convicted criminals were set free and loosed on to the community."

With one voice the entire Hebrew press proclaimed that this was a "brazen challenge" to the United Nations and its Palestine Committee, and the confirmation would probably "drag the country into a whirlpool of blood . . . ." One representative of the Jewish Agency's Security Department remarked to an officer of the Consulate General that "the Government are masters of timing" . . . obviously implying that the Government had chosen that moment to goad the terrorists into deeds which would discredit the Jewish Community.

Recalled to the chair for further questioning, the first thing David Ben-Gurion did was to make it clear to UNSCOP that Dr. Weizmann spoke for nobody but himself. One further important point raised at this time was the question of the Holy Places. Mr. Ben-Gurion agreed that international supervision was needed for the sacred shrines to ensure their freedom and safety, but he warned the Committee that in the Agency's view the Holy Places were not cities nor towns, simply buildings located therein. "For example", he said, "Jerusalem is not identical with the Holy Places." [4]

During the afternoon of the same date, UNSCOP decided in a closed meeting that it would not visit Cyprus to inspect the condition of Jews there. At the same meeting, it was also agreed that another approach should be made to the Arab Higher Committee with a view to arranging for it to give testimony,[5] and that invitations to testify should also be sent to the Arab States.

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[3] For the text of the testimony of Dr. Weizmann, see *UNSCOP*, vol. III, pp. 72–86.

[4] For the text of the continuation of the hearing of Mr. Ben-Gurion, see *ibid.*, pp. 86–94.

[5] For letter of July 8 from Judge Sandstrom to the Arab Higher Committee, see *UNSCOP*, vol. II, p. 6.

The vote on the decision not to visit was as follows:

Against the visit: Australia, Canada, Czechoslovakia, India, Peru and Sweden.
For the visit: Guatemala, Uruguay and Yugoslavia.
Abstaining: Iran and the Netherlands.

On another vote as to whether UNSCOP should hear representatives of the deportees on that island, the members found themselves in the following lineup:

Again hearing: Australia, Canada, India, Peru and Sweden.
For hearing: Guatemala, Netherlands, Uruguay and Yugoslavia.
Abstaining: Iran and Czechoslovakia.

As soon as the Committee's decision not to visit Cyprus became known, the Jewish Agency issued a statement:

"The Agency feels that this decision would be widely misunderstood, especially in view of the fact that it was taken at the same time as it was agreed to renew the appeal to the Arab Higher Committee."

[Here follow accounts of the testimony on July 9 of the Vaad Leumi (the Jewish National Council) and Rabbi Fishman; see *UNSCOP*, volume III, pages 103–117.]

Overshadowing the testimony of the Chief Rabbinate and representatives of the Agudath Israel on July 10, was the Arab Higher Committee's rejection of the new UNSCOP appeal for cooperation [6] mentioned earlier in this despatch. The Department will be aware from the preceding despatches in this series of our inability to discern any weakening in the Arab attitude toward the maintenance of the boycott, so the actual rejection of UNSCOP's appeal was not unexpected.

[Here follow accounts of the testimony of the rabbinical witnesses on July 10, of the Anglican Bishop of Jersualem, the Moderator of the Church of Scotland in Jerusalem, and representatives of Jewish Women's Organizations on July 11, and of the Communist Party of Palestine on July 13; see *UNSCOP*, volume III, pages 122–164.]

As the fourth week ended, it found the Committee conscientiously immersed in the intricacies of the problem, and the terrorists in their kidnapping ventures. Two British intelligence sergeants were overcome in Nathanya and carried off on the evening July 11. The Irgun and/or Stern gang were obviously preparing for the impending execution of the convicted terrorists mentioned above. Unless the very extensive search undertaken by the military—with the alleged cooperation of Haganah—proved successful, few doubted that the two sergeants would be murdered at about the time the executions are announced,

[6] For the Arab Higher Committee letter of July 10, see *UNSCOP*, vol. II, p. 6.

presumably by what the Irgun called in a recent broadcast, its "Committee of Retribution".

Respectfully yours, ROBERT B. MACATEE

501.BB Palestine/7–2147

The Consul General at Jerusalem (Macatee) to the Secretary of State

SECRET JERUSALEM, July 21, 1947.

No. 128

Subject: UNSCOP in Palestine—the Fifth and Final Week.

SIR: I have the honor to report that the final week in Jerusalem of the United Nations Special Committee on Palestine was marked by the assiduity with which the Committee continued to apply itself to the long and arduous schedule of hearings it had laid down; by the mounting tempo of terrorist activity; and by growing anxiety and uneasiness in Jewish Agency circles.

The Department will recall from the previous despatch in this series that the Committee's fourth week again found the terrorist element expressing its disregard for the will of the United Nations by the kidnapping of two British army sergeants at Nathanya on July 11. As thousands of troops combed the area of that township on the following two days, it was made clear by the authorities that if the two men were not released, martial law, of which this country had had a taste earlier in the year, would be imposed on the environs of that well-known summer resort.

At 7 p. m. on Monday, July 14, the military sealed off 20 square kilometers of land, in the center of which lay the town of Nathanya. At the same time, the following communiqué was issued:

[Here follows text of communiqué No. 123 of July 14.]

This communiqué is presented at length to give the Department some idea of the atmosphere in Palestine at this time. Those who had hoped that terrorist activities would abate from week to week as UNSCOP got further immersed in the problem were to be disappointed.

On July 14, the Committee listened at length to Dr. Judah L. Magnes, long-time advocate of the binational state based on political parity.

[Here follows an account of the hearing of Dr. Magnes; see *UNSCOP*, volume III, pages 164–180 and 183–187, *passim*.]

On Monday, July 14, it became known that the Committee would visit Beirut to hear such testimony as the Arab States might care to offer. Acceptances to give testimony had been received from the Lebanon, Egypt, and Iraq. Saudi Arabia and Syria accepted two days later.

[Here follows an account of the hearing on July 15 of the Franciscan order in Palestine; see *UNSCOP*, volume IV, pages 13–19.]

The leaders of the Sephardic sect of Judaism are said to have concentrated on the plight of Jews in the surrounding Arab countries and to have implored the Committee to take measures to relieve their condition either by making their migration to Palestine possible, or by setting up a Jewish state in this country.[1]

[Here follow accounts of the hearings on July 15 of the Communist Party of Palestine and of the League for Jewish-Arab *Rapprochement* and Cooperation and of the hearings on July 17 of the Jewish Federation of Labor; see *UNSCOP*, volume III, pages 187–205 and 209–218.]

Following Mr. Rubashov, Mr. Shertok summed up the case of the Jewish Agency, and took occasion also to answer questions which had been previously put by Committee members to his colleagues. Among these was that concerned with 21 Arab villages about which the Indian member had inquired, as it had been alleged that they had been wiped out by Jewish land purchases and settlement. Mr. Shertok concentrated during the first part of his speech on data calculated to refute that allegation, and then moved on with considerable emphasis to deal with the present immigration and land transfer regulations. At one point, when describing the reaction of certain persons in England to the promulgation of those regulations—among them that of the present Lord Chancellor—Mr. Shertok declared that the laws were believed then to have been barbarous and savage. Mr. Shertok then passed on to give details of Jewish land acquisitions since the regulations have been in effect. The Department will note that even in the forbidden zones, there has been a considerable transfer of land from Arab to Jewish hands. Since 1940 the Jews had bought, according to Mr. Shertok,

38,000	dunums	in the Prohibited Zone.
23,500	"	in the Regulated Zone.
45,000	"	in the Free Zone.

All acquisitions in the "Prohibited Zone", Mr. Shertok assured the Committee, had been in accordance with the law. Persons who expected some Committee members to go into that aspect of the matter were disappointed, as no questions concerning it were put to him.

Mr. Shertok then went on to criticize the Palestine Government at length, particularly with regard to its failure to clear up the swamplands in the Huleh basin, and as no conclusion appeared in sight, it

[1] The record of the hearings of the Sephardic sect was not published by UNSCOP.

became apparent that he would have insufficient time that day to finish his testimony. At 1:20 p. m. the Chairman intervened to ask him how much more time he wanted. Judge Sandstrom added that if Mr. Shertok needed but a minute or two longer, he could continue, but if more time than that was essential, they would adjourn and hear the rest of his testimony on the following day. Mr. Shertok indicated he needed a good deal more time, whereupon the meeting adjourned.

Mr. Shertok opened the hearing the next morning, July 18th. During the two hours he consumed in presenting the remainder of the Agency's case "for the establishment of Palestine as a Jewish State", Mr. Shertok went into the "impractical" character of Dr. Magnes' binational state, and of the federal state which the Committee had heard suggested. These state forms, he insisted, would solve nothing as

". . . what had to be realized was the extent of and the intense determination of Jews all over the world to achieve statehood in Palestine . . . . There could be no permanent stability in Palestine or in the world unless and until the elemental Jewish craving was satisfied . . . ."

In conclusion, Mr. Shertok urged UNSCOP not to wait until its report, which should recommend in his opinion the creation of a Jewish State, could be implemented. It was most essential that they urge, as an interim recommendation, that the White Paper be entirely eliminated so as to permit the exodus of Jewish DPs from Europe to Palestine.

It was the general expectation among the audience that many questions would be put to Mr. Shertok when he concluded his address, and it therefore came as something of a surprise when only the Guatemalan and the Uruguayan members, who have gained the local reputation as being strongly pro-Zionist, had questions for him. These were concerned with educational matters, mainly with the advisability of educating Jewish and Arab children in the same schools. Mr. Shertok did not think that would be constructive. He said, "I believe a race so educated would be culturally sterile and not creative." [2]

[Here follows an account of the hearings of the Palestine Communist Union; see *UNSCOP*, volume III, pages 234–240.]

Thus terminated the public hearings in Jerusalem. Judge Sandstrom said to reporters later that he was glad they were over and done with, "but the next stage would be harder".

At about this time news was received that the S.S. *Exodus 1947*, formerly the *President Warfield*, was nearing Palestine with 4500 illegal immigrants aboard. She was reported as having sailed from

[2] For the text of the hearing of Mr. Shertok, see *UNSCOP*, vol. III, pp. 218–234.

Philadelphia on March 29, but had been delayed in picking up her human cargo in Europe due to refusal of oil facilities in various ports. In one way or another, however, she had been fueled and finally sailed from the French port of Cette, near Marseille, a port supposedly under the control of French Communist organizations.

As UNSCOP prepared to leave, the British were transshipping the illegals. Terrorist elements were also getting into action, and the toll for Friday, July 18, was two dead and eighteen injured—all British military. The sirens were sounding with monotonous regularity in Jerusalem and elsewhere in Palestine, and prospects for the near future were somewhat grimmer than usual.[3]

Respectfully yours, ROBERT B. MACATEE

[3] For the verbatim record of UNSCOP meetings held on July 22 and 23 at Beirut, see *UNSCOP*, vol. III, p. 240, and vol. IV, p. 32.

501.BB Palestine/7–2347 : Telegram

The Minister in Saudi Arabia (Childs) to the Secretary of State

RESTRICTED JIDDA, July 23, 1947—4 p. m.

292. *Aide-mémoire* re Palestine problem dated July 21 handed me yesterday by Deputy Foreign Minister and similar one handed to British representative. Following is summary:

Refers to appointment UN Palestine committee "without approval Arab nations" and establishment agenda for committee contrary to what Arab states asked for.

Political committee of Arab League met on June 5 to consider its attitude toward a committee. After arguments in favor of Arab cause in Palestine adds "if investigation committee desires to hear SAG's opinion it will be ready to express it clearly and frankly, under the reservations of all those expressed by SAG delegation at the UN meeting concerning the investigation committee".

Arab nations regard Great Britain as primarily responsible for Zionist aggression against tranquil Arab country.

Arab nations likewise regard US Government as next responsible for "this aggression owing to previous proposals attributed to it as well as to US Government's pressure on Great Britain in favor of Jews or the Zionist organization against the interests of Arabs despite principles of justice, fair-play, and humanity and despite written promises King Saudi Arabia received from late President Roosevelt which were reaffirmed by present President".

SAG together other Arab states "extremely desirous to maintain their friendly relations with two democratic states" US and Great Britain.

"They believe maintenance peace Near-East is mainly depending on maintaining this friendship. Endeavors made by His Majesty King Saudi Arabia during war and post-war are proof His Majesty's de-

sire support democratic principles. His Majesty's desire in future will not be less than that in past. His Majesty together with Arab States considers solution this question which may maintain peace in Middle East cannot be achieved in UN unless Arab States and the two friendly governments Britain and America will agree amongst themselves before entering the UN (session in September).

"SAG together with other Arab States has requested UN to include in its agenda September termination Palestine mandate and granting its independence.

"SAG desires to reach an agreement with the two friendly governments on this basis and to cooperate with them in deciding this situation at UN session.

"If this agreement between two friendly governments and Arab States is not concluded, reaction will have the worst results which all of us, the Arab states, America, and Britain will share in bearing the consequent difficulties, burdens and involvements. Effect of this bad result will be only of advantage those who are against peace and anxious create dissensions between Arab States and two governments, Britain and America. Mutual interest between those two governments and Arab States necessitate that they be on good terms and always in agreement with one another.

["]SAG in submitting this request as a member of Arab League trusts it will be acceptable to two friendly governments and that it will be supported and given every assistance".

Sent Department as 292; repeated Baghdad as 26. By pouch other Arab capitals.

CHILDS

867N.01/6–1847 : Airgram

The Secretary of State to the Embassy in Iraq

CONFIDENTIAL WASHINGTON, July 24, 1947.

A–86. Suggest following reply to Iraqi note on Palestine quoted in Embtel 258 June 18:[1]

"The Embassy of the United States of America presents its compliments to the Royal Ministry of Foreign Affairs of Iraq and has the honor to acknowledge the receipt of the Royal Ministry's note of June 14, 1947, with regard to the problem of Palestine.

In the note under acknowledgment, information is given of a decision unanimously taken by the Council of the League of Arab States at its meeting in Cairo on March 24, 1947, 'holding the Government of the United States of America and the British Government jointly and severally responsible for the present critical situation in Palestine and for the grave dangers that threaten security and peace in this part of the world as a result of such a situation.'

It is further stated that the Iraqi Government is at a loss to understand how the Government of the United States could justify 'her

[1] Not printed.

encouragement of Jewish immigration into Palestine by various means, on the plea of strengthening the Jewish national home established in that country.'

After a discussion of various aspects of the Palestine question, the Government of Iraq expresses the following demands:

I. That the Government of the United States should immediately stop any action of a nature to lead to the encouragement or continuation of Jewish immigration into Palestine no matter what form such immigration may assume.

II. That the Government of the United States should support before the United Nations organization in its next meeting in September 1947 the demand of the Arab States for the termination of the Palestine mandate and the proclamation of the independence of the country as a sovereign Arab state.

In concluding, the Iraqi Government states that unless the Government of the United States takes immediate steps for the realization of these two demands, it would be held responsible for the present critical situation in Palestine and for whatever developments that situation might involve, within or outside Palestine. The Government of Iraq states further that in the face of these grave dangers which actually threaten security and peace in the Near East, it cannot but resort to every possible measure, no matter of what nature, to safeguard peace and put an end once and for all to such a grave situation.

In reply, the Embassy is instructed to state that in the view of the Government of the United States it would be both inappropriate and inadvisable to enter at this time upon a formal discussion with the Government of Iraq of the merits of the problem of Palestine. The United States Government believes that the Special Committee on Palestine appointed by the recent special session of the General Assembly of the United Nations is the appropriate forum for the hearing and examination of the points of view of the individuals and organizations which desire to make known their respective attitudes on this question. In that connection it is understood that the Committee has issued an invitation to the Arab States, including Iraq, and to the Arab Higher Committee, to present testimony.

As regards the first demand of the Iraqi Government, the United States Government considers that for the time being, until immigration policy with respect to Palestine is decided upon following consideration by the United Nations of all aspects of the future of Palestine, immigration into Palestine should continue to be regulated by the Mandatory Power, which now governs Palestine. The United States Government has taken no action and contemplates no action encouraging illegal immigration into Palestine. In fact, the President of the United States, on June 5 urged 'every citizen and resident of the United States, in the interests of this country, of world peace, and of humanity, meticulously to refrain, while the United Nations is considering the problem of Palestine, from engaging in, or facilitating, any activities which tend further to inflame the passions of the inhabitants of Palestine, to undermine law and order in Palestine, or to promote violence in that country.'

With regard to the second demand of the Iraqi Government, the United States Government intends at the proper time, after giving careful consideration to the report of the Special Committee on Palestine, to make its attitude known respecting the future of Palestine. The United States Government believes that all of the Governments represented in the United Nations will similarly desire to make known their respective attitudes at the September meeting of the General Assembly. The United States, for its part, does not intend to make any demands or exert any kind of pressure or influence on the other Governments represented in the General Assembly with regard to their respective attitudes; conversely, the United States Government will not be influenced by any kind of pressure brought to bear upon it, but will exert its best efforts to adopt a fair and constructive attitude taking all relevant factors into account.

In reference to the conclusion of the note under reply, the Government of the United States is aware of the concern with which the Government of Iraq views the Palestine situation. However, the United States Government is in no way responsible for that situation which has arisen from circumstances entirely beyond its control, and cannot accept any responsibility therefor.

The United States Government looks forward to continued work and association with the Government of Iraq, as with all of the member States of the Arab League, in efforts to resolve the Palestine problem in accordance with the principles and objectives of the United Nations, and sincerely trusts that its anticipation in this regard is shared by the Government of Iraq." [2]

MARSHALL

[2] In telegram 346, August 18, the Embassy in Baghdad reported a statement made by Iraqi Prime Minister Salih Jabur to the British Chargé that the American reply to Iraq's note on Palestine "was unsatisfactory and a deliberate evasion of American responsibility for chaotic Palestinian situation." The Prime Minister was said to have "warned that in event of unfavorable United Nations decision, Iraq would not only sever diplomatic and economic relations with United States but would also prevent any social contact between Americans and Iraqi." (867N.01/8–1847)

867N.00/8–147 : Telegram

The Consul General at Jerusalem (Macatee) to the Secretary of State

SECRET JERUSALEM, August 1, 1947—6 p. m.

310. 1. Local reaction to news of findings of bodies of two British sergeants appears (*a*) Palestine Government and British military awaiting developments and possible instructions from London with characteristic calm (*b*) Jewish community frightened with Hebrew press condemning act and (*c*) Arabs wondering why British not as drastic with Jews as with Arabs during earlier rebellion.

2. Myerson, Zionist executive, called on High Commissioner yesterday afternoon. Reliably informed [s]he expected hear decision imposition martial law on large part of Palestine, and was prepared to state

intention of JA continue combat terrorism "even if British action made that more difficult".[1]

3. JA source informs after meeting that High Commissioner reasonable and restrained and that Myerson considered atmosphere of conversation good as could be expected in circumstances. Myerson gathered imposition martial law not imminent probability.

4. High Commissioner in conversation with me two days ago mentioned concern about morale of troops but thought still pretty good. Nevertheless Tel Aviv incidents last night when British troops allegedly killed five Jews and injured many others demonstrate that hanging of two sergeants has placed great strain on ordinarily placid British troops.

5. Henry Cattan yesterday informed us of his proposed departure for New York as member Arab Higher [Committee] executive delegation. Said had recommended to executive that persons connected with Axis during war be omitted from delegation. Cattan added not worried so much about what might happen at GA as what would probably occur here afterwards. Mentioning Arab tempers running short said he and wife would be cautious about returning to Palestine this autumn.

MACATEE

[1] In airgram 159, August 4, the Consulate General in Jerusalem reported publication of the following resolution by Jewish leaders the day before: "The representatives of the Community, called together by the Executives of the Jewish Agency and the Vaad Leumi [Jewish National Council], expressed their horror at the foul murder of two British sergeants by unprincipaled men who have cast aside every vestige of national responsibility. This outrage has already brought in its train the killing of innocent persons by rioting soldiers.

"The representatives of the Community regard the cessation of terrorism as an inexorable national necessity and they call upon the Yishuv to intensify its efforts with all its organized strength to eradicate terrorism and give full support to the security forces of the Yishuv in order to carry out this object." (867N.00/8–447)

According to telegram 311, August 5, 6 p. m., from Jerusalem, prominent Jews were arrested by the British on the morning of August 5. The Jewish Agency thereupon informed the police authorities that the British action cancelled the Agency's efforts to start an anti-terrorist campaign (867N.00/8–547).

501.BB Palestine/8–247 : Telegram

The Acting United States Representative at the United Nations (Johnson) to the Secretary of State

URGENT NEW YORK, August 2, 1947—2:45 p. m.

704. Following is a letter from Benjamin Cohen, Acting Secretary General, United Nations, to Herschel V. Johnson, August 1, 1947:

"The United Nations Special Committee on Palestine, created by resolution of General Assembly of 15 May 1947, has decided to send

a sub-committee consisting ten members to visit Assembly centers in Germany and Austria. Seven members of Secretariat will be attached to sub-committee, and it is likely that a number of accredited journalists will accompany the sub-committee during its visit in those areas. In accordance with this decision of Special Committee and with Paragraph 8 of General Assembly Resolution which reads as follows:

> '8. Requests the Secretary-General to enter into suitable arrangements with the proper authorities of any state in whose territory the Special Committee may wish to sit or to travel, to provide necessary facilities, and to assign appropriate staff to the Special Committee;'

I have honour to request that you communicate with your Government as soon as possible, in view of intended visit of sub-committee early next week, and ask that military commander of American zone in Germany and Austria be advised to afford full facilities to this sub-committee during its work in that area.

The names of members of sub-committee, of Secretariat and accompanying journalists will be communicated directly to military commander of zone." [1]

JOHNSON

[1] In reply, in telegram 339, August 7, the Secretary of State advised the U.S. Mission at the United Nations that the text of Mr. Cohen's letter had been cabled to the appropriate military authorities with the instruction that necessary facilities and assistance should be provided to the Committee to the extent available. (501.BB Palestine/8–247). For the Sub-Committee's report of August 20, 1947, see *UNSCOP*, vol. II, p. 14.

867N.01/6–2747

The Secretary of State to the British Secretary of State for Foreign Affairs (Bevin) [1]

SECRET WASHINGTON, August 7, 1947.

DEAR MR. BEVIN: I have received your letter of June 27, 1947, in which you expressed your deep concern over the question of illegal immigration into Palestine, and asked whether you could count upon the assistance of my government in preventing the situation from deteriorating still further. You requested particularly that United States officials and representatives on charitable and refugee organizations in Europe be requested to discourage the unauthorized movement of Jewish refugees leading to their departure on illegal immigrant ships for Palestine.

You are undoubtedly aware of the complexities and difficulties involved in stopping this solicitation of funds or outfitting of vessels for use in transporting illegal immigrants. Our Treasury and Justice Departments have been requested to study the matter [2] in order to see

[1] Delivered at the British Embassy on August 7.

[2] Letters of August 7 to these Departments, not printed.

whether ways exist in which to meet the requests which your Government has made in this connection. I am endeavoring to expedite their decisions in this regard.

Recently export licenses which had been issued for four LST's were revoked by this Department when evidence was received indicating that they were intended for use in the illegal immigrant traffic. We shall endeavor to see that no vessels owned by the United States Government are sold in the future to persons whose activities provide grounds for believing that the ships would be used for the purpose of transporting illegal immigrants to Palestine.

I may also add that the War Department on April 15, 1947 instructed the United States military authorities in the American Zones of Germany and Austria that admittance was to be refused to displaced persons camps after April 21, 1947 except in certain special cases. It is believed that this action in the American Zones of Germany and Austria may have the effect of restricting the general flow of refugees in Europe.

Although United States representatives in Europe are familiar with the President's statement of June 5, 1947, I am calling it to their special attention, and have directed them to comply fully with the policy therein set forth, since the movement of illegal immigrants towards Palestine at the present time tends further to complicate an already delicate situation.

I hope that these measures will prove helpful in discouraging further unauthorized movements of Jewish refugees and the departure of illegal immigrant ships for Palestine.

Faithfully yours, [G. C. MARSHALL]

501.BB Palestine/7–2347 : Telegram

The Secretary of State to the Legation in Saudi Arabia

SECRET WASHINGTON, August 12, 1947—2 p. m.

224. Transmit following *aide-mémoire* in reply to SAG *aide-mémoire* July 21 contained in Legtel 292 July 23:

Govt of US appreciates frank and friendly expression views SAG with regard current developments respecting Palestine as set forth in its *aide-mémoire* July 21. Expression of such views is further testimony of close bonds of friendship which exist between Governments of SA and US.

Govt of US was pleased to note that SAG expressed its support of consideration which UN is now giving to Palestine question through its participation in evidence which was presented to UNSCOP at Beirut July 22.

It is believed that such testimony will be of material assistance to UNSCOP and will aid it in its task of finding fair and workable solution to Palestine problem which will have support not only of Arab states but of other nations of world as well.

Govt of US has given careful consideration to suggestion of SAG that solution to Palestine question cannot be achieved in UN unless Arab states and Governments of US and GB agree among themselves before entering regular annual session in Sept.

SAG is undoubtedly aware that during Special Session of UN and since its termination Govt of US has on several occasions announced that no statement of its views with regard to future government of Palestine would be made until UNSCOP had completed its task and question was again being considered by UNGA in Sept.

Govt of US is of opinion that if its views are announced while matter is under investigation, impression might be created that this Govt is attempting to influence findings of UNSCOP. It is believed that UNSCOP's work will result in report of greater value in advancing solution of problem if such work is free from any semblance of outside governmental influence.

Govt of US believes furthermore that prestige of UN itself is involved in task of achieving solution to Palestine problem and, as member of UN, US desires strongly to support principles for which UN stands and to cooperate to full in promoting its influence in solving one of great problems presented to it.

Govt of US is of opinion that an agreement among Arab states and Govts of US and GB in advance of Sept session of UNGA would be undesirable for similar reasons. This Govt, nevertheless, appreciates and understands considerations of peace and harmony which motivated SAG to make its suggestion and feels confident that it will continue, as will Govt of US, to support UN in heavy task which it has undertaken.[1]

MARSHALL

[1] Telegram 4440, August 15, 7 p. m., from London, reported that the British Government on August 13 instructed the British Minister at Jidda to say, should the Saudi Arabian Government inquire, that "British policy regarding Palestine must be determined in reference to UNSCOP report and that British Government sees no point in conversations prior publication UNSCOP report." (501.BB Palestine/8–1547)

103.3/8–2247

Memorandum by the Under Secretary of State (Lovett)

TOP SECRET [WASHINGTON,] August 22, 1947.

NOTES ON CABINET MEETING, FRIDAY, AUGUST 22, 10:00 A. M.

[Here follow notes on the Cabinet meeting.]

The President asked me to remain after the meeting and asked me about the problem arising out of the British ultimatum to the Jews

aboard the *Exodus 1947* [1] to debark in France in accordance with the French invitation or to be taken to a British-controlled port in Germany and forcibly debarked there. This harsh action has caused a storm of protest in this country.

I told the President that the State Department, immediately on learning of the British ultimatum, had communicated informally with the British Embassy and asked them to notify the Foreign Office of our great concern at the action contemplated and request that it be altered to avoid the landing of these Jewish refugees in Germany. I explained that a formal note would have had an almost certain effect of freezing the British in their position because of Bevin's great sensitivity on this point and because the British could with some justice say that we were interfering in the exercise of their powers. The informal approach was felt to be far more productive and was accordingly taken by us. The President stated that he was in full accord with this and asked us to continue our best efforts to modify the British procedure. This is being done.

ROBERT A. LOVETT

[1] In telegram 2955, July 24, the Embassy in Paris reported that "the *Exodus* 'escaped' from the French port of Sète with approximately 4,500 Jewish refugees on board, that the ship was stopped off Palestine by British war vessels and that the British authorities decided to return the passengers to France rather than intern them at Cyprus as in previous similar cases." (867N.01/7–2447)

867N.01/8–2247 : Telegram

The Acting Secretary of State to the Embassy in the United Kingdom

SECRET WASHINGTON, August 22, 1947—2 p. m.

US URGENT NIACT

3623. For Ambassador. We are deeply disturbed at reports which have been reaching us that Brit Govt is planning to return Jewish refugees on *Exodus* to camps in Germany. Action of this kind would profoundly shock large sections of American public opinion and would injure Brit position in US. We have informally and privately discussed matter with Balfour who had already expressed similar views to London and he has promised to bring our concern to attention Brit Govt. We hope you will find opportunity in immediate future also in personal and friendly way to endeavor to dissuade Brit from adopting such course. We have noted the views of the British Govt expressed

in para 7 Embtel 4425 Aug 15.[1] We appreciate difficulties encountered by Brit in endeavoring to maintain *status quo* Palestine pending outcome of UN decision. We also realize Brit irritation with US on ground that illegal immigration to large extent planned, financed and organized in this country. Nevertheless return of Jewish refugees to Germany will serve only to arouse bitterness and to aggravate situation.

LOVETT

[1] Not printed; paragraph 7 provided information from Mr. Beeley that "While British Government might have to decide eventually on some other destination for Jews now at Port de Bouc (not Cyprus or Palestine) present plans call for ships remaining indefinitely Port de Bouc." (867N.01/8–1547)

The British Foreign Office issued a statement on August 21 that the three British transports carrying the illegal immigrants, which had been off Port de Bouc since July 29, would sail for the British zone of Germany by 6 p. m., August 22, unless the immigrants began to disembark. The text of the statement is printed in The *Times* (London), August 22, 1947, p. 4.

867N.01/8–2247 : Telegram

The Acting Secretary of State to the Embassy in the United Kingdom

SECRET WASHINGTON, August 22, 1947—2 p. m.

US URGENT NIACT

3633. For Ambassador. Deptel 3623 of Aug 22. We have just been informed informally by British Emb that Brit Govt finds itself unable to alter its plans and intends to return refugees from *Exodus* to Germany.[1]

Wide sections of the American public opinion are being aroused at reports that Brit intend to send Jewish refugees back to country in which Jews have suffered such savage persecution. Protests to White House and Dept are piling up. If Brit persist in carrying out intentions much harm will undoubtedly be done to their position in US. Please therefore take up matter at once with Brit Govt at high level in a more formal manner than that suggested in telegram under ref. More in subsequent telegram.[2]

LOVETT

[1] In a memorandum of his conversation with the First Secretary of the British Embassy (Bromley) on August 22, the Assistant Chief of the Division of Near Eastern Affairs (Mattison) set forth the British position as being "literally true that they had no other place to take them that would not take time and considerable expense to prepare." (867 N. 01/8–2247)

[2] Background data was provided to Ambassador Douglas in telegram 3634, August 22, 7 p. m. (867N.01/8–2247).

867N.01/8–2647 : Telegram

The Ambassador in the United Kingdom (Douglas) to the Secretary of State

SECRET URGENT LONDON, August 26, 1947—8 p. m.

4638. In absence of Bevin and Sargent,[1] I talked with Makins,[2] in charge of Foreign Office about contents of Deptel 3666, August 25,[3] pointing out serious deterioration expected in British position and popularity in US if Jews are sent to Hamburg.

Makins said that insofar as temporary accommodation was concerned, Foreign Office and Colonial Office had thoroughly canvassed possibilities and had come to conclusion that no suitable accommodation was available in British possessions. He said that conditions in Gibraltar and Malta would be impossible if 4,000 persons were landed in these restricted communities. He added that there are good facilities at Hamburg for taking care of the Jews and in fact conditions are superior to any other that British could provide for long time in other British territory. He hoped that Jews could be persuaded to disembark quietly at Hamburg and said that all possible measures are being taken to see that they are handled as gently as possible.

Makins blamed the French for present situation, saying that although French Government had agreed that Jews could land at Port-de-Bouc, French had said that only those could be accepted who landed voluntarily, and that administratively French had broken down. He does not think that French can refuse to receive them in France from Hamburg as they are already committed to taking these people. French Cabinet decision on this point is awaited.

Makins added that Jews had been given choice of landing at Port-de-Bouc or of being sent to Hamburg "and they made their own choice".

Makins then said that Bevin's attitude was that he well understood opprobrium in US that would be attached to British if Jews were

[1] Sir Orme Sargent, Permanent Under-Secretary of State in the British Foreign Office.

[2] Roger M. Makins, Assistant Under-Secretary of State in the British Foreign Office. According to telegram 4590, August 24, 5 p. m., from London, in the absence of Messrs. Bevin and Sargent, Ambassador Douglas discussed the matter of the *Exodus* with Mr. Makins on August 22, after receipt of Department telegrams 3623, 3633, and 3634. He reported nothing of substance to the Department, indicating merely that a Foreign Office telegram already sent to the British Embassy would be furnished to the Department by that Embassy (867N.01/8–2447). It is possible that the message contained in telegram 3282 (see footnote 1, p. 1142), is the one referred to.

[3] Not printed.

landed in Germany, but Bevin felt that there was no alternative and England would have to bear this criticism.

Makins said that he would inform Bevin of our conversation of today and that he would let us know later Bevin's reaction.

DOUGLAS

867N.01/8–3147 : Telegram

The Acting Secretary of State to the Embassy in France

SECRET WASHINGTON, August 31, 1947—7 p. m.

US URGENT

3286. Brit Emb under instructions informed Dept this afternoon that FonOff has instructed Brit Emb Paris to request French Govt to renew its offer to consent to voluntary landing of *Exodus* refugees at some French port such as Cherbourg. Proposal contemplates that as ships bearing refugees approach English Channel offer to land on French soil be repeated to them. British believe offer would be strengthened if French official were to go aboard to confirm that French would receive them. Ships would not approach or enter French port unless substantial number refugees accepted offer.

British also pointed out that if this scheme were successful it would avoid difficulties foreseen in transfer of refugees from Germany to France. They expressed hope that American Ambassador Paris could be authorized support them in this proposal.

In discussing matter with French authorities you may reiterate as indicated in Deptel 3282, Aug 30,[1] that Dept will appreciate any action French Govt may take to ease situation and permit refugees to enter France and point out that this plan, if successful, has virtue of making it possible for refugees to avoid being landed in Germany.[2]

Sent Paris as 3286, repeated London as 3801.

LOVETT

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[1] Not printed; it quoted the substance of a telegram from the British Foreign Office to the British Embassy which suggested the United States press the French Government to receive back the *Exodus* passengers without conditions via the British Zone of Germany. The Department noted that while it "does not wish enter into discussion of legal points raised [in the Foreign Office telegram], in view of humanitarian aspects of case it would appreciate any action which French Govt might take to ease situation and permit refugees enter France."

[2] In telegram 3299, September 2, 7 p. m., the Department informed the Embassy in Paris that nothing in telegrams 3282 and 3286 "implies that you should support Brit request to French FonOff that French accept refugees unconditionally, i.e., compulsorily." (867N.01/9–247)

According to telegram 3556, September 2, 6 p. m., from Paris, the Chargé in France (Bonbright) conferred with a spokesman of the French Foreign Office along the lines of the Departmental messages and was informed that "the French policy was unchanged and that they remained willing to receive such refugees as presented themselves voluntarily and saw no objection to repeating the offer." (867N.01/9–247) Telegram 3594, September 4, 7 p. m., from Paris, noted that the time element soon militated against favorable action as the refugee ships were reported off Le Havre on the morning of September 4 (867N.01/9–447).

Editorial Note

The report of the United Nations Special Committee on Palestine was signed at Geneva on August 31, 1947. After unanimous agreement on eleven recommendations and substantial agreement on a twelfth recommendation, the Committee suggested two plans. The majority plan, advocated by representatives of Canada, Czechoslovakia, Guatemala, the Netherlands, Peru, Sweden, and Uruguay, called for partition of Palestine into an Arab state, a Jewish state, and the City of Jerusalem. The Arab and Jewish states were to become independent following a transitional period of two years from September 1, 1947. During this period, the United Kingdom was to carry on the administration of Palestine, under the auspices of the United Nations, and to admit into the proposed Jewish state 150,000 Jewish immigrants. By treaty, the two states were to establish economic union and to provide for other matters of common interest. The City of Jerusalem was to be placed under an International Trusteeship System, with the United Nations as administering authority.

The minority plan, proposed by representatives of India, Iran, and Yugoslavia, called for creation of an independent federal state, following a transitional period not to exceed three years. During this period, responsibility for administering Palestine would be entrusted to an authority designated by the General Assembly. Jerusalem was to be the capital of the federal state.

For the text of the report of the United Nations Special Committee on Palestine, see *UNSCOP*, volume I.

501.BB Palestine/9–247 : Telegram

The Consul General at Jerusalem (Macatee) to the Secretary of State

SECRET JERUSALEM, September 2, 1947—7 p. m.

357. Following reactions to summary of UNSCOP report have been noted locally:

1. British expressions range from cautious desire examine full report to outright denunciation. View high ranking official recently returned from England remarked no uncertainty in UNSCOP's determination to end mandate and added great many uninformed persons in England desire British out of Palestine. Other Secretariat personnel express skepticism of possibility running Palestine with "four governments" (meaning governments of Arab State, Jewish State, Jerusalem Free Zone, and "Government for Economic Affairs").

2. Jewish Agency officials seem very satisfied. At lunch today Myerson and others of Agency's Political Department told officer of ConsGen it was very good report and that "corridors" were very in-

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genious. Same officials said report had two serious drawbacks—the inclusion of Jerusalem in the Free Zone and failure to include western Galilee in Jewish State. In confidential aside the Zionist correspondent of large American newspaper remarked "to say Jews pleased with report is understatement, they are elated". Myerson said she had western Galilee in mind when she told press yesterday that "in better division of the country" Jews would not say Jaffa must be in Jewish State.

3. Arab reaction, aside from fiery statements from Emil Ghouri as spokesman for the Higher Committee, has thus far been relatively moderate probably due to fact that leaders are outside the country.

Department please repeat London. Copies by pouch to Arab capitals.

MACATEE

501.BB Palestine/9–347 : Telegram

The Ambassador in the United Kingdom (Douglas) to the Secretary of State

SECRET LONDON, September 3, 1947—4 p. m.

4765. Following obtained informally September 2 from Iraqi FonMin Jamali who is departing for UN, GA via SS *Queen Mary* September 4:

1. UNSCOP report in Jamali's view proves Arab wisdom in boycotting UNSCOP, both majority and minority reports are "ridiculous" and are not in accord with general recommendations. For example if Palestine cannot be considered as solution of Jewish problem, why admit great wave of DP Jews? If economic unity of Palestine is indispensable why not political unity, without which economic unity cannot exist?

2. Jamali said that if UN GA takes "wrong course" it will "mean end of UN for all Arab States". He had "not slightest doubt about this".

3. Jamali hoped that there would be no Palestine Arab uprising against Jews before UN GA dealt with Palestine. If UN GA accepted anything like UNSCOP recommendations there would, in his view, be bloody Arab uprising first against Jews as invaders and second against British troops if these interfered. Asked whether Mufti would give Arab uprising signal, Jamali replied "he might" but other people could give signal too.

4. Jamali had come to London partly with a view to discussing UNSCOP report with Bevin and other British officials. However, after talking to Beeley and others he was convinced that British Gov-

ernment has not yet taken its decision re report. He now believes British Government ideas may not be formulated until last minute.

Sent Department 4765, repeated Baghdad 62.

DOUGLAS

501.BB Palestine/9–1147 : Telegram

The Chargé in the United Kingdom (Hawkins) to the Secretary of State

SECRET LONDON, September 11, 1947—6 p. m.

4931. From recent talks with Neumann (Embassy's 4921, September 11 [1]), Goldmann (Embassy's 4922, September 11 [1]), and Horowitz, all of whom have approached Embassy recently, it appears that primary concern of moment to JA leaders and experts is implementation of UNSCOP majority plan. All seem to take for granted UNGA approval of majority plan since it has been formulated by impartial group appointed by UNGA. They appear worried, however, by repeated statements to effect that British Government will not implement UNGA decision alone. JA is apparently now studying possibility of Jews taking care of implementation unaided. Horowitz spoke of 3 to 6 months being enough time for British to get out and for Jews by themselves to consolidate frontiers drawn in UNSCOP majority plan: Goldmann mentioned 6 to 12 months. Horowitz hoped that Jews would in this event be allowed to import arms and munitions during interim period. All seem confident that Jews can take care of Palestine.

(2) Persons named above all seem to regard Bevin as number one enemy of Zionism.

(3) Same sources agree that since British Government seems likely to stand aside in UNGA, or at least to accept UNGA decision, success or failure of UNSCOP majority plan will largely rest upon attitude US Government adopts towards it. They are confident that US Government would support majority plan if a declaration to this effect were enough. However, they are worried by fact that in this instance US will very likely be called upon as UN member to accept at least its proportional share of responsibility for implementing plan. Of US willingness to accept responsibility they are less confident. For this reason, Embassy understands that JA contemplates between present and UNGA decision an intensive educational campaign in US in favor of majority plan.

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[1] Not printed.

Sent Department 4931; repeated Baghdad 57; Cairo 97; Beirut 29; Jidda 51.

Department please pass to Jerusalem 66.

HAWKINS

Editorial Note

The provisional agenda of the Second Session of the General Assembly, issued as GA doc. A/329 on July 18, contained forty-three items. Three of these dealt with Palestine: the "Question of Palestine (item submitted by the United Kingdom)", the "Report of the Special Committee on Palestine" and the "Termination of the Mandate over Palestine and the recognition of its independence as one State (item submitted by Saudi Arabia and by Iraq)". (United Nations, *Official Records of the General Assembly, Second Session, General Committee*, hereafter cited as GA (II), *General Committee*, pages 32–34.) The letters to the Secretary-General by the representatives of Saudi Arabia and Iraq have been released as General Assembly documents A/317, July 7, and A/328, July 14, respectively.

In connection with the organization of the Second Session, Secretary-General Lie circulated his memorandum of September 12, 1947, which suggested that the General Committee recommend to the plenary meeting "the establishment of an *ad hoc* political committee on which each Member of the General Assembly would have the right to be represented, and that this committee should consider any items on the agenda concerning Palestine." (*ibid.*, page 38)

On September 17, after the Syrian delegate opposed creation of an *ad hoc* committee and the British and American delegates favored creation of such a committee, the General Committee agreed to recommend to the General Assembly the creation of an "*Ad Hoc* committee on the Palestinian Question", along the lines of the Secretary-General's recommendations (*ibid.*, pages 1, 2). The three items in the provisional agenda dealing with Palestine were among those approved by the General Committee the same day (*ibid.*, page 5), and on September 23, the General Assembly voted to create the Committee (GA (II), *Plenary*, page 275).

The *Ad Hoc* Committee convened on September 25. On that day, Chairman Evatt requested the Secretary-General to invite the Arab Higher Committee and the Jewish Agency for Palestine to be present during the Committee's deliberations (United Nations, *Official Records of the General Assembly, Second Session, Ad Hoc Committee on the Palestinian Question*, hereafter cited as GA (II), *Ad Hoc Committee*, pages 1, 2).

IO Files: US/A/AC.14/205

Excerpts From the Minutes of the Sixth Meeting of the United States Delegation to the Second Session of the General Assembly, New York, September 15, 1947, 10 a. m.

TOP SECRET

Position on Palestine

The Secretary explained that Ambassador Johnson could not be present because of the meeting of the Security Council. Before proceeding with the Agenda, he brought to the Delegation's attention a matter arising from discussion held by Mr. Henderson and General Hilldring with the Zionists. He reminded the Delegation that General Hilldring had been designated by the President as an alternate representative, replacing Dean Gildersleeve.

Secretary Marshall said he was being pressed for a decision before he spoke to the General Assembly on Wednesday on the subject of Palestine. The United States, he recalled, had been largely involved in the procedure which had been followed regarding the sending of a United Nations committee to Palestine. This committee had now returned a majority and a minority report. While Australia had abstained, he now understood the Australian representative on the committee would now be pushed aside and Dr. Evatt would step in and press vigorously for the majority report.

Adoption of the majority report, the Secretary said, would mean very violent Arab reaction. To be consistent with the integrity of its position, the United States should avoid actively arousing the Arabs and precipitating their *rapprochement* with the Soviet Union in the first week or ten days of the General Assembly. This would happen, he said, if the Delegation took a clear stand on Wednesday. On the other hand, if the Delegation did not take a clear stand, the Secretary said, he and the State Department would undoubtedly be severely attacked for "pussyfooting." If the Delegation took a stand in accord with the evident popular desire, for support of the majority report, it thereby would create difficulties for itself in subsequent General Assembly maneuvering.

The Secretary added that Mr. Henderson was especially concerned by the long-term factor. If the Delegation committed itself definitely—and a two-thirds General Assembly majority would hardly be possible without such a United States commitment—then the United States would be obligated to take part in implementing action agreed upon by the General Assembly.

Arab reaction, the Secretary repeated, would be hostile to such implementation action. About twenty per cent of Zionist opinion would

also be hostile. No commission could undertake the job. Great Britain had made it clear that it would not carry through alone; it was therefore quite obvious that the United States would have to take part.

Mrs. Roosevelt [1] at this point asked whether it was really evident, as indicated in previous discussion, that the U.S.S.R. would be opposed to the majority report. Secretary Marshall replied that this was the assumption, since the case offered such a fine opportunity for the Soviets to carry out their ends regarding the Arabs, for the sake of expediency. Mrs. Roosevelt said that the Arabs were clearly more afraid of the U.S.S.R. than of us. Mr. Henderson said he was convinced that just as we, during the war, lined up with the U.S.S.R. although having nothing in common, so the Arabs for convenience would work with the U.S.S.R. against the No. 1 common enemy, ourselves.

General Hilldring said that the Russians had already made their position clear. Their first choice was a federal state. He believed they would espouse a federal state to the very end, as an advocate of Arab desires.

The Secretary then introduced the statement which had been framed by Mr. Lovett and Mr. Henderson for delivery by him on Wednesday. This expressed hope that the General Assembly would find a definite solution for the problem of Palestine; that if this problem were to be solved it must be approached with resolution and restraint; that in considering the work of the United Nations Special Committee on Palestine it was worthy of note that although the committee had been unable to reach an [unanimous?] agreement on partition, it had reached unanimous agreement on eleven other points; and concluded with the hope that general agreement would be reached during this session, after the General Assembly has had an opportunity to study in full the United Nations Special Committee on Palestine report.

General Hilldring then said that it would certainly be a disappointment to American Jews and Jews everywhere, who hoped the United States would take a favorable position on Palestine at the beginning of the General Assembly in favor of the majority report. But, he felt, this was not a serious enough consideration to warrant a definite statement by the United States on Wednesday in favor of the majority report. The Delegation should talk to representatives of the Jews, explain that it was impossible for the United States to take a definite position, and ask them to contain themselves a little longer. This was not the time for such a definite position.

Mrs. Roosevelt asked what was to be supported by a definite position.

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[1] Anna Eleanor Roosevelt (Mrs. Franklin D. Roosevelt), Representative of the United States at the Second Session of the General Assembly.

General Hilldring replied that he meant a definite position at least in support of partition. The real nub of the matter, he said, was disagreement in the United States Government as to whether to accept the principle of partition. He thought the United States should go further and accept the majority report, while remaining willing to amend it as a result of debate in the Assembly.

Mrs. Roosevelt then asked whether another question was not involved in this matter, something which had nothing to do with the Jewish situation. She felt this was the question of the importance of supporting a report brought in by a United Nations committee, for the value of such support in promoting the success of the United Nations. She posed the question whether this was not quite a serious consideration for the Delegation, as important or more important, a consideration than whether such a stand would please American Jews. Such a position in support of the United Nations report would strengthen the United Nations in the minds of the American people.

The Secretary said he had been surprised at the quality of the report and at the extent of agreement on this extraordinary difficult matter. The report had proved much better than he had anticipated. He added that one consideration which must be borne in mind by the Delegation was that when the United States supported the report, it must follow through. It could not be regarded merely as an immediate political settlement, bringing relief to all parties in the United States. Recalling his mention of the ability of the Soviet Union to take advantage of Arab hostility to partition, he said this was merely part of the problem. We will have to be ready to put troops into Palestine, the Secretary said.

Mr. Henderson agreed that there was no doubt that the majority report, if accepted, would have to be implemented by force. The British Government, he felt, would either say it would not have anything to do with implementing the report or that it would do its share. He doubted very much that the British Government would even be willing to do its share. Mr. Bevin, Mr. Henderson said, had been evasive during a talk with Mr. Henderson,[2] but had made it clear that Britain could not be prepared to raise hostility toward itself in the Arab world. The question therefore arose of whom the United States was to send to aid in implementing. Two fronts would arise: Jewish terrorists would continue to fight and assassinate, and Arab terrorists would do likewise. He did not know how far this would go, Mr. Henderson said.

The United Nations Special Committee on Palestine report, while intended to be impartial, was not based on any principle, he said. It

[2] For Mr. Henderson's memorandum of September 9, see pp. 496, 498.

was full of sophistry. Mr. Henderson said he thought it proper for the United States to use force and to incur enmity when a principle was involved, but he failed to find any principle here, only expediency. Those who signed the majority report would not be concerned in carrying it out; it was therefore easy for them. Those who would carry it out would have to be the great powers. He did not think Great Britain, France, or the U.S.S.R. would be willing to help carry it out.

Assuming the United States was going to favor the majority report, Ambassador Austin said, then it was necessary to judge the timing of the statement of the United States position. The question was whether to take up a position now or to wait until the row got hot, resentment higher, and until the favor we would have to exert for the side we favored would have to be stronger. In line with the United States stated principle of backing the United Nations by defending political independence and integrity, Ambassador Austin did not see how it was possible to carve out of an area already too small for a state a still smaller state. He thought it was certain that such a state would have to defend itself with bayonets forever, until extinguished in blood. The Arabs, he said, would never be willing to have such a small state in their heart.

Ambassador Austin said he stood with the Secretary on the matter. On the assumption that the Delegation was going to support the majority report, it would be necessary to take the urgent next step, and to support it with all the required help, including troops. However, he feared his judgment might have been affected by his special study of the matter in 1936, accordingly, he made the following statement with reservations. His notion was that it would be a much sounder policy for the Delegation to take its position then, and to announce it Wednesday, not in a threatening manner but in dignified accents. Such action would buoy up the United Nations, he felt. The Delegation had taken a position in the Secretary's speech the previous day,[3] a very strong position, and the Delegation would be slipping if it did not march consistently in accord with that speech. He therefore repeated that he felt Wednesday's statement should be as clear as possible; the United States then would stand before the world as courageous and wise, and by creating a determined effect early would prevent the situation from flaring up—since the Arabs would not get the idea that they would yet convince the Delegation.

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[3] For the address delivered by Secretary Marshall before the American Association for the United Nations at New York, see Department of State *Bulletin*, September 21, 1947, p. 539.

Mr. Dulles [4] said he did not feel confident enough about his views to want to volunteer them at the moment, although he would speak, if necessary, with great reservations.

The Secretary said that in that case the meeting would proceed, and that a copy of the proposed statement from Washington would be given each of the delegates for consideration before the afternoon meeting. Mr. Dulles said he would like this procedure, and also he wanted to ask some questions of General Hilldring and Mr. Henderson.

THOMAS F. POWER, JR.[5]

[4] John Foster Dulles, Representative of the United States at the Second Session of the General Assembly.
[5] Deputy Secretary General of the United States Mission at the United Nations.

Statement by the Secretary of State [1]

[Extract]

. . . . . .

The General Assembly is also faced with the problem of Palestine. The Government of the United States intends to do everything within its power at this session of the General Assembly to assist in finding a solution for this difficult problem which has stirred up such violent passions, and which is now resulting in the shedding of blood and in great mental and moral anguish. The solution will require of each of us courage and resolution. It will also require restraint.

The Special Committee on Palestine is to be highly commended for its contribution to the solution of this problem. Although the members of this Committee were not able to agree unanimously upon a number of important issues, including that of partition, they have been able to find the basis for agreement on eleven recommendations to this Assembly. Their achievement in reaching unanimity on so many points represents definite progress.

We realize that whatever the solution recommended by the General Assembly, it cannot be ideally satisfactory to either of the two great peoples primarily concerned. While the final decision of this Assembly must properly await the detailed consideration of the report, the Government of the United States gives great weight not only to the recommendations which have met with the unanimous approval of the Special Committee, but also to those which have been approved by the majority of that Committee.

. . . . . .

[1] Made before the General Assembly on September 17; reprinted from GA (II), *Plenary*, vol. I, pp. 19, 20.

501.BB Palestine/9–1847

Memorandum by the Director of the Office of Near Eastern and African Affairs (Henderson) to the Under Secretary of State (Lovett) [1]

[WASHINGTON,] September 18, 1947.

Ambassador Wadsworth, who recently arrived from Baghdad in the United States, is now in New York as one of the political advisers to the American Representative at the UN. Following the Secretary's address before the General Assembly of the UN on September 17 Ambassador Wadsworth ascertained the reaction of the various Arab delegations to be substantially as follows:

The delegates from Iraq, Syria, Lebanon, Egypt, and Saudi Arabia were unanimous in interpreting the Secretary's words as an all-out declaration of American support of the Majority Plan in the UNSCOP report, and consider it as being a forthright commitment that the United States would make every effort and wield its influence in favor of a Zionist solution for the Palestine problem.

Members of the Syrian and Lebanese Delegations consider Secretary Marshall's statement that the United States gives "great weight" to the Majority Plan in the UNSCOP report as meaning full U.S. support for that plan. These members also observed that the U.S. Government, with the exception of the White House, had been neutral until today but that even the State Department was now following a pro-Zionist policy. It was added that even though the Secretary did not commit the U.S. to final support of the Majority Plan, he could not later go back on his remarks favoring the Majority report.

Ambassador Wadsworth added that Prince Faisal, the Saudi Arabian Minister of Foreign Affairs, had two principal points: (1) No useful purpose would be served in discussing the terms of procedure in the UN with Ambassador Wadsworth, as Secretary Marshall had already made the American commitment; (2) There was no aspect on the Palestine question on which further Arab-American cooperation was possible. Prince Faisal observed that the decision indicated by the Secretary's remarks on Palestine was the most dangerous step which the United States had ever taken on the Near Eastern political scene, that it was dangerous not only for the United States and for the Arab States, but for world peace, and that "it just can't be made out as you wish".

Faris el-Khouri, of the Syrian Delegation, was in hearty agreement with the Secretary's address, with the exception of the passage on Palestine. Faris el-Khouri was adamantly opposed to our Palestine

[1] Marginal notations indicate that the Secretary of State as well as the Under Secretary of State saw this memorandum.

policy, and said that the issue would hamper Arab-American cooperation on other problems.

Ambassador Wadsworth reports that Jamali, Iraqi Foreign Minister, and Malik, Lebanese Minister in the U.S., were more pessimistic than Faris el-Khouri. Malik said, "We are younger—to us Palestine is *the* issue." Jamali said that the U.S. has embarked on a policy leading to tragedy, that U.S. troops would probably be sent to Palestine, that Jewish aggression would continue, but that means would be found to oppose such aggression, "even by force of arms". Jamali added that both the Arabs and Great Britain could have agreed on Palestine if it had not been for Zionist pressure on the U.S. Government which had forced the U.S. to intervene. Jamali accordingly considered the U.S. as primarily responsible for present and future developments in Palestine.[2]

L[OY] W. H[ENDERSON]

[2] In a memorandum of September 19, summarizing his conversation of the previous night with Paul Gore-Booth of the United Kingdom Delegation to the United Nations, G. Hayden Raynor, Adviser to the United States Delegation, stated: "Mr. Gore-Booth tried to draw me out as to the exact implication of the section of the Secretary's speech on Palestine. I did not discuss this point. I did, however, gain the impression that the British were not entirely pleased with this part of the speech." (IO files, US/A/405, September 21, 1947)

501.BB Palestine/9–2247

The Director of the Office of Near Eastern and African Affairs (Henderson) to the Secretary of State

TOP SECRET [WASHINGTON,] September 22, 1947.

DEAR MR. SECRETARY: I went to New York on September 15 with General Hilldring at the request of Mr. Lovett to present our views as to what you might say in your speech of September 17 with regard to Palestine. I had just returned from Greece and was not really prepared to enter into a full discussion as to the attitude which we should assume with regard to the UNSCOP report. I am afraid, therefore, that I did not give the views of my office, which are also those of nearly every member of the Foreign Service or of the Department who has worked to any appreciable extent on Near Eastern problems, in the manner in which they should have been presented.

The attitude which we assume towards the Palestine problem during the proceedings of this Special Session may have far-reaching effects upon our relations with the peoples of the Near East and with Moslems everywhere. It may greatly influence the extent of success or of failure of some of our efforts to promote world stability and to prevent further Soviet penetration into important areas free as yet from Soviet domi-

nation. I consider, therefore, that it is my duty briefly to point out some of the considerations which cause the overwhelming majority of non-Jewish Americans who are intimately acquainted with the situation in the Near East to believe that it would not be in the national interests of the United States for it to advocate any kind of a plan at this time for the partitioning of Palestine or for the setting up of a Jewish State in Palestine.

Certain Considerations Against Advocacy by the U.S. of the Majority Plan

1. *An advocacy on our part of any plan providing for the partitioning of Palestine or the establishment in Palestine of a Jewish state would be certain to undermine our relations with the Arab, and to a lesser extent with the Moslem, world at a time when the Western World needs the friendship and cooperation of the Arabs and other Moslems.*

Without at least a degree of Arab cooperation we shall encounter numerous difficulties in connection with any support which we may give to the efforts of the British to find bases which will enable Great Britain to remain as a stabilizing power in the Eastern Mediterranean. We shall need the confidence and cooperation of the Arabs in the near future if we are to achieve any success in forestalling violent Arab nationalists uprisings against the French in Tunisia, Algeria and Morocco. The resources and geographical position of the Arab countries are of such a character that those countries are necessarily factors of importance in the international economic field. Arab friendship is essential if we are to have their cooperation in the carrying out of some of our vital economic programs. During the next few years we are planning to draw heavily on the resources of the area, not only for our use, but for the reconstruction of Europe. Furthermore, we are intending to make important use of the communications facilities in the area. Already, partly as a result of our policies regarding Palestine, the attitude of the Arab Governments towards American firms has changed sharply and their demands on the firms are becoming more and more truculent and extravagant. Loss of confidence in the sense of justness and in the impartiality of the United States has been accompanied during the last two years in the Arab world by a growing suspicion of our overall motives and by increasing doubts as to our national integrity. Although the Arabs have in general no use for Communism, they feel so emotional with regard to the problem of Palestine that if an attempt should actually be made to set up a Jewish State in Palestine in pursuance of decisions supported by us, they may consider the United States as their foremost enemy and enter into at

least temporary cooperation with the Soviet Union against us just as we cooperated with the Russians during the war years against common enemies.

If we press for a Jewish state, we shall undoubtedly weaken the position of the moderate Arabs who are friends of the western world and strengthen that of the fanatical extremists. Just last week, for instance, one of the moderate Arab leaders was slain in Palestine by followers of the fanatical Mufti.

2. *If we advocate a plan providing for partitioning and the setting up of a Jewish State, we shall centainly be expected to make major contributions in force, materials and money to the implementation of such a plan if it is adopted.*

We are under tremendous pressure at the present time to advocate such a plan. If we do, and if the plan is adopted, we shall be under still greater pressure to contribute to its implementation. We shall be lacking in courage and consistency, it will be argued, if after a plan supported by us has been adopted we do not do our part in carrying it out. Furthermore, we shall be expected to bear the main burden of implementation. We have shown more interest in the Palestine problem than any other great Power, except Great Britain, and Great Britain is beginning to weary of the Palestine burden. Furthermore, the execution of a partition plan such as that in the majority report will be a task lasting over a period of many years. Differences arising from attempts to carry out such a plan will arise to plague every session of the General Assembly. As one of the sponsors for the execution of the plan, we shall be the target for bitter attacks by both Arabs and Jews.

3. *Any plan for partitioning Palestine would be unworkable.*

Of all the previous committees which have ever studied the Palestine problem, only the Royal (Peel) Commission 1937 recommended partition as a solution.

The Partition (Woodhead) Commission set up in 1938 to carry out the Peel proposals was unable to devise a practicable plan for partition, so the Peel recommendations fell to the ground. The Anglo-American Committee of Inquiry, composed of six prominent Britishers and six well-known Americans, stated in their report of April 20, 1946:

"Partition has an appeal at first sight as giving a prospect of early independence and self-government to Jews and Arabs, but in our view no partition would have any chance unless it was basically acceptable to Jews and Arabs, and there is no sign of that today. We are accordingly unable to recommend partition as a solution."

If complete partition would be unsuccessful unless acceptable to Jews and Arabs, how much chance of success in the face of fierce Arab

opposition has the UNSCOP majority plan which provides for an economic union of the two states—a union which cannot possibly succeed without Arab-Jewish friendship and cooperation? Irrigation ditches, railways, roads, telephone and telegraph lines, etc. must pass through both states. These facilities cannot function if the population of one state is hostile to that of the other. If political partition providing for the incorporation of 400,000 Arabs in a Jewish State is forced on the population of Palestine, this hostility will exist and will increase.

4. *The UNSCOP Majority Plan is not only unworkable; if adopted, it would guarantee that the Palestine problem would be permanent and still more complicated in the future.*

Some of the reasons for the unworkability of the Majority Plan are:

(*a*) It is not possible for the two states to have political individuality and economic unity if the population of one or both of these states objects to such a partnership and refuses to cooperate;

(*b*) In case economic unity is found to be unworkable, it would not be possible to have complete economic individuality since the terrain of the country and the nature of the communications are such that the two states are inextricably meshed economically;

(*c*) In spite of the arguments advanced to the contrary in the report, an Arab state of the type envisaged would not be viable even if subsidized by receiving half of the revenues derived from the customs and other services;

(*d*) The cost of policing, in view of both extreme Arab and Jewish irredentism, would be more than the combined national budget could bear.

5. *The Majority Plan does not dispose once for all of the Palestine problem because:*

(*a*) It provides for an economic union to be presided over by a Joint Economic Board, the members of which shall consist of three representatives of each of the two States and the foreign members appointed by the Economic and Social Council. An organ of the United Nations must, therefore, indefinitely act as an economic umpire between these two States. Will representatives of the Great Powers serve on this Board? If so, will an American serve? In case important Jewish interests are involved, is the American Government to be put under constant internal political pressure to order its representative to side with the Jewish State? Is the Soviet Union or a Soviet satellite to be represented by one of the three members? If so, what kind of a role would such a representative be likely to play?

(*b*) The Majority Plan provides that if either of the two states should fail to take the steps suggested in the plan, including the calling of a constituent assembly, the setting up of a provisional government, the making of a Declaration, etc., that fact will be communicated to the United Nations for such action by the General Assembly as may be deemed proper.

It is likely that the Arab State will not take the steps suggested and that, therefore, the whole Palestine problem will be back on the doorstep of the General Assembly at least within two years.

We are convinced that no plan can be found which will completely dispose of the Palestine problem so far as the United Nations is concerned at this session. I have stressed the fact that the majority plan does not rid us of this problem merely because there has been some thinking in the Department to the effect that if it is adopted, we can finally wash our hands of this disagreeable matter.

6. *The proposals contained in the UNSCOP plan are not only not based on any principles of an international character, the maintenance of which would be in the interests of the United States, but they are in definite contravention to various principles laid down in the Charter as well as to principles on which American concepts of Government are based.*

These proposals, for instance, ignore such principles as self-determination and majority rule. They recognize the principle of a theocratic racial state and even go so far in several instances as to discriminate on grounds of religion and race against persons outside of Palestine. We have hitherto always held that in our foreign relations American citizens, regardless of race or religion, are entitled to uniform treatment. The stress on whether persons are Jews or non-Jews is certain to strengthen feelings among both Jews and Gentiles in the United States and elsewhere that Jewish citizens are not the same as other citizens.

The United States is undoubtedly honor bound to take steps to make sure that the Jews in Palestine are not discriminated against and that they participate on at least an equal basis with other peoples in the Government of Palestine. We are under no obligations to the Jews to set up a Jewish State. The Balfour Declaration and the Mandate provided not for a Jewish State, but for a Jewish national home. Neither the United States nor the British Government has ever interpreted the term "Jewish national home" to be a Jewish national state.

7. *Tactics which the United States should pursue in the handling of the Palestine problem before the present session of the General Assembly.*

In our opinion, there is no ready solution of the Palestine problem to which both Jews and Arabs would acquiesce to such an extent as to render it workable. Any kind of an imposed solution opposed by the majority of either the Arabs or the Jews is bound to result in failure, involving much loss of property and bloodshed and loss of prestige to the supporters and executors of the plan, as well as to the whole United Nations. If a solution is found which is workable, it will,

we believe, be evolved only after long and protracted discussions during the course of which the moderate Jews and moderate Arabs would find common ground. If we at the beginning take either the Arab or the Jewish side of the controversy, it will be extremely difficult for either the moderate Arabs or the moderate Jews to get together.

Our Government has already stated that we give serious weight to the majority proposals. On an early occasion, we should repeat this statement, making it clear at the same time that our minds are by no means closed and that we shall also give due weight to the views of other nations and particularly of the interested parties.

During the debates regarding the merits of the various plans, we should not play too active a role. We should create the respect of all fair-minded persons by being, so far as possible, strictly impartial. We should concentrate our efforts primarily on working out agreements of all parties with regard to as many points as possible. It seems to us that there is a possibility that the moderates in both camps might be led to acquiesce in a sufficient number of points to enable the setting up of a trusteeship for a period of years which would be instructed to function in such a neutral manner as not to favor either partition or a single state. At the conclusion of this term of years, there could be a plebiscite on the question of partition, in the light of which the General Assembly could make its final decision on this fateful question. Any kind of a temporary arrangement should probably provide for immediate Jewish immigration of at least 100,000 persons.

It may be impossible even to work out a delayed solution such as that outlined above. If so, the Palestine problem will probably become even more of a world problem than at the present time.

It is realized that the tactics outlined above are not likely to appeal to those of us who prefer to approach all problems with energy and decisiveness. There are times, however, when energy and decisiveness are not appropriate.[1]

Editorial Note

The Foreign Offices of Iraq, Syria, Lebanon, Transjordan and Egypt, in notes to American Diplomatic Missions in their respective countries, drew the attention of the United States Government to

[1] In a transmitting memorandum of September 22 to the Secretary of State, Mr. Henderson stated: "I wish to assure you that in spite of the views expressed in this memorandum, the staff of my Office is endeavoring loyally to carry out the decision which you made last Monday [September 15], and unless informed otherwise by you, will continue to endeavor to execute that decision in a manner which will minimize as far as possible the damage to our relations and interests in the Near and Middle East." (501.BB Palestine/9–2247)

various resolutions on Palestine approved by the Political Committee of the Arab League. The notes, not printed, were of similar import and form and were transmitted to the Department by the Missions at various dates between September 22 and October 1, 1947. A note of somewhat different character was received from the Saudi Arabian Foreign Office; see telegram 431, October 15, from Jidda, page 1184.

501.BB Palestine/9–2647

Memorandum of Conversation, by Mr. Paul H. Alling, Adviser to the United States Delegation at the General Assembly [1]

TOP SECRET

Participants: The Secretary; Amir Faisal of Saudi Arabia; Faris Bey el-Khouri of Syria; Noury As-Said Pasha of Iraq; Dr. Mohamed Hussein Heykal Pasha of Egypt; M. Camille Chamoun of Lebanon; Ambassador Johnson; Major General Hilldring, U.S.A. (ret.); Lieutenant General Ridgway, U.S.A.; [2] Mr. Wadsworth; Mr. Alling; and Shaikh Ali A. Alireza of Saudi Arabia (Faisal's interpreter)

At a luncheon offered on September 23, 1947 by the Secretary at the quarters of Lieutenant General Ridgway, at which the foregoing were present, the general question of the UNSCOP report was discussed. Faris Bey el-Khouri of Syria was the chief speaker for the Arab Delegations. He opened the discussion by saying that the Arab group was greatly disappointed that the Secretary in his address of September 17, 1947 had come out in favor of the majority report of the UNSCOP. Mr. Khouri stated that he was a member of Parliament in his country and that he would, from his point of view, consider the UNSCOP report, because of its biased position against the Arabs, an unacceptable draft document and not worthy of consideration as a working paper. He elaborated on this thought by presenting the usual Arab point of view that none of the Arab states could accept the thesis of a Jewish sovereign state, that such a state was only the beginning of Zionist penetration in the Near East which sooner or later would end up in bloodshed and disaster. He stressed the point that the Zionists had progressed in Palestine only because of the tremendous sums of money poured into the country from abroad, particularly from the United States, and cited the failure of the colonies established and

[1] The conversation covered by this memorandum took place in New York on September 23. Mr. Alling, however, prepared and dated the memorandum on September 26.

[2] Matthew B. Ridgway, senior United States Army member of the Military Staff Committee of the United Nations.

financed in Palestine early in the present century by Lord Rothschild after the latter had withdrawn his support.

The Secretary replied that although he had not received as yet a full analysis of the UNSCOP report and therefore could not express any definitive views, he hoped that the Arab Delegations would bear in mind certain points:

1. He thought he had an understanding of the general Arab point of view on the Palestine question.
2. He had resisted strong pressure put upon him to make statements regarding the American position during the period the UNSCOP inquiries were in progress, since he felt any such statements might prejudice the findings of the Special Committee.
3. He asked the Arab Delegations to remember that the United States faced critical problems all over the world, among the most pressing of which was the question of "majority voting". That question came up at Rio de Janeiro; [3] it was among the outstanding questions at the present meeting of the UNGA.
4. In view of the foregoing, and looking at the broad picture, the Secretary could not "throw the UNSCOP report out of the window" and revert to the situation existing last spring. Such a procedure would have weakened the UN and would not have served the cause of peace.
5. The alternative was to dignify the proceedings of the UN by paying tribute to the UNSCOP effort and by accepting the UNSCOP report as a working basis.

The Secretary went on to say that he had listened to Mr. Chamoun's address at the UNGA on September 20, 1947 [4] in which the latter had referred to the position of the Secretary as favoring partition. He pointed out that during Mr. Chamoun's address a member of the United States Delegation had turned to him (the Secretary) and said: "But the Lebanese delegate misunderstands the situation; you have made no such commitment".

Ambassador Johnson supported the Secretary's view and emphasized the point that the Secretary had no choice but to pay tribute to the efforts of the UNSCOP and would have been obliged to do so whatever the nature of the report since it was most essential at this critical period to strengthen and reinforce the procedures and machinery of the UN with a view to furthering steps toward a real peace.

General Hilldring pointed out that the Secretary had not committed the United States to accept any particular solution of the Palestine question; that we wanted to hear all points of view before

[3] This refers to the Inter-American Conference for the Maintenance of Continental Peace and Security which met in Rio de Janeiro from August 15 to September 2, 1947; for documentation on the Conference, see vol. VIII, pp. 1 ff.
[4] For statement by Mr. Chamoun, see GA (II), *Plenary*, vol. I, p. 164.

reaching any conclusions; and that the way was still open for all interested governments to express their viewpoints which we were anxious to hear. General Hilldring added that the minds of the United States Delegation were by no means closed.

The Amir Faisal made few remarks but those supported the views of the other Arab leaders. However, he followed with close attention, through his interpreter, the exchange of views.

After discussing the question with the Syrian delegate and the Lebanese representative, who added little to Faris Bey el-Khouri's views, the Secretary invited the comments of the Egyptian and Iraqi representatives.

Heykal Pasha, the Egyptian delegate, asked why should the UN perpetuate a failure which, he asserted, the Palestine mandate had been from the beginning. It had brought on several serious conflicts in Palestine which had been put down only by British arms. From an economic point of view the Zionist experiment had continued only because of the funds poured in from abroad. He pointed out that the Balfour declaration (which was in conflict with British promises to the Arabs) had at the maximum agreed to "a Jewish National Home in Palestine". Now the Zionists asked for a Jewish state and that was only the beginning. Once having obtained a foothold, the Zionists would demand more and eventually try to gain complete control of the Arab lands. Faris Bey el-Khouri reinforced the thesis of failure by pointing out that although a thousand years ago the Crusaders had attempted to establish their dominance in the Holy Land, they had finally been ejected with disaster to themselves. He predicted a similar fate for Zionist efforts.

Noury As-Said, speaking for Iraq, said that in his view the political and humanitarian aspects of the matter had to be separated. If the political aspects of Zionist aspirations could be put aside, the Arab countries would be with the United States fully in efforts to solve the humanitarian side of the Jewish problem. (Although Noury As-Said does not express himself adequately in English, it was the general understanding of those present that he was attempting to convey the idea that if other countries would accept their fair share of the problem of displaced persons, particularly Jewish DP's, the Arab countries would cooperate completely.)

The luncheon was terminated by the Secretary expressing his appreciation for the courtesy of the Arab delegates in informing him of their views. He expected he would have occasion to seek their views again during the coming weeks. Faris Bey el-Khouri thanked the Secretary for his friendly reception of the Arab delegates.

After the luncheon the Amir Faisal spoke to Ambassador Johnson and me at Flushing. He stated that he wanted the Secretary to know that all of the Arab countries desired nothing more than to work with and cooperate with the United States in the Near East, but they could not do so if we supported the thesis of a Jewish state in Palestine. He added in strict confidence that he could not say publicly at the Secretary's luncheon one most important consideration, as follows: Speaking as a responsible Arab statesman he wanted the Secretary to know that NO Arab Government in the Near East would be able to restrain the outraged feelings of its people if a Jewish state were established in Palestine.

I had a brief talk with Faris Bey el-Khouri at Flushing after the luncheon and inquired about his impressions of the talk with the Secretary. He said he felt somewhat reassured but hoped that the American delegate in the *Ad Hoc* Committee in Palestine would make clear that the United States had not taken a firm position in favor of the majority report of the UNSCOP and that we were open to suggestions. Faris Bey el-Khouri thought such a clarification was important since several non-Arab and non-Moslem Delegations had received the impression that the United States was out to railroad through the majority recommendations at all costs to us and to the rest of the world.[5]

[5] This memorandum was cleared with General Hilldring.

501.BB Palestine/9–2447

Memorandum by Major General John H. Hilldring to the Acting United States Representative at the United Nations (Johnson)

TOP SECRET [NEW YORK,] September 24, 1947.

After the meeting of the United States Delegation this morning, another meeting regarding the United States position as to Palestine was held in the Secretary's office with the following attendance: The Secretary, Mrs. Roosevelt, Mr. Dean Rusk, Mr. Charles Bohlen,[1] Mr. Charles Fahy [2] and General Hilldring.

After a discussion in which everyone present participated, the Secretary decided that:

1. The United States Representative on the *Ad Hoc* Committee on Palestine would, in general, conduct himself in accordance with the

[1] Counselor of the Department of State.
[2] Alternate Representative of the United States at the Second Session of the General Assembly.

following plan: *a*) No opening statement will be made by the United States Representative in the early phases of the discussion of the Palestine question; *b*) The United States Representative will support and encourage a general discussion of the Palestine question during the early days of the *Ad Hoc* Committee meetings, especially with respect to getting before the Committee the views of the United Kingdom, the Arab Higher Committee and the Jewish Agency; *c*) At the completion of this general discussion, the United States Representative will for the first time present the U.S. views. This view should take into account the historical commitments of the United States regarding Palestine, the majority report of UNSCOP and a consideration of the views expressed in the general debate before the Committee.

2. The presentation of the United States position mentioned in (*c*) above should begin at once. It should embrace support of the majority report of UNSCOP with such amendments as are now believed by the United States Government to be wise and essential to a workable plan. It was understood, and the Secretary stated, that this plan should have incorporated in it any useful suggestions that are brought to light in the general discussion before the Committee. However, there should be retained in the plan the provisions for partition and large-scale immigration. The exact time at which this position will be stated by the United States cannot now be determined. This is a question that must for the moment be kept open.

3. In the event that the United States proposal, described in (2) above, does not elicit the support of two-thirds of the members of the General Assembly, or in the event that it is ascertained beforehand that such a plan will not receive the support of two-thirds of the members of the United Nations, the United States Government will consider at that time which of the following two lines of action should be taken: *a*) Force a vote in the *Ad Hoc* Committee on Palestine to demonstrate the absence of support in the United Nations for the majority report of UNSCOP, or *b*) decide, in the absence of support of two-thirds of the members of the United Nations for the majority report of UNSCOP, to propose an alternate solution which, based on the information available at that time, will elicit the support of two-thirds of the members of the United Nations.

4. To prepare a tentative draft of the switch position described in (3) above to be submitted by the United States whether the decision is made under (3) *a* above or (3) *b* above.

It was the firm conviction of all those present that the utmost secrecy must attend the United States position and line of action which was this morning decided by the Secretary of State as described above.

501.BB Palestine/9–2547

Memorandum of Conversation, by the Secretary of State

SECRET [NEW YORK,] September 25, 1947.

Participants: Secretary Marshall;
Lord Inverchapel, British Ambassador;
Mr. Creech Jones;
Mr. Hector McNeil [1]

The three gentlemen arrived at noon for an early lunch. After a brief period of general conversation the Ambassador stated that Mr. Bevin had given Mr. Douglas on the previous Sunday morning an outline of the British position in regard to Palestine, anticipating that Mr. Douglas was flying to Washington and would go over the matter with me and with the President. On learning that Douglas was coming home by steamer Mr. Bevin directed that I be gotten in touch with immediately and that Creech Jones explain the matter to me personally; therefore their call by telephone late the previous evening.

Mr. Creech Jones then stated the British position that was to be announced the following morning.[2] I will not go over this because it is now a matter of public information.

Mr. McNeil stated he hoped that there would not be a reaction in the United States along the line, similar to the case in Greece, that the British were "walking out" on us. I stated that from my brief understanding of their statement, I thought that would not be the case.

I stated that I personally was very sympathetic to the British dilemma and, without discussing the wisdom of the course they had followed in particular incidents, that I felt they had been the victims of an impossible situation and considerable unjust criticism. I further stated that in our approach to the matter we would deal with it on the highest level, meaning by implication which I did not explain, that we would treat the matter as an international affair and not permit local political pressures to determine our actions.

There was little else said at the interview other than a repetition of the British statement for my benefit in order that I might understand the various factors involved.

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[1] British Representative at the Second Session of the General Assembly.

[2] In a statement before the *Ad Hoc* Committee on September 26, reported in telegram 883, September 26, 2:18 p. m., from New York, Mr. Creech Jones noted that there was no conflict between the general conclusions of UNSCOP and the broad objectives of British policy. He concluded that his Government was ready to assume responsibility for carrying out any plan securing Arab and Jewish agreement, but if the Assembly recommended a policy not acceptable to the Arabs and Jews, his Government would not feel able to give effect to it. In the latter case it would be necessary to provide an alternative implementing authority (501.BB Palestine/9–2647). For the official record of his statement, see GA (II), *Ad Hoc Committee*, p. 2.

Editorial Note

Jamal Husseini, on behalf of the Arab Higher Committee, appeared before the *Ad Hoc* Committee on September 29. The summary of his statement, printed in GA (II), *Ad Hoc Committee*, pages 5–11, notes at one point: "Regarding the manner and form of independence for Palestine, it was the view of the Arab Higher Committee that that was a matter for the rightful owners of Palestine to decide. Once Palestine was found to be entitled to independence, the United Nations was not legally competent to decide or to impose the constitutional organization of Palestine, since such action would amount to interference with an internal matter of an independent nation.

"The future constitutional organization of Palestine should be based on the following principles: first, establishment on democratic lines of an Arab State comprising all Palestine; secondly, observance by the said Arab State of Palestine of human rights, fundamental freedoms and equality of all persons before the law; thirdly, protection by the Arab State of the legitimate rights and interests of all minorities; fourthly, guarantee to all of freedom of worship and access to the Holy Places." (pages 10, 11)

Abba Hillel Silver, on behalf of the Jewish Agency, appeared before the Committee on October 2. The summary of his statement, printed *ibid.*, pages 12–19, set forth the approval of the Agency of the eleven unanimous recommendations of UNSCOP except for Recommendation VI on Jewish displaced persons, which the Agency did not disapprove. He also termed Recommendation XII unintelligible.

Rabbi Silver deemed the minority report unacceptable; nor did the majority report satisfy the Jewish people because of the limited area of the proposed Jewish state and the exclusion of Jerusalem from that state. Nevertheless, the Agency was willing to accept the majority report since it made possible the immediate reestablishment of the Jewish State. This acceptance was made subject to further discussion of constitutional and territorial provisions (pages 15–17).

501.BB Palestine/9–3047

Memorandum Prepared in the Department of State

TOP SECRET [WASHINGTON,] September 30, 1947.

UNITED STATES POSITION WITH RESPECT TO THE QUESTION OF PALESTINE [1]

THE PROBLEM

The problem is to determine the position which the United States should take in the General Assembly with regard to the Palestine question.

RECOMMENDATIONS

1. The United States Delegation, in dealing with the Palestine question, should be guided by the following basic objectives:

a) to assist in every way in the finding of a solution of the Palestine problem at this session of the General Assembly.
b) to secure the maximum possible agreement between Arabs and Jews and among the Members of the United Nations.
c) to implement the United States position on the Palestine question, as set forth below, by methods best calculated to safeguard the strategic, economic, and political interests of the United States in the Near East.
d) to achieve a *United Nations* recommendation regarding the Palestine problem and, to this end, to implement the United States position in such a way that the final recommendation of the General Assembly can not be regarded as an "American plan".

2. With regard to the respective roles of the General Assembly and the Mandatory Power, the U.S. Delegation should be guided by the following considerations:

a) The General Assembly has been asked by the United Kingdom to make recommendations on the future government of Palestine. However, in accepting this task the General Assembly has *not* accepted responsibility for the Government of Palestine.
b) The United Kingdom is at present the responsible administering authority for Palestine. This responsibility was incurred by agreement with the Principal Allied and Associated Powers of the First World War and is expressed in the terms of a mandate approved by the Council of the League of Nations. Both on legal and policy grounds the United Kingdom should continue to discharge this responsibility

[1] There were two earlier drafts of this position paper. One was provided to SPA for comment by NEA (memorandum of September 22 by Mr. McClintock to Mr. Rusk, 501.BB Palestine/9–2247) but a copy has not been found in Department of State files nor is its date known. A copy of the draft of September 24 is filed in a folder entitled "Palestine—Sept. through Oct. 1947" (records of the Bureau of United Nations Affairs, Lot 52–370, Box 5).

until arrangements have been made to supplant it or a settlement in Palestine has been effected.

3. The United States Delegation should follow the lines laid down by the Secretary in his speech of September 17, 1947, namely: "While the final decision of this Assembly must properly await the detailed consideration of the report, the Government of the United States gives great weight not only to the recommendations which have met with the unanimous approval of the special committee but also to those which have been approved by the majority of that committee." To this end, the U.S. should give support to the majority plan in principle with a view to perfecting the plan in certain of its features. In extending this support, the United States should endeavor to secure certain modifications and clarifications of that plan, either initiating or supporting the following principal modifications (for a detailed position analysis of the majority plan see Annex A [2]):

a) Clarification should be sought with regard to the problem of the viability of the two states. On page 53 of the UNSCOP report it is stated that "the creation of two viable States is considered essential to a partition scheme". Yet on page 48 of the report it is indicated that the Arab state will be forced to call for financial assistance "from international institutions in the way of loans for expansion of education, public health and other vital social services of a non-self-supporting nature." Moreover, the technical note on the viability of the proposed states prepared by the Secretariat (pp. 55–56) is not conclusive as regards the viability of the Arab State. In view of the central importance of the question of viability as stressed in the Committee's report, a special subcommittee of the *Ad Hoc* Committee should be established to consider this question.

b) The city of Jaffa (70,000 Arabs and 10,000 Jews), placed within the Jewish State under the majority plan, should be assigned to the Arab State as an enclave. This would substantially reduce the number of Arabs in the Jewish State and eliminate a fertile source of Arab objections. In view of the provisions of the majority plan for freedom of transit and visit, the normal objections to an enclave are not believed valid in this case.

c) The eastern boundary of the Western Galilee area of the Arab State should be redrawn to include Safad (9,500 Arabs and 2,500 Jews) for the same reasons given in *b* above. An enclave would not be necessary in this case.

d) In order to include the Arab areas in the southern part of the Gasa sub-district within the Arab State, it is believed desirable for the point of intersection in this area to be moved southeast to a point on the frontier of the Gasa sub-district.

e) The southern portion of the Negeb, allocated to the Jewish State by the majority plan, should be included in the Arab State. This area, useful only for seasonal grazing purposes, is inhabited by an estimated 60,000 Arabs. There are no Jewish settlements.

[2] Entitled "Detailed Position Analysis of Majority Plan", not printed.

4. A vote should be taken in the *Ad Hoc* Committee on the majority plan in principle. If the vote is such as to indicate that a two-thirds majority could not be achieved in the Assembly, the minority plan should be put to a vote. The United States will not vote for the minority report. In the event that either plan receives a vote sufficient to indicate that it would probably command a two-thirds majority of the Assembly, a subcommittee should be established to work out details.

5. If an impasse is reached and a two-thirds vote of the General Assembly cannot be attained for either the majority plan or the minority plan, the United States Delegation should:

a) State that in view of the difficulties experienced within the committee it has become obvious that the necessary two-thirds majority cannot be obtained, for either the majority or minority plan, but that it would seem highly undesirable to disregard the work of UNSCOP entirely.

b) Initiate or support the establishment of a special sub-committee for the purpose of attempting to formulate a plan combining the best features of both the majority and minority reports, or any other workable and just plan which stands a reasonable chance of adoption by two-thirds of the General Assembly.

c) Use the attached outline (Annex B [3]) as a basis for its work in the sub-committee in an endeavor to secure a workable solution.

6. If agreed recommendations do not result from the procedures outlined above, the Department, after consultation with the Delegation, will transmit further instructions to the Delegation.

[Here follow those sections under the heading "Discussion" dealing with the provisional agenda of the Second Session of the General Assembly as they related to Palestine, the roles of the General Assembly and of the Mandatory Power, and the report of UNSCOP.]

Basic Considerations

The position taken by the United States Delegation in the General Assembly on the Palestine question should take full account of the following principal factors:

1. The Near Eastern area is of high strategic significance in over-all American policy. Consequently the maintenance of good will toward the United States on the part of the Moslem world is one of the primary goals of American foreign policy.

2. The policy of the United States toward Palestine over the span of the years since the First World War shows a consistent interest in the establishment of a Jewish National Home. The United States has

[3] Entitled "Scheme of Partition with Union for Common Interests", not printed.

frequently stated its support of large-scale Jewish immigration into Palestine and has indicated that it might look with favor upon some arrangement providing for a partition of Palestine, provided that such an arrangement gave promise of being workable.

3. The position taken by the United States with regard to the report of the Special Committee on Palestine must indicate the confidence of this Government in the United Nations and United States support of the procedures for which, in this case, it assumed a large initiative.

4. The plan for Palestine ultimately recommended by the General Assembly should be a *United Nations* solution and not a *United States* solution. It is essential that the basic position to be taken by the United States Delegation to the General Assembly with regard to the Palestine report and the specific tactics followed by the Delegation be such that the final recommendation of the General Assembly cannot be labeled "the American plan".

5. It is a matter of urgency that the General Assembly should agree at this session upon a definitive solution of the Palestine problem. The only immediate hope of restoring order in Palestine and thus promoting stability in the whole Near East lies in agreement by the United Nations upon a solution which the interested parties cannot expect by agitation and violence to alter.

6. It is essential that any plan for Palestine adopted by the General Assembly be able to command the maximum cooperation of all elements in Palestine.

7. It is probable that the Arab States will reject any solution that creates a Jewish State or province or permits further Jewish immigration into Palestine; it is possible that they will withdraw from the United Nations in case any such solution is adopted. It is difficult to predict whether any solution short of immediate independence would obtain even the reluctant acquiescence of the Arab States, prevent their withdrawal from the United Nations, and preclude armed strife in the Near East.

8. The position of the United Kingdom Government as set forth in its statement of September 26, 1947 is:

[Here follows the British position.]

9. The Soviet Union has thus far avoided taking a position, but the Embassy in Moscow and other observers are convinced that, in the final showdown, the Soviet Union will support the Arab States. The Soviet Union at the Special Session of the General Assembly favored the establishment of "one dual, democratic Arab-Jewish state" in Palestine or, if that proved unfeasible, partition of the country. In the Special Committee the Czech member favored the majority report while the Yugoslav member favored the minority report.

10. The United States position on Palestine should be established with due regard to the requirement of a two-thirds vote in the General Assembly for important questions. Concerted opposition of the Soviet bloc and the Arab League states and their Moslem supporters could defeat any proposal which did not command almost unanimous support of the other Members of the United Nations.

501.BB Palestine/10–1647

The Arab Higher Committee to the Consul General at Jerusalem (Macatee) [1]

JERUSALEM, October 3, 1947.

YOUR EXCELLENCY: We have the honour to present the following for submission to your esteemed Government:—

1. The Arabs of Palestine have declared a general strike today [2] in protest against the schemes and recommendations of the UNSCOP, and in support of their national demands.

2. The Arabs of Palestine refuse definitely to acquiesce in any solution entailing the partitioning of Palestine, or the dismemberment of any part thereof; and insist on the application of the provisions of the United Nations Charter.

3. The Arabs of Palestine unanimously demand the termination of the mandate over Palestine, the establishment of an Arab democratic state, and the withdrawal of British Troops and Government personnel.

We earnestly draw the attention of your Government to the serious situation that will arise in Palestine and the Middle East if the Arab just demands are not implemented.

Yours Respectfully,

EMIL GHORY
for Arab Higher Committee

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[1] Transmitted to the Department in despatch 183, October 16, from Jerusalem; received November 4.

[2] According to telegram 403, September 27, from Jerusalem, the Executive of the Arab Higher Committee, on September 25, had summoned the Arab and Islamic world to stage a general strike, including a demonstration, on October 3 to tell the world that Moslem and Christian Arabs rejected the UNSCOP recommendations and would resist any attempt to carry them out (501.BB Palestine/9–2747). Telegram 419, October 4, from Jerusalem, reported the strike on October 3 was complete but quiet, with only minor incidents reported (501.BB Palestine/10–447).

501.BB Palestine/10–347

Memorandum of Conversation, by Mr. Samuel K. C. Kopper

SECRET [NEW YORK,] October 3, 1947.

Participants: Emir Faisal, Chairman of the Saudi Arabian Delegation
General Nouri Pasha, Chairman of the Iraqi Delegation
Dr. Fadhil Jamali, Vice Chairman of the Iraqi Delegation
Shaikh Hafiz Wahba, of the Saudi Arabian Delegation
Ambassador Wadsworth, of the United States Delegation
Samuel K. C. Kopper, Adviser, United States Delegation

Shortly after the Palestine *Ad Hoc* Committee adjourned today, Dr. Jamali, accompanied by Nouri Pasha, approached Ambassador Wadsworth and myself. Dr. Jamili said they had a matter of extreme importance which, on behalf of all the Arab delegations, they had been charged to take up with the United States Delegation through Mr. Wadsworth.

Dr. Jamali launched at once, without preamble, into his subject. He said that the six Arab States had held an important meeting last night at which the question under discussion was: Should the Arab States approach the U.S.S.R. with a view to obtaining support of the Arab position on Palestine.

Dr. Jamali then made a special point of saying that he and Emir Faisal had opposed such an approach until the attitude of the United States with regard to the UNSCOP report had been made known. He recalled that he had already informed us that Soviet overtures had been made to Arab delegates.[1] These had been renewed yesterday by a Polish delegate; no answer had been given. He stressed that basic long-term Arab interests lay rather with the United States and Great Britain than with Soviet Russia.

His view and that of Emir Faisal, Dr. Jamali continued, had prevailed. The meeting had decided, therefore, to endeavor to ascertain

[1] Telegram 916, from New York, reported on October 1: "The Soviet delegation had approached the Arab States with an explicit offer to support the Arabs on Palestine if the Arab States in turn would support Ukraine for the SC, Jamali (Iraq) told USGADel Oct. 1. The Arab States turned this down. He added that the Lebanese Delegation was approached Oct. 1 by a member of the Polish Delegation speaking for the Soviet bloc with a request that the Arab States shift their votes to the Ukraine in order to preserve: (1) the effectiveness of the UN, and (2) the logical geographic distribution on the SC." (501.BB Summaries/10–147)

the United States position on the UNSCOP report. If the United States could not now "guarantee the Arab position", the Arab States would then feel compelled to respond to these Soviet overtures for the purpose of obtaining Soviet support (six votes), in return for which Arab support (six votes) would be given to the U.S.S.R. on matters of concern to it.

Ambassador Wadsworth said that this was a matter of high importance and would require attention at top levels. Accordingly, before he could take the matter up effectively it seemed essential to have a clear and definite indication of exactly what the Arab States meant by this *démarche*.

At this juncture, Emir Faisal and Shaikh Hafiz Wabha joined the discussion. Dr. Jamali recapitulated. The following are the essential points made and repeated by the Arabs in the ensuing discussion:

1. The Arab delegations have recently received overtures from representatives of the Soviet bloc to discuss the possibility of arranging an agreement for a mutual exchange of support on matters of vital interest to each group. The Arab States had not thus far made favorable response.
2. At the meeting of the Arab delegations last evening, there was considerable feeling that the approach to the Soviet Delegation should be made now. However, Jamali and Emir Faisal were able to prevail against such feeling by urging that the attitude of the United States be first determined.
3. While loathe in any way to link themselves with the U.S.S.R., Palestine is of such vital importance to them that the Arab States are willing to arrange a "voting deal" for Soviet support if it appears that the United States position will not be substantially in accord with that of the Arab world. Such a deal, both Faisal and Jamali insisted, would not, however, mean a permanent orientation.
4. The Arab States must themselves know whether the United States can give assurance that it will not support partition of Palestine and, consequently, the establishment of an independent Jewish state. *To block the latter was the paramount Arab objective.*
5. If no such assurance can be given, the Arab States will, in all probability, decide, regardless of other considerations, to approach the Soviet bloc to seek support for the Arab position on Palestine.

In the event of such a "voting deal", Dr. Jamali and Emir Faisal made clear, in answer to Ambassador Wadsworth's specific enquiry, that the Arab States would go so far even as to support the U.S.S.R. on the Greek question, the Interim Committee, Warmongering, Korea and any other subjects necessary to obtain a Soviet commitment to support the Arab position against the establishment of an independent Jewish state. Sole exception would be continuing Arab support for India's election to the Security Council.

In reply, Mr. Wadsworth assured Emir Faisal and Dr. Jamali that he would report their communication to the United States Delegation. He added that the United States position on the UNSCOP report was now in process of formulation and that he was particularly glad to be able to inform them that, before the United States would state that position in the *Ad Hoc* Committee, its text would be communicated to them in strictest confidence. In its substance, it might not fully answer their question, but it would certainly merit their careful consideration. He felt that they would wish to give it such consideration before deciding "whether or not" they would respond to the Soviet overtures in question.

Both Emir Faisal and Dr. Jamali seemed considerably relieved that they could report in the sense of this reply to their colleagues of all the Arab delegations.

(This memorandum was prepared in draft and then gone over in detail by Ambassador Wadsworth, Harley Notter and myself.—S.K.C.K.[2])

[2] Mr. Notter and Samuel K. C. Kopper were advisers to the United States Delegation at the General Assembly.

501.BB/10–347

Memorandum by Mr. Gordon Knox[1] *to the Acting United States Representative at the United Nations (Johnson)*

TOP SECRET [NEW YORK,] October 3, 1947.

Subject: Palestine Question—meeting in Secretary Marshall's Office, October 3, 1947. Those present were: Ambassador Austin, Ambassador Johnson, Mrs. Roosevelt, General Hilldring, and [Mr.] Dean Rusk, Mr. Bohlen, Mr. Fahy, and Ambassador Alling.[2]

Following a discussion of the present position of the US Delegation regarding Palestine, Secretary Marshall stated:

1. The US Delegation wants to know more about the opinions of members of the UN concerning Palestine, and would also like to have more time for Arab and Jewish representatives to get together in the hope that, however slim the chance might be, they might reach some form of agreement.

2. Therefore, Dr. Evatt, chairman of the Palestine Committee, should be told that the US Delegation is not prepared to speak on this matter at the present time. It hopes that if no other members of the

[1] Adviser on Security Council and General Assembly affairs to the United States Mission at the United Nations.

[2] Mr. Alling had been appointed Ambassador to Pakistan on September 25.

Committee wish to speak, the session might be adjourned until next Thursday.

3. The US position regarding the UNSCOP report is to support the majority plan in principle. The US Delegation is impressed by the fact that this plan was drawn up by a majority of a Committee of the UN composed of members of disinterested states.

4. The US Delegation, however, has certain modifications to propose to the majority report. These modifications are of a pro-Arab nature, concerning *inter-alia* boundary changes and adjustments of the plan for economic union.

At the meeting, the following comments were made and seemed to win general support.

1. In all probability the majority plan does not obtain a two-thirds majority at present. Failure of this plan to gain sufficient votes seems to be particularly probable in the event US declines to help enforce it.

2. Arab resentment against the US will be strong if the US supports either a Jewish Sovereign State, or large-scale immigration.

3. The US is committed historically to the encouragement of Jewish immigration to Palestine. The US, however, is not committed to support the creation of a Sovereign Jewish State.

4. In the event, that the majority plan be not accepted by a two-thirds vote, some form of UN Trusteeship for Palestine might be desirable. The length of time such a trusteeship should be maintained was discussed, but was not determined. Such a trusteeship, however, should allow for Jewish immigration. Whether such immigration should extend throughout all of Palestine, or limited sections, was not determined.

The degree of Arab opposition to the majority plan was discussed but no final conclusion was drawn. It seems to be the general consensus that if the majority plan were accepted by two-thirds of the General Assembly the US should be willing to play its appropriate part in any enforcement of this plan. However, it seemed to be generally agreed that it would be unwise to employ organized US military units for this purpose.

Finally, the US should not attempt to persuade members of the General Assembly to vote for the majority plan.

Secretary Marshall indicated that he was contemplating the issuing of a statement to the press requesting Congress to pass legislation which would allow for increased immigration of displaced persons to the US.

Editorial Note

Ambassador Alling discussed the matters covered in the memorandum of October 3, *supra*, with Charles Malik of the Lebanese Delegation the following day. According to a memorandum of conversation dated October 4, by Ambassador Alling, he stated that "the Arab intentions were no less than a form of blackmail. Dr. Malik reluctantly admitted that this was more or less the case, but that I must understand how vital the Palestine question was to them. I told him that after working on the problem for more than twenty years, I thought I understood their position fully, but that if I considered their present intentions a form of blackmail, how much more so must American officials less familiar with the problem consider it to be blackmail. I asked him what sort of an impression he thought the American people would have when they read in the newspapers that all of the Arab Delegations were voting against American proposals, no matter how right and just such proposals might be. Again, he stated that the American people must realize the importance which the Arabs attached to the Palestine question. I told him I thought it unlikely that the American public would look at the matter in that light. All they would observe was that the Arab countries were opposing our reasonable proposals. I asked him if he thought that such an attitude on the part of the Arab Delegations would further their interests in this country or advance Arab-American relations and the cause of world peace.

"Dr. Malik appeared impressed by the foregoing arguments, and said that he would discuss them at a meeting of the Arab delegates, which was to take place this evening." (IO files: US/A/AC.14/35)

Mr. Henderson brought the matter of the October 3 memorandum "urgently" to Mr. Lovett's attention on October 6. His transmitting memorandum stated in part: "If we choose, we can regard this approach on the part of the Arabs as a species of blackmail. We must, however, remember that the question of Palestine is to them the most important question in their international life and that they consider it their duty to use all means available in order to block the setting up of a Jewish state. They feel that if they reject the overtures of the Soviets, whom they suspect are also negotiating with the Zionists, the Soviets may come out against them. It will be recalled that the Russians last spring, following Gromyko's speech in which he indicated that the Soviet Union might support partition in case the establishment of a

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Federal State would prove impracticable, indicated to the Arabs that their trend towards the Zionists was based on their feeling that the Jews were socially further advanced than the Arabs. This statement was properly interpreted by the Arabs to mean that Arab refusal hitherto to deal with the Russians was the motive which prompted Gromyko's speech. The Arabs now undoubtedly feel that the Soviet Union will turn against them if they continue to refuse to bargain with it. If the Soviet Union should turn against them and if the United States should also be against them, their hope of preventing the establishment of a Jewish state would indeed be small.

Therefore, we cannot consider the Arab approach as a mere species of blackmail. What they are really trying to do is to persuade us to take an attitude which will enable them to reject Soviet overtures." (501.BB Palestine/10–347)

501.BB Summaries/10–747 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

[Extract]

SECRET NEW YORK, October 7, 1947—3 :17 a. m.

947.

. . . . . .

The outline of an Arab States plan for the settlement of the Palestine question was given to USGADel by Malik (Lebanon) on Oct. 6, with the explanation that the Arabs were in the process of elaborating upon it.[1] Basic Arab concepts were listed as (1) Palestine should be a unitary and undivided state with Jerusalem as the capital; (2) the form of government should be republican, democratic and representative; (3) full cultural freedom should be guaranteed to all ethnic groups; (4) there should be safeguards for the religious freedom of Judaism, Christianity and Islam.

Interim arrangements in the outline were: 1) establishment of a provisional government in Palestine upon the termination of the mandate and declaration of its independence; 2) the provisional government would supervise elections for a constituent assembly; 3) upon completion of the constitution, the provisional government would supervise elections for the national assembly; 4) upon the convening

[1] Telegram 913, October 1, from New York, reported that "The Arab States would be willing to meet on common ground to discuss and work out a solution with the Jews if unlimited immigration, partition and the idea of a Jewish state were eliminated, Malik told USGADel on Sept. 30." (501.BB Summaries/10–147)

of the national assembly, the constituent assembly would replace the provisional government.

In reply to a question, Malik said that unsatisfactory experiences in attempts to come to an agreement with the Zionists made him think it would be useless to discuss this plan with the Zionists. However, he saw no objection to a neutral person referring the Arab views to the Zionists in an endeavor to narrow the points of difference and arrive at a tentative solution.

. . . . . .

AUSTIN

501.BB Palestine/10–947

Memorandum by Major General John H. Hilldring to the Secretary of State

TOP SECRET [NEW YORK,] October 9, 1947.

I talked to Mr. Lovett a few minutes ago about the Palestine statement.[1] Mr. Lovett informed me that the President approved the statement and in view of the shortness of time, did not ask for any change in the language. However, the President informed Mr. Lovett that he wanted the United States Delegation to understand clearly

a) That with respect to financial and economic aid to Palestine, it should be understood that the United States would contribute its part only under the auspices of the United Nations and that no direct United States contribution should be looked for; and

b) That we are not going to pick up the present United Kingdom responsibility for the maintenance of law and order in Palestine ourselves, but that any contribution we might make toward the preservation of law and order in Palestine would again be a contribution under our United Nations obligation and as a part of a United Nations police force or constabulary; and

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[1] The proposed statement to be made by Ambassador Johnson; for the substance of the statement actually made by the Ambassador on October 11, see the editorial note, p. 1180. The text was agreed on at the meeting of the U.S. Delegation during the morning of October 9 and was transmitted to the Department in telegram Delga 26 the same day (501 Delga telegrams—1947).

The earliest draft of the proposed statement found by the editors in Department of State files was sent to USUN in telegram 415, September 23, 2 p. m. (501.BB Palestine/9–2347). The telegram was drafted in NE and was signed by Acting Secretary Lovett. There ensued various telephonic and written exchanges, as well as personal conferences, between the Department and the Delegation, culminating in the version transmitted in Delga 26. According to telegram 461, October 9, 4 p. m., to New York, President Truman approved this version (501.BB Palestine/10–947).

Thereafter, according to telegram Gadel 25, October 9, to New York, the Department requested a minor deletion which was agreed to by the Delegation at its morning meeting on October 10 (501 Gadel telegrams—1947). The final version was telegraphed to the Department in Delga 28, October 10, 12:48 p. m. The Department transmitted the text by circular telegram. October 10 [*11?*], 1 a. m., to London, Jerusalem, and the Arab capitals (501.BB Palestine/10–1047).

c) That likewise with respect to any commitment in the use of United States forces these again could only be made available as part of a United Nations force made necessary by any obligation we might have as a member of the United Nations.

Mr. Lovett made the suggestion that he believed the President would be happier if we made it crystal clear in our Palestine statement that our suggestion about a constabulary was intended to mean a contribution to a police force or constabulary organized by or administered by the United Nations to which the United States contributed only its proportionate share.[2]

I will, therefore, between now and 9:15 tomorrow morning, attempt to improve the language of the appropriate paragraph for the consideration of the delegation.

J[OHN] H. H[ILLDRING]

[2] Mr. Lovett conveyed to New York, in telegram 461, October 9, 4 p. m., the gist of the four last paragraphs to this point. The message also expressed his desire "to make it clear that second sentence of para. 9 [of the proposed statement] applies to a local police force and not to organized troop units. Term 'constabulary' might be confused with highly militarized constabulary now employed by U.S. in Germany." (501.BB Palestine/10–947)

501.BB Palestine/10–947

Memorandum by Mr. Robert M. McClintock to the Director of the Office of Special Political Affairs (Rusk)

TOP SECRET [WASHINGTON,] October 9, 1947.

Subject: Palestinian perplexities

When I took your telegram [1] to Mr. Lovett for signature this afternoon he said he had just been on the 'phone with General Hilldring who, he said, "sees eye to eye with us on the constabulary thing".

Mr. Lovett made certain emendations and deletions in the telegram as indicated in the attached copy. The telegram went out at 3:45 and the code room assures us it will be in New York by 4 o'clock.

Mr. Lovett shares our misgivings regarding the sentence in paragraph 9 on the voluntary constabulary. He said on the basis of his talk with General Hilldring that he thought this sentence came from the Secretary himself. However, Mr. Lovett did not cease to be anxious over this sentence and agreed with me that reference to a volunteer constabulary might be taken by the more wild-eyed elements both on the Jewish and Arab sides as an invitation to man and finance small

[1] Telegram 461, which had been drafted by Mr. Rusk; see footnote 2, above.

armies under the guise of police forces in the new Arab and Jewish States.

Mr. Lovett asked if you would communicate with General Hilldring by telephone and express again our doubts on this equivocal sentence.

Since you were engaged in a meeting and General Hilldring I found was in conference at the Hotel Roosevelt with Mr. David Niles,[2] I endeavored to give the gist of Mr. Lovett's comment to Mr. Sandifer.[3] Sandifer said that the Delegation was getting conflicting reports as to the true perspective with which the Department regarded the constabularly clause. On one side (Rusk, McClintock and Co.) the Delegation was being told the Department had grave doubts as to this sentence while on the other side (Hilldring) a completely different picture was developed. Mr. Sandifer said that General Hilldring had reported from his telephone conversation with Mr. Lovett that the President did not object to American participation in the constabulary force provided it were a United Nations force and part of the over-all United Nations program for Palestine.

Mr. Sandifer thought it would be useful if you talked directly to General Hilldring in an attempt to work out these differences in emphasis.

I told Mr. Sandifer irrespective of whatever confusion he might have in mind he should be very certain to believe me when I said that the telegram enroute to New York reporting the President's comments on Delga 26 [4] had been annotated in Mr. Lovett's own hand and represented the Acting Secretary's own account of what was said at the White House this morning.

[2] David K. Niles, administrative assistant to President Truman.
[3] Durward V. Sandifer, Principal Executive Officer of the United States Delegation at the General Assembly.
[4] October 9, not printed; but see footnote 1, p. 1177.

867N.01/10–1147 : Telegram

The Chargé in Syria (Memminger) to the Secretary of State

SECRET DAMASCUS, October 11, 1947—1 p. m.

325. Syrian army units from Homs, Hama, Aleppo as well as Damascus moving slowly orderly to Palestine frontier today. (Reference Legation's telegram 323, October 10 [1]). Visit Damascus area camps this morning revealed loaded convoys and men awaiting march order.

Damascus press predicts early declaration independent Palestine [and] formation Arab Government under presidency Grand Mufti;

[1] Not printed.

claims this decision taken in addition those published League's formal communiqué.

Sent Department as 325, repeated Beirut 14, Baghdad 36, London 17. Department please pass Jerusalem.

MEMMINGER

Editorial Note

In a statement before the *Ad Hoc* Committee on October 11, Ambassador Johnson announced that the United States supported the basic principles of the unanimous recommendations and the majority plan which provided for partition and immigration; for text, see Department of State *Bulletin*, October 19, 1947, page 761.

Mr. Alling had already given copies to the heads of the six Arab Delegations on a strictly confidential basis. The statement had also been released to the press, in confidence, on the afternoon of October 10 (memorandum by Mr. Wilkins of his conversation with Mr. Malik of the Lebanese Delegation, 501.BB Palestine/10–1047).

In a memorandum of October 11, Mr. Knox notified Ambassador Johnson of comments by the British Delegation that his statement "was far from being fully satisfactory." The Delegation was "not too pleased that the United States supported partition although they understood, they said, the American reasons fully. But in supporting a plan which will not have the approval of both sides, the United States should have gone further and indicated how such a plan was to be implemented." The allusion to a constabulary, the British thought, "could not have been thought out carefully by the United States." They indicated that for their part they were not enthusiastic about partition (IO files, US/A/AC.14/72).

S. K. Tsarapkin, in a statement before the *Ad Hoc* Committee on October 13, announced that the Soviet Union supported the partition of Palestine; for the summary record of his statement, see GA (II), *Ad Hoc Committee*, page 69.

In a memorandum of conversation of October 13, Mr. Kopper stated: "Dr. Jamali told me late this evening that the six Arab Delagations had decided a short time before that henceforth they would vote on issues before the Assembly solely on the merits of each case. He stated that the Arab policy of abstaining had come to an end. 'Since the United States is apparently no longer an ally and Russia does not seem to desire to be so, we shall now vote on each matter in accordance with our own interests.' I replied that the United States Delegation felt that each Delegation should determine how it would vote according to its own conscience and on the basis of the merits of each particular

case." (US/A/616, also controlled under US/A/AC.14/75, IO files)

During the general debate in the *Ad Hoc* Committee, proposals were submitted by the representatives of El Salvador, Uruguay, Colombia, Guatemala, the United Kingdom, the Netherlands, Sweden and the United States jointly, the United States individually, Canada, Yugoslavia, Iraq, Syria, Egypt and Lebanon. The texts of these proposals are contained in GA (II), *Ad Hoc Committee*, pages 227–241, *passim*.

The United States draft resolution of October 13 read:

"The *Ad Hoc* Committee on the Palestinian question

"Resolves to establish a sub-committee composed of the representatives of . . . . . for the following purposes:

"1. To draw up a detailed plan for the future government of Palestine in accordance with the basic principles of the unanimous recommendations and the majority plan of the United Nations Special Committee on Palestine;

"2. To incorporate this plan in the form of recommendations;

"3. To transmit these recommendations to the *Ad Hoc* Committee on the Palestinian question not later than 27 October 1947." (*ibid.*, page 227)

Two days later, the Canadian representative submitted an amendment to the United States draft resolution, which read:

"After paragraph 2, add the following paragraphs, numbering them 3 and 4 respectively:

" 'To consider the exercise of administrative responsibility in Palestine during the transitional period, including the possibility of the application of Chapter XII of the Charter;

" 'To consider methods by which recommendations of the *Ad Hoc* Committee on the Palestinian question, under paragraph 1 of this resolution, would be put into effect.'

"Paragraph 3 of the original draft resolution would thus become paragraph 5." (*ibid.*, pages 227, 228)

867N.01/10–1547

Memorandum of Conversation, by the Under Secretary of State (Lovett)

SECRET [WASHINGTON,] October 15, 1947.

Participants: The British Ambassador
Mr. Lovett
Mr. Wailes[1]

The British Ambassador called by appointment at 12 o'clock today and handed me the attached memorandum[2] listing certain points

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[1] Edward T. Wailes, Chief of the Division of British Commonwealth Affairs.

[2] *Infra.*

which Mr. Creech Jones proposed to include in a further statement on Palestine to be made by him in the near future. I asked the Ambassador if a copy of this document had been made available to our delegation in New York, and he replied that he was not sure, but that he would see that this was done.

The Ambassador then said that he had been instructed to make the following oral observations on the subject of Palestine:

1. His Government wondered whether we had given full consideration to the implementation of the proposed majority solution. He then described at some length the severe fighting, and difficulties the British had encountered in the Arab revolt of 1934 or 1935 [3] and said this now led his Government to believe that a volunteer constabulary in Palestine would hardly be sufficient to handle any major Arab disturbances. I replied that this phase of the Palestine problem had been given the most careful consideration by this Department, other interested agencies and top officials of the Government. I inquired whether the Ambassador's comments meant that the British delegation was not going to support the majority plan and the Ambassador replied rather evasively that he was not sufficiently versed in the voting technique at the United Nations to know whether a country directly involved in the problem, such as the United Kingdom was in the Palestine situation, would be expected to vote or not.

2. The Ambassador then inquired whether we had given consideration to the time element involved in the maintenance of peace through the volunteer constabulary. I replied that we likewise had given serious thought to this matter and mentioned that the majority report referred to a two-year transitional period. The Ambassador stated that the serious problem with respect to the Arabs might last for an indefinite period, and I said that we appreciated this fact. The Ambassador stressed the point that serious difficulties with the Arab world would naturally affect British and American interests in the area, the general defense situation, et cetera. I said that we realized the dangers inherent in any plan which was not entirely acceptable to both the Arabs and the Jews, as well as the dangers which would exist if we did nothing. I pointed out that his Government had played a prominent part in proposing a committee of inquiry and that the majority plan was the result thereof.

3. The Ambassador stated that his Government wondered whether we had considered the question of the viability of the Jewish state from the standpoint of defense and of the Arab state from the economic point of view. I replied that we had also given these matters careful consideration.

[3] The Arab revolt began in 1936.

4. The Ambassador said that he had been greatly surprised at the position taken by the Soviet Government with respect to the majority report. He frankly failed to see what they would gain by it. In fact assuming that their desire was to stir up trouble, it would seem that it would be better if they were to back up the Arabs as the Arabs had felt they were going to do. I said that we, too, were mystified as to the reasons for the Soviet position.

[Here follows the final paragraph dealing with a matter other than Palestine.]

L[OVETT]

[Annex]

SECRET [WASHINGTON, undated.]

PALESTINE

Mr. Creech Jones will make a further statement on Palestine at Lake Success shortly [1] in which the following points, amongst others, will be made.

Paragraph 7 of the United States statement on Palestine [2] seems to imply that His Majesty's Government have the responsibility for the administration of Palestine until some alternative regime is set up in pursuance of an Assembly recommendation. His Majesty's Government do not share this view. They do not think that even in the days of the League of Nations a mandatory power could have been compelled indefinitely to continue administering a mandate against its will, or that it could have been prevented from resigning the mandate upon giving adequate notice of its desire to be free. Since the dissolution of the League it has been very doubtful how far the mandates system retains any obligatory force and His Majesty's Government do not think that they can be regarded as continuing to administer except on a voluntary basis. What they have said is that in certain circumstances they will not continue to administer it any longer.

As there seems to be some confusion on this last point and as it does not seem to be realised that His Majesty's Government are determined in certain circumstances to withdraw their administration as well as their forces, Mr. Creech Jones will underline the points made in his earlier statement. There is only one hypothesis on which His Majesty's Government will continue to administer Palestine, namely that the Jews and Arabs agree. In this case His Majesty's Government will be ready to stay for a limited transitional period in order to help them

[1] For the summary record of the statement made by Mr. Creech Jones before the *Ad Hoc* Committee on October 16, see GA (II), *Ad Hoc Committee*, pp. 96–98.

[2] Ambassador Johnson's statement of October 11; see editorial note, p. 1180.

put the agreement into effect. If the Assembly fail to agree on a recommendation, or if they recommend a solution which is not acceptable to both the Arabs and the Jews, His Majesty's Government will not feel bound to continue to bear responsibility for administering Palestine until a settlement is implemented and they will proceed to plan the withdrawal both of the British administration and of the British forces.

If the Assembly recommend international enforcement of a settlement which is not agreed by the Arabs and the Jews, His Majesty's Government will consider whether the settlement is sufficiently just and sufficiently easy to enforce to justify their participation in such international administration and such international forces as may be appointed to put it into effect. The extent of their administrative or military participation would naturally have to be decided in the light of circumstances and His Majesty's Government would not in any case have the responsibility for the administration. The existence of a United Nations volunteer police force would not make any difference to their determination to give up responsibility for the administration.

It is thus most important from the point of view of His Majesty's Government that the Assembly should not vote on the nature of a settlement for Palestine independently of measures to implement it.

867N.01/10–1547 : Telegram

The Chargé in Saudi Arabia (Bailey) to the Secretary of State

CONFIDENTIAL JIDDA, October 15, 1947—9 a. m.

URGENT

431. ReDeptel 312, October 13.[1] Interruption courier service due cholera Egypt precluded sending text following note : [2]

"The excitement and agitation taking place all over the Arab world because of the recommendations made by International Investigation Committee Delegates by [*of?*] UN to inquire into the Palestine situation is well known to the US Government. These recommendations are, as is known to American Government, inconsistent with Arab rights and are demolishing them as well as being the death blow to hopes of SAG which had anticipated right and justice would be maintained.

His Majesty's Government on several occasions frankly and clearly invited attention to the agitation and excitement expected to take place all over Arab world and Middle East if pure rights of Arabs in Palestine are injured and denied.

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[1] Not printed.

[2] The note was dated September 27.

SAG relied too heavily on diplomats and their foresight, not realizing they would take a step which would be cause for bloodshed and insurrection in Palestine as [in] all neighboring Arab countries, a revelation which nobody but God could know its termination.

On this occasion SAG requests the responsible people in American Government to take into consideration what has been stated by His Majesty's Government several times and its advice that no support be given Zionists who will be a menace to Middle East and humanity based on crimes committed and which will be perpetrated. His Majesty's Government believes that the continuance of such a policy will be a strong factor in starting a third world war which will burn humanity and will doubtless annihilate all that lives.

Therefore and on basis of what has been previously communicated by SAG it sends this anxious protest to what will be decided against Arab interests in Palestine. It at same time requests US Government to review Palestine question in light of justice and right end that this question will receive reasonable and equitable judgment."

BAILEY

501.BB Palestine/10–1647

Memorandum by Mr. Durward V. Sandifer to the Acting United States Representative at the United Nations (Johnson) [1]

SECRET [NEW YORK,] October 16, 1947.

Mr. Rusk called on the telephone to pass on informally to me certain observations concerning developments or reported developments on the Palestine question.

1. There had been a report in the Department that some consideration had been given here to the possibility of a joint resolution with an Eastern European state. Mr. Rusk said that the sentiment in the Department would be strongly against such action. I told him that I knew of no suggestion or thought of such joint action with an Eastern European state.

2. Mr. Rusk stressed the necessity of maintaining a broad approach to the question of implementation and the nature and organization of the interim administration to be set up in Palestine. Some people in the Department had been disturbed at what appeared to them to be the tendency here to go into the details of the organization of the constabulary, of economic planning, of the administrative framework of the government, et cetera. The present thinking in the Department, at least at the lower levels, was that the General Assembly should limit itself to recommendations in broad terms to the mandatory power. Attention should be directed to the broadest aspects of political and geographical questions.

As to the nature of the interim administration, the questions of the administrative framework of government, of the organization of

[1] Addressed also to General Hilldring.

courts of law, of the organization of a constabulary, the United Kingdom as the present administering authority was the best source for detailed plans and recommendations. The Department is not in a position to turn out a blue-print of the constabulary. We cannot let the assumption arise that the question of Palestine has become solely a United Nations responsibility through the British having referred it to the General Assembly for recommendations.

I told Mr. Rusk that I was quite sure that it would be impossible for the Representative of the United States on the proposed Subcommittee of the Palestine Committee to maintain any such a narrow view of the role of the Assembly in making recommendations. What he suggested represented a responsibility for the British which they showed no indication of a willingness to shoulder. I said that I thought that if thinking in the Department was running along such lines, the Delegation should have a written directive as to the main lines of approach to be taken in working out the question of implementation. We had put the stamp of our endorsement on the proposition for partition, and we would be in a completely untenable position if we refused to come forward with help and assistance in working out the details of plans for the establishment of an interim authority and for the working out of plans for the forces necessary to enable such an authority to perform its responsibilities.

Mr. Rusk said that he merely wanted to pass on to us some of their thinking for the purpose principally of stressing the need of not accepting without reservation the British effort to transfer the whole responsibility for the Palestine question to the United Nations.

These remarks should not be taken as reflecting any position on the part of the Department. We may hear from the Department further in a few days concerning some of the questions mentioned.

I told Mr. Rusk that our understanding was that Mr. Evatt intended to bring our resolution on basic principles to a vote on Monday, and if that were approved, to proceed to a vote on the establishment of a subcommittee. The questions which he raised would have to be met in the subcommittee.

Records of USUN

Memorandum by Mr. M. Gordon Knox to the Acting United States Representative at the United Nations (Johnson)

[NEW YORK,] October 18, 1947.

This clipping [1] is not important by itself but I think it may be important as the first of public expression of doubt concerning the

[1] An article by the Washington correspondent of *PM*, a newspaper in New York City, dated October 19; see footnote 3, p. 1199.

sincerity of the American position regarding Palestine. This particular article can be ignored, but I suspect that the US Delegation will have to reply to accusations that we don't really want partition.

In this connection, I notice what may be a difference of opinion or difference in emphasis which seems to exist between the US Delegation and the State Department. I wonder whether it would not be helpful to have Mr. Rusk come to New York, so that we can understand completely the Department's viewpoint. In addition to the question of US Delegation tactics, this [*that?*] is, lobbying, mentioned above there are important specific questions which may need to be answered next week:

1. The US position regarding implementation.
2. The US position regarding the British responsibility for Palestine.
3. What specific suggestions the US might have regarding economic union between the proposed Jewish and Arab states.
4. Details concerning the future government of Palestine.
5. Specific boundary changes.
6. American attitude regarding the various resolutions which have been submitted to the UN Palestine Committee.

The Delegation's attitude on many of these questions has been or is being formulated, but the Delegation is not receiving the detailed views of the Department on some of these questions and the reason is, I suspect, that the Department is so anxious that the US should not replace the British as the power most directly responsible for solving the Palestine question, that it does not wish the US to adopt clear cut attitudes regarding some of these questions as clear cut attitudes might lead to responsibility for implementation.

501.BB Palestine/10–1947 : Telegram

The Consul General at Jerusalem (Macatee) to the Secretary of State

SECRET JERUSALEM, October 19, 1947—10 a. m.

455. While Arab and Jewish reactions to Johnson speech have been obvious, following details may be of interest:

1. Jewish Agency security chief in talk with officer of ConGen stated US introduction of resolution for acceptance majority report even more heartening to Jews than Johnson statement as this indication of US intention to back words with action.

2. Jewish press at moment follows same line though publicity is given to despatch of *Palestine Post* New York correspondent that "many observers feel real tests of American intention will be shown by amount of pressure on Britain to fall in with majority".

3. Arab bitterness at Americans is apparent on all sides. Press throws out daily challenges to US rather than to UN. As indication of feeling it may be noted that not one Arab organization or newspaper has expressed any regret at bombing of ConGen.[1] There has been no editorial mention of incident in Arab press, a pro-American Arab friend says incapable of believing as mind refuses register what words of statement say and this believed attitude of all Arab friends.

4. Reaction British varied. While police consider statement harmful British position here and increases urgency British withdrawal, high official of civil govt thinks American position sound because offers basis for solution. Considers some kind of solution imperative, preferring imperfections to no solution at all. Does not see "period of anarchy" mentioned in press inevitable if UN will appoint small international commission take over govt for interim period utilizing governmental machinery which British would leave behind and presumably employing such British administrators as might wish remain in such an organization. Confirms great fear now prevalent in Yishuv and considers Arab world profoundly shocked by realization no western power champions their clear-cut and unassailable cause.

MACATEE

[1] Telegram 440, October 13, 1 p. m., from Jerusalem, reported that the U.S. Consulate General in that city was bombed at 12:15 p. m., October 13 (125.491/10-1347).

501.BB/10-2947

Memorandum by Mr. Robert M. McClintock to the Under Secretary of State (Lovett)[1]

SECRET [WASHINGTON,] October 20, 1947.

Following a brief visit to the Delegation in New York City and conversations at Lake Success with various Delegates and newspapermen, the conviction grows on me that we must take a more decisive line with regard to Palestine.

I have in a previous memorandum [2] outlined the reasons why I think that, irrespective of parliamentary dialectics, the British are bound and determined to pull out of Palestine. It is true that last Spring they

[1] Addressed also to Mr. Henderson.

[2] To Mr. Rusk, dated October 16; it set forth three alternative policies, in view of "the fixed British determination to wash its hands of Palestine", namely a United Nations trusteeship; a "Trieste-type of Government designed to fulfill the obligations of the temporary administering authority until such time as the Jewish and Arab States are established", i.e., centering on a Governor with wide powers, appointed by and answerable to the General Assembly; and a "recommendation by the Assembly that the transitional arrangements of the Majority Plan be telescoped and that the Arab and Jewish States be constituted *de jure* immediately." (501.BB/10-2947)

requested the General Assembly to advise *them* as to the the future government of that country and that now they have changed the emphasis by saying that they are not willing to be responsible for the government of Palestine except in carrying out a solution acceptable both to the Arabs and to the Jews, which is the same thing as saying that if someone can square the circle or find the fifth dimension they are willing to stand by a little longer. I think in view of the fixed British intention to withdraw from Palestine, which has been reflected in a Cabinet decision which in turn reflects an overwhelming popular opinion in the UK, that for us to debate parliamentary points and suggest that a new resolution be placed before the Assembly which would change the emphasis from advising the British on the Government of Palestine to proposing outright a scheme of government for that country would involve us in tedious debate and arrive at no more advantageous result than to illustrate further the complexity of the Palestine problem.

Last Saturday in conversation with Dr. Evatt, he three times referred to the "American Plan" favoring the majority report of the Special Committee on Palestine. My demurrer that this was not an "American Plan" and that the joint Swedish-American resolution had been introduced merely as a convenience to the Committee and at his own suggestion in no way altered the Australian Foreign Minister's view that the U.S. was the exponent of an "American Plan" for Palestine the essentials of which were partition into a Jewish and an Arab State.

Dr. Evatt suggested that the best line of approach would be to appoint a subcommittee to work out details of the majority report before testing the sentiment in full committee as to whether or not the majority report should be favored in principle. Dr. Evatt thought that this would avoid double debate.

I think that the procedure suggested by the Chairman is most unwise. Unless the principle of partition is accepted in first instance it will be fruitless to elaborate the details of a solution along the lines of the majority report. At the same time it was apparent to me at Lake Success that the Arabs are increasingly confident that even if the *ad hoc* committee on Palestine accepted the Majority Report as the basis of its recommendations they could muster sufficient voting strength to defeat a detailed plan for the partition of Palestine at the Plenary Session.

[Here follow two paragraphs setting forth Mr. McClintock's observations concerning various delegations at the United Nations.]

As the facts of the situation exist (which is not the same as saying what the facts ought to be) these conclusions are evident:

1. There is an "American Plan" favoring the partition of Palestine.
2. The "American Plan" can possibly obtain a majority vote in the Palestine Committee but it will fail of receiving a two-thirds majority vote at the Plenary unless a more active line is taken by the U.S. Delegation.
3. If the Partition Plan fails of acceptance at this assembly we shall be involved in a most unpleasant mess.

[Here follows a paragraph of further observations by Mr. McClintock.]

It may be urged that failure of the Assembly to accept the partition scheme by a two-thirds majority would leave the case open for solution by our "switch position" or by some form of compromise more or less along the lines laid down in the minority report of the special Palestine Committee. I think, however, that in view of certain Jewish pressure which may be exerted on many delegations if the partition scheme is not accepted, and in light of the fact that both the U.S. and the U.S.S.R. have come out in favor of the partition plan, there is no possibility whatever that such a compromise scheme would receive the necessary two-thirds vote of the Assembly.

In light of these conclusions it seems to me that we have only one course: firmly to support the majority plan for partition of Palestine and to see that it is passed at this Assembly.

This firm course should be modified and mollified not only by the territorial adjustments which we will propose as amendments to the majority plan but also by a constructive effort to help the Arabs. I was impressed, in talking with Ambassador George Wadsworth, by his remark that the Greater Syria scheme [3] would be a successful antidote to the discomfort of the Arabs in a partitioned Palestine, if Abdullah of Trans-Jordan were not to benefit thereby and if in consequence Greater Syria were a Republic with its capital at Damascus. Such an enlarged Syria would, in the Ambassador's opinion, be able to absorb the Arabs of Palestine and leave a Jewish State in the Holy Land whose lineaments on the map look less like a crazy quilt than does the map of the majority report. As a second suggestion Ambassador Wadsworth said that, if the Iraq irrigation project ever materialized, land could be offered to the Palestine Arabs infinitely richer and more attractive than the stony hills of Judea on which they now scrabble for existence.

I asked the Ambassador if he would formulate his views in a draft statement which might be used, if not in open debate, at least in private during high level conversations with Delegations in New York.

I think also, in the direction of modifying the rigor of the majority report so far as the Arabs are concerned, a close look should be taken

[3] For documentation on this subject, see pp. 738 ff.

at the workability of the proposed economic union of the Arab and Jewish States. Last week I requested Mr. Mattison [4] to ask the economic side of the Department to give us a critique of this section of the majority plan. In New York I heard considerable talk to the effect that the Jews did not like the economic union idea and that the Arabs thought it unworkable. If neither side wants economic union there might be some possibility of improving this aspect of the report by developing economic plans which would be more effective in the long run in providing both new states with livelihood.

I cannot refrain, on concluding this unconscionably long memorandum, from repeating what to me seems to be the only practicable solution which can be reached at the present time.

The British have said in effect they will withdraw from Palestine as quickly as possible. I am told by a very experienced foreign correspondent who travelled with UNSCOP on its wanderings in the Holy Land and in Europe that the British can get between 60,000 and 70,000 troops out of Palestine within six months but that totally to evacuate their present forces and civil service personnel will require at least a year. If this is true it would seem to me that if the Assembly recommended that the Jewish and Arab States be constituted as of July 1, 1948 the British would perforce have to be the administering authority during this much shortened transitional period.

As a sop to the Arabs I would propose that there be no Jewish immigration into Palestine in the interim period. After all, the Jews have been waiting 2000 years to get back to Palestine and they certainly can wait eight months before resumption of immigration on a controlled but increased scale.

As for the security aspects of such a solution, I have the feeling that there will result an uneasy but nevertheless actual balance of power as between the Jewish and Arab States. Mr. Nat Barrows of the *Chicago Daily News*, whose judgment I value, tells me that the present Palestinian Constabulary consists of 25,000 excellent troops divided as to origin between the Arab and Jewish races. It seems to me that this body could be allocated on a racial basis to the two new States and could almost automatically form Jewish and Arab Constabularies under separate commands. This would relieve us of the potential embarrassment which our constabulary suggestion still involves. I am told that in the Jewish State the Jewish Settlement Police are an able outfit, that the Commandos of the Irgun and Stern Organizations are exceedingly tough and well trained and that, in sum, the Jewish military strength is considerable. Opposing this strength it would seem that the Arabs also can muster forces which would make up in

[4] Gordon H. Mattison, Assistant Chief of the Division of Near Eastern Affairs.

fanaticism and courage what they might lack in training in modern warfare.

If the numbers of the present constabulary were reinforced by these elements of military strength in the two separate states and then, if from outside, pressure were brought on both states to keep the peace, the balance of power I visualize might well result. By outside pressure I contemplate not only remonstrance by the United Nations either by the Assembly, the Interim Committee, or the Security Council, but also immediate and affirmative action by the U.S. Government to prevent our own Jews from sending additional supplies of war to their brethren in the new Jewish State. Assurance to the Arab Governments that we would take such action on condition the Arabs for their part keep the peace would, it seems to me, have effect.

The foregoing suggestion is submitted in full realization of the fact that there is no solution for the Palestine problem which will please both the parties at issue or which will, at least in the immediate future, make it possible for the Holy Land to live up to its name.

501.BB Palestine/10–2147

Memorandum by Ambassador George Wadsworth to the Acting United States Representative at the United Nations (Johnson)

TOP SECRET [NEW YORK,] October 21, 1947.

Subject: Palestine: Important Arab *Démarche* Envisaging Possibility of Compromise Settlement.

1. Mr. Beeley, Palestine expert of the British delegation, phoned me this morning to ask that I make an appointment with him alone to enable him to discuss a matter of importance. We arranged to lunch together.

2. At lunch he began by saying that he had been charged by Nuri Pasha, head of the Iraqi delegation, with communicating through me to General Marshall the following important facts and suggestions relative to the possibility of Arab-American agreement on Palestine settlement:

Some ten days ago Nuri Pasha had approached Emir Faisal with his long-rumored proposal as to how the Arab States might contribute to the finding of "a plan of Palestine settlement-by-agreement".

Their discussion dealt in fundamental fashion with both substance and procedure. Both were important to Nuri's proposal. As to substance, it was based on what has been referred to as "cantonal settlement." As to procedure, its *sine qua non* was Arab-American agreement at highest level.

Nuri had persuaded Faisal that only King Ibn Saud: *a*) Possessed sufficient influence in the Arab World to induce the Palestine Arabs, under the leadership of the Mufti, to modify their present position; and *b*) Was in a position to conduct profitable negotiations in the matter with the United States Government.

Faisal was impressed by Nuri's arguments and submitted the proposal to his father. Ibn Saud concurred, on condition that it and his intervention have the full, unequivocal support of all the Arab delegations and their firm commitment to abide by any agreement he might conclude.

With this reply in hand, Faisal and Nuri met with the heads of the other Arab delegations. The only other person present was Dr. Jamali, Iraqi Foreign Minister, in his capacity as co-head of the Iraqi delegation. No other Arab delegates have been taken into their confidence.

The unanimous consensus of the meeting was that the King's conditions should be accepted and that Faisal and Nuri should lay the matter before General Marshall provided it could be ascertained in advance that he would wish to receive them. On this point Faisal recalled that, at the end of his last discussion with General Marshall on October 9,[1] the Secretary had expressed a ready willingness to discuss at a later meeting any matters of importance to American-Saudi relations.

The present proposal was deemed to be such a matter. It was that, after preliminary discussion here with General Marshall, the American Government should charge its Minister at Jidda, Mr. Childs, with receiving King Ibn Saud's personal assurances in the matter and with discussing it in detail with him.

3. Beeley then explained that this Arab *démarche* appeared to be based on the premise, with which he agreed, that no compromise Palestine settlement-by-agreement was possible by direct negotiation between Palestine Arabs and Palestine Jews but that, if such settlement could be reached between the Arab and American governments, they in turn could bring the two peoples to accept it.

Partition, they argued, was only a suggested solution-*in-extremis* which the Arab peoples would in honor bound be forced to resist. There were other possible solutions. "Cantonization" was one of these. It was in line with the findings of the 1946 Anglo-American Commission of Enquiry and with the ensuing Morrison–Grady discussions. It might not be too late for the American and Arab governments to consider it in the light of present circumstances.

4. In conclusion, Beeley explained why Nuri had preferred to charge him with this communication, rather than to make it directly to me. The reason was that, should General Marshall feel that the American

[1] Memorandum of conversation, October 9, not printed.

Government was so firmly committed to Partition as to preclude its discussing any other solution, it might be better were his *démarche* to be permitted to "die" as a subject of conversation between us (Beeley and myself) rather than that it should have been raised as a formal question between the Arab and American delegations.

If, on the other hand, General Marshall should wish the matter pursued, it would, of course, be entirely appropriate for me or Mr. Alling to approach Nuri and Faisal directly with a view to obtaining their direct confirmation and, he personally hoped, to arranging the suggested meeting.

Should the meeting be arranged, Beeley believed that Nuri and Faisal would wish to be accompanied respectively by Dr. Jamali and Saudi Minister Ali Reza (as interpreter).

5. Let me add the following personal comment touching on the background of this *démarche*:

Nuri has long been known to us who have worked in the Near East as an exponent of a "moderate" compromise solution. As long ago as 1937, to my personal knowledge, he had discussions in this sense with Dr. Magnes, the then Anglican Bishop in Jerusalem, and others.

Further, in Nuri's last conversation with me in Baghdad (early last July before he left Iraq to accompany the Prince Regent on a visit to London) he gave me clearly to understand that at some appropriate moment he hoped to review his efforts for compromise solution.

Later, in August, reports were rife in the Arab capitals, that Nuri (who is the main pillar of strength of the Hashimite dynasty and of the British position in Iraq) had discussed his "plan" when in London and had obtained informal British approval.

Finally, since the opening of this General Assembly, we have had several indications that some such *démarche* as this might in due course be made to us.

Consequently, I venture to suggest that this present *démarche* is not one induced solely by recent developments in the *Ad Hoc* Committee on Palestine but may well be the culmination of Nuri's known long interest in the problem.

It is significant, too, that it is advanced jointly by highest Hashimite and Saudi representatives whose long-standing rivalries in the Arab World have been exacerbated of late months by Hashimite pretensions in the Greater Syria matter. Only vital common interest could so soon have brought them to this common *démarche*.

GEORGE WADSWORTH

Editorial Note

At its meeting on October 21, the *Ad Hoc* Committee adopted resolutions calling for appointment of three subcommittees, one the Sub-

committee on conciliation to find common ground by the Jewish Agency and the Arab Higher Committee on the future of Palestine; one to draw up a detailed plan based on the majority proposals of UNSCOP, as called for in the draft United States resolution and the Canadian amendment; and one to draw up a detailed plan for the recognition of Palestine as an independent unitary state as proposed by Saudi Arabia and Iraq (agenda item 3) and endorsed in a draft resolution proposed by Syria. The latter two subcommittees became designated as Subcommittee 1 and Subcommittee 2, respectively. For the official record of the meeting on October 21, see GA (II), *Ad Hoc Committee*, pages 126–137.

501.BB/10–2947

Memorandum by the Director of the Office of Near Eastern and African Affairs (Henderson) to the Under Secretary of State (Lovett)[1]

SECRET [WASHINGTON,] October 22, 1947.

NEA has been asked to comment on the attached memorandum to you from Mr. McClintock of SPA.[2]

In this memorandum the position is taken that the U.S. has but one course, which is to give full support to the partition plan for Palestine and see that it is passed at this Assembly. On the other hand, it is stated that the only practicable solution which can obtain a decision at this Assembly is to have the British administer Palestine until July 1, 1948, on which date the Jewish and Arab States would be constituted *de jure*, and that although trouble would ensue it might by various means be kept within bounds.

The first suggestion would have us not only support partition, which is what we are doing and presumably will continue to do, but also carry the banner for partition.

NEA is convinced that none of the palliative arrangements suggested in the detailed portion of the memorandum under consideration would have the least effect on the Arab attitude. If we carry the flag we shall inescapably be saddled with the major if not sole responsibility for administration and enforcement which, we gather, neither the Congress nor the American people are willing to undertake. NEA and, it is believed, important Departments of the Government are unwilling and unprepared to accept the losses to the U.S. position in the Middle East which would be bound to follow an aggressive partition policy.

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[1] Sent through Carlisle H. Humelsine, Director of the Executive Secretariat in the Office of the Secretary of State.

[2] Dated October 20, p. 1188.

We are also convinced that the alternative suggestion is impracticable. The British will not carry on an interim administration of Palestine leading to partition. An unenforced partition would lead to outside intervention from the Arab States, the Soviet Union and, eventually, ourselves, in one form or another. A complete stoppage of immigration until next July would be impossible. An all-Jewish constabulary in a Jewish state containing nearly as many Arabs as Jews would be difficult to justify.

On the assumption that we are going to follow our present policy of supporting partition without waving the flag, we agree that partition will probably fail of a two-thirds vote. Our people in New York feel that time is working against partition as more and more of the delegates come to appreciate the difficulties. However, if partition fails, we do not see that the U.S. or any other country which has supported it would be inhibited from retreating to some compromise plan which would receive a two-thirds vote.

If worse came to worst and United Nations could not vote out any definitive solution, it would be in order to propose a temporary trusteeship with fairly substantial immigration, ending in a plebiscite in Palestine.[3]

L[OY] W. H[ENDERSON]

501.BB Palestine/10–2247

Memorandum of Conversation, by the Director of the Office of Near Eastern and African Affairs (Henderson)

CONFIDENTIAL [WASHINGTON,] October 22, 1947.

Participants: Mr. Shertok, Jewish Agency
Mr. Epstein, Jewish Agency
Mr. Henderson, NEA
Mr. Mattison, NE

Mr. Shertok opened the conversation by expressing gratitude for the United States position in supporting the majority report of UNSCOP.

[3] The McClintock and Henderson memoranda were sent to the Assistant Secretary of State for Political Affairs (Armour) on October 24 by the Deputy Director of the Executive Secretariat (Reams). Mr. Armour, in a memorandum of October 29 to Messrs. Humelsine and Reams stated: "I agree with the position taken in Mr. Henderson's memorandum that none of the palliative arrangements suggested in SPA's memorandum would have any effect on the Arab attitude.

"I feel that our policy should be to continue our present position which, as I understand it, is to support partition but not to attempt to influence the attitude of the other delegations; in other words, not to carry on a crusade or to assume active leadership for partition as Mr. McClintock's memorandum would clearly have us do.

"I see no reason to bother Mr. Lovett with this matter unless Mr. McClintock particularly desires to have his views brought to the Under Secretary's attention." (501.BB/10–2947)

He stated that he had come down to Washington to maintain his contacts with the Department of State. He wanted us to know that it had been decided that Mr. Epstein would return to Washington from New York. I assured him that we were always glad to see Mr. Epstein.

Mr. Shertok asked whether it would be possible to elaborate further on the United States proposal with regard to a U.N. Constabulary. I informed Mr. Shertok that this had been put forward by our delegation as a suggestion, not as a detailed plan, and that in our opinion this was a matter which could most properly be elaborated within the U.N. Sub-committee.

Mr. Shertok advanced as his tentative thinking, and not that of the Jewish Agency, that the U.N. force would probably be only a token force with the moral authority of the U.N. behind it, and that the actual police force be recruited and maintained by the separate states. He felt that the Jewish State would be able to handle this but might need equipment from outside sources.

Next Mr. Epstein mentioned that they were considerably disturbed by rumors that were prevalent that would-be immigrants to Palestine embarking from Rumanian ports were, in fact, communist agents. I informed Mr. Epstein that we too had heard such rumors, but were not inclined to place too great credence in them.

When Mr. Shertok admitted that endeavors were being made to introduce large numbers of Rumanian Jews and Jews fleeing from the Soviet Union into Palestine I expressed concern lest the emphasis on aiding these Jews to get to Palestine might interfere with plans for the relief of Jewish DP's in Germany. I said that the Jewish Agency had been apparently so deeply interested in the fate of these Jewish refugees in Germany that I was surprised to see the efforts of the Agency directed towards Jews from Rumania, Bulgaria, Russia, etc. Mr. Shertok replied rather warmly that the Jews from the Black Sea area were also displaced persons fleeing from hunger, other hardships and from Soviet domination. I said that what Mr. Shertok said with regard to the Jews of the Black Sea areas might apply with equal force to most of the inhabitants of that area. We were sorry for all these peoples but we had a special responsibility for the DP's in Germany and would regret it if Palestine would be filled up with Black Sea Jews before the DP's in Germany were given an opportunity to go there. Mr. Shertok said that the Agency could not be unsympathetic to any unhappy Jews anxious and ready to go to Palestine.

Mr. Shertok then stated that he understood that Abdullah of Transjordan was renewing efforts to obtain United States recognition.[1] The Jewish Agency saw no objection to such recognition, but hoped that if

[1] For information on the attitude of the United States toward recognition of Transjordan, see *Foreign Relations*, 1946, vol. VII, p. 798.

it were done that we would make clear that we did not expect Abdullah to use his troops against Palestine. I thanked Mr. Shertok for his expression of views and stated that they would be given full consideration.

Mr. Shertok then said that the last point which he wished to take up was the fact that there seemed to be considerable uncertainty among certain Latin American States as to which way they would vote on the UNSCOP report. The Arab Delegations seemed to be creating the impression that the United States had not really meant what it had said in supporting the majority report. Would it not be possible for the United States Delegation to correct this impression with certain South American countries, and state that we would consider it a friendly act to follow our lead and vote for the majority report?

I informed Mr. Shertok that we were extremely anxious that any solution of the Palestine problem be a United Nations solution, and that we not give the impression that it was an "American solution". The advantages to all parties concerned were readily apparent. Any attempt by the American Delegation to "corral" votes for the majority plan by "armtwisting" tactics would inevitably lead to the impression that that plan was an American plan. If any Latin American delegation had doubts about the American position it was free to approach our delegation. They would undoubtedly receive assurance of our sincerity in supporting the position outlined by Mr. Johnson.

L[OY] W. H[ENDERSON]

501.BB Palestine/10–2347

Memorandum by the Secretary of State to the Acting United States Representative at the United Nations (Johnson)[1]

SECRET NEW YORK, October 22, 1947.

AMBASSADOR JOHNSON: General Hilldring went over the Palestine occurrences of yesterday and stated that he felt that we had to make an early decision as to whether or not we would avoid any direct leadership in lining up votes or not. He explained that the first issue of a vote on principle as to whether or not there should be partition had been in effect tabled for the time being because of the stand of the Chairman, Dr. Evatt, and the resulting vote.[2]

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[1] Copies of this paper were distributed on October 23 to advisers and executive officers in New York. A copy has also been found in IO files, but there is no indication as to when it was received in the Department of State.

[2] Possibly a reference to the proposals by Dr. Evatt on October 21 to appoint various subcommittees and to the voting that took place the following day. For the official record of the meetings of October 21 and 22, see GA (II), *Ad Hoc Committee*, pp. 126–143.

I authorized him with regard to the next issue—that of amendments to the majority plan on partition and manner of implementation—to line up the vote to support the American proposals.[3]

G[EORGE] C. M[ARSHALL]

[3] In a letter of October 25, Fraser Wilkins, Adviser to the United States Delegation, informed Mr. Mattison that he had spoken to General Hilldring about the Secretary's memorandum and had been authorized to communicate with Mr. Mattison about the matter. He described an article appearing in the newspaper *PM* on October 18 [*19*] to the effect that although the United States was supporting partition officially, it was privately informing other delegations it did not mean what it had said. He added that an article along somewhat similar lines had appeared in *The New York Times* of October 20.

Mr. Wilkins noted that "All of us" vigorously denied this contention. He concluded his letter with the observation that the articles had "nevertheless 'raised a ghost' and it has been observed by many persons attending the UN that we did not appear to be 'lobbying' for our Palestine position as we are believed to have done in the Greek case and other important issues before the UN.

"Many members of the U.S. Delegation believe that the position of the United States in world affairs automatically places upon it a major role in the UN, and that unless we actively support positions which we had taken in the UN, we, in that sense, evade our responsibility. It may be recalled that the Secretary has consistently stated that the United States desired strongly to support the UN.

"It is my belief that it was these general thoughts which the Secretary had in mind in sending his memorandum to Ambassador Johnson. I interpret the Secretary's recent memorandum to Ambassador Johnson regarding Palestine as being in accord with this basic policy and as authorizing a course which will give testimony of our sincerity. I do not interpret it as indicating that we should 'browbeat' the representatives of other countries at the UN into our point of view.

"Active support of our stated Palestine policy logically follows and is in line with the forthright backing which the United States desires to give to issues which it supports in the UN. If we follow any other course, we might be open to charges of insincerity and duplicity. On the other hand, if we and other nations of like opinion are defeated on such issues, we accept the judgment of the UN, and proceed to consider other means by which a particular question may be resolved." (501.BB Palestine/10–2547)

890B.00/9–2347 : Telegram

The Acting Secretary of State to the Embassy in Iraq

CONFIDENTIAL WASHINGTON, October 22, 1947—6 p. m.

399. In response Iraqi note quoted Embtel 414 Sept 23 [1] following reply should be sent FonOff:

"Embassy of US presents its compliments to Ministry Foreign Affairs Iraq and has honor acknowledge receipt Ministry's note Sept 22, in which attention US Govt is drawn to certain resolutions approved by Political Committee Arab League Sept 19 re problem of Palestine.

In reply Embassy is instructed state that Govt US cannot accept allegation of responsibility which Iraqi Govt places upon it 'for any

[1] Not printed; the note was dated September 22. For information on notes received from various Arab states on the Palestine question, see editorial note, p. 1158.

events which may develop should any decision be taken tending to prejudice right of Palestine become independent Arab State.' The Iraqi Govt must be aware that whatever recommendation may be made by GAUN affecting Palestine will be collective responsibility that organization, reflecting world opinion, and not responsibility of any individual nation. Any other interpretation of UN action would, in opinion US Govt, be contrary to spirit of Charter. It would likewise be contrary to fact, as US Govt has sought to impose no unilateral solution Palestine problem but has advocated finding by UN of fair and just solution which would command support of world opinion.

Embassy is instructed further to state that Govt US considers as entirely unfounded implication that it has provided material or given moral support or encouragement to any organization or body providing assistance to organizations engaged in terrorist operations in Palestine. The attitude of this Govt is reflected in the statement made by President on June 5 in which he declared his opposition to any and all activities in support terrorism in Palestine. In that statement he urged 'every citizen and resident of U.S., in interests of this country, of world peace, and of humanity, meticulously to refrain, while UN is considering problem of Palestine, from engaging in, or facilitating, any activities which tend further to inflame passions of inhabitants of Palestine, to undermine law and order in Palestine, or to promote violence in that country.'

In conclusion Embassy is instructed to state that it is the view of US Govt that responsibility for govt of Palestine continues to rest with Mandatory Power.

Embassy avails itself, etc." [2]

LOVETT

[2] Replies of virtually identical character were sent to the Governments of Syria, Lebanon, and Egypt in telegrams 234 to Damascus and 468 to Beirut, both dated October 22, 6 p. m., and 1506, October 31, 7 p. m., to Cairo (867N.01/9–2247, 9–2547, and 10–147). According to airgram 169, October 23, no reply was made to the note from Transjordan since the United States had not accorded recognition to that country (867N.01/9–2947).

501.BB Palestine/10–2347 : Telegram

The Secretary of State to the Acting Secretary of State

SECRET NEW YORK, October 23, 1947—7 : 08 p. m.

US URGENT

1075. Following decisions taken at Delegation meeting this morning:

1. The question of Palestine:

a. The Delegation agreed that discussions with the British should be undertaken with a view to shortening the two-year transition period proposed by UNSCOP so that independent states would be set up by July 1, 1948, with the assistance of a UN commission as the agency of transfer.

b. The Delegation approved the details of the proposed territorial modifications of the Majority Plan of UNSCOP (Doc US/A/AC.14/114),[1] with the following qualifications:

(1) With respect to the modification of the boundary of the western Galilee area to include Safed within the Arab state, it was agreed that an attempt should be made to give certain mountainous territory to the Jews in compensation, by moving the boundary line to the west near Lake Tiberias.

(2) With regard to the proposed changes in the Gaza area, it was agreed that the proposed alterations should not be pressed unless both Jews and Arabs agreed.

(3) The proposal for inclusion of the southern Negeb in the Arab state was accepted in principle.

[Here follows paragraph numbered 2 which deals with a matter other than Palestine.]

MARSHALL

[1] Dated October 22, not printed.

867N.01/10–2447 : Telegram

The Acting Secretary of State to the Embassy in Egypt

TOP SECRET WASHINGTON, October 24, 1947—6 p. m.

1479. Officer in charge observe strictest secrecy re following: It is hoped serious trouble will not develop Near East re Palestine. If violence does break out belief here it will be localized rather than cover all Arab countries. Even if disorders widespread, Dept expects women and children to leave first and that some personnel will be able remain posts.

Dept Navy and Air Force, however, drawing up plans evacuation all Americans Near East along following lines:

1. *Egypt*. Americans will either leave by plane or proceed Alexandria and Port Said for evacuation by Navy southern Italy.

2. *Palestine*. Americans will proceed directly to Haifa. If this impossible they will seek shelter nearest British Army camp for later transportation Haifa evacuation Navy southern Italy.

3. *Lebanon*. Americans outlying areas will proceed Beirut for evacuation Navy Italy.

4. *Syria*. (*a*) Americans Damascus should proceed overland Beirut evacuation Navy Italy. If overland route impossible, USAF will provide transportation. (*b*) Americans Aleppo to proceed overland Alexandretta en route southern Italy, or by air direct.

5. *Iraq* (*a*) Americans central and northern Iraq assemble Habbaniya for transport US-Brit Air Force Beirut or southern Italy. (*b*) If no air transport available, Americans Basra to proceed overland or by ship southern Iran or Bahrein en route Naples area.

6. *Kuwait.* Evacuation by commercial tanker to southern Iran or Bahrein. Rendezvous southern Italy.

7. *Muscat and Oman Province.* At first sign trouble Americans to be flown Dhahran.

8. *Eastern Saudi Arabia.* (*a*) At first sign trouble Al Kharj group to be flown Dhahran. (*b*) Abqaiq, Dhahran, Ras Tanura communities to be evacuated by air or commercial and Navy tankers to Bahrein en route Italy rendezvous.

9. *Western Saudi Arabia.* (*a*) At first sign trouble Americans Mahad Dahab to be brought Jidda. (*b*) Jidda colony to be flown commercial or Army planes Asmara eventual rendezvous southern Italy.

All Americans to be returned US as soon possible. If trouble Near East appears long duration FSO not entitled home leave would then be reassigned.

Detailed instructions re Govt and non-Govt personnel follow by airgram.

Make local preparations to fit this general pattern and inform Dept preparations made and comments this general plan.

Sent Cairo, repeated Jerusalem, Beirut, Damascus, Baghdad, Jidda.

LOVETT

IO Files: US/A/AC.14/123

Memorandum Prepared in the United States Mission at the United Nations

TOP SECRET [NEW YORK,] October 24, 1947.

DRAFT PROPOSED DETAILED POSITION REGARDING MAJORITY PLAN [1]

RECOMMENDATIONS

A. *Partition and independence*

1. Palestine within its present borders, ~~following a transitional period of two years from 1 September 1947~~, shall be constituted on July 1, 1948 into an independent Arab State, an independent Jewish State, and the City of Jerusalem, the boundaries of which are respectively described in Parts II and III below.

~~2. Independence shall be granted to each State upon its request only after it has adopted a constitution complying with the provisions of section B, paragraph 4 below, has made to the United Nations a declaration containing certain guarantees, and has signed a treaty creating the Economic Union of Palestine and establishing a~~

[1] The portions underscored with double lines are in the nature of additions to an earlier draft; the portions set in canceled type are intended for deletion. The earlier draft may be Annex A, referred to in the Department's memorandum of September 30, p. 1166.

~~system of collaboration between the two States and the City of Jerusalem.~~

B. ~~Transitional period and constitution~~
Steps Preparatory to Independence

1. ~~During the transitional period~~, the present mandatory Power shall:

(*a*.) Carry on the administration of the territory of Palestine until July 1 1948, ~~under the auspices of the United Nations and on such conditions and under such supervision as may be agreed upon between the United Kingdom and the United Nations, and if so desired, with the assistance of one or more Members of the United Nations;~~

(*b*.) Take such preparatory steps as may be necessary for the execution of the scheme recommended;

(*c*.) ~~Carry out the following measures:~~

1. Admit Jewish immigrants at the present monthly rate ~~150,000~~ [2] ~~[at] a uniform monthly rate, 30,000 of whom are to be admitted on humanitarian grounds. Should the transitional period continue for more than two years, Jewish immigration shall be allowed at the rate of 60,000 per year. The responsibility for the selection and care of Jewish immigrants and for the organizing of Jewish immigration during the transitional period shall be placed in the Jewish Agency.~~

~~2. The restrictions introduced by land regulations issued by the Palestinian Administration under the authority of the Palestine (Amendment) Order in Council of 25 May 1939 shall not apply to the transfer of land within the borders of the proposed Jewish State.~~

2. The law [*sic*] shall appoint a Commission, headed by a High Commissioner, to act as its agent for the purpose of facilitating the transition to independence.

~~2.~~ 3. Prior to March 1, 1948 Constituent assemblies shall be elected by the populations of the areas which are to comprise the Arab and Jewish States, respectively. The electoral provisions shall be prescribed by the ~~Power administering the territory.~~ the mandatory power. Qualified voters for each State for this election shall be persons over twenty years of age who are: (*a*) Palestinian citizens residing in that State and (*b*) Arabs and Jews residing in the State,

[2] Apparently "150,000" should precede the word "immigrants".

although not Palestinian citizens, who, before voting, having signed a notice of intention to become citizens of such State.

Arabs and Jews residing in the City of Jerusalem who have signed a notice of intention to become citizens, the Arabs of the Arab State and the Jews of the Jewish State, shall be entitled to vote in the Arab and Jewish States, respectively.

Women may vote and be elected to the constituent assemblies.

~~3. During the transitional period,~~ 4. Prior to July 1, 1948, no Jew shall be permitted to establish residence in the area of the proposed Arab State, and no Arab shall be permitted to establish residence in the area of the proposed Jewish State, except by special leave of the Administration.

~~4.~~ 5. The constituent assemblies shall draw up the constitutions of the States, which shall embody chapters 1 and 2 of the Declaration provided for in C. below, and include *inter alia*, provisions for:

(*a*) Establishing in each State a legislative body elected by universal suffrage and by secret ballot on the basis of proportional representation, and an executive body responsible to the legislature.

(*b*) Settling all international disputes in which the State may be involved by peaceful means in such a manner that international peace and security, and justice, are not endangered.

(*c*) Accepting the obligation of the State to refrain in its international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the purposes of the United Nations.

(*d*) Guaranteeing to all persons equal and non-discriminatory rights in civil, political, economic and religious matters and the enjoyment of human rights and fundamental freedoms, including freedom of religious worship, language, speech and publication, education, assembly and association.

(*e*) Preserving freedom of transit and visit for all residents and citizens of the other State in Palestine and the City of Jerusalem, subject to ~~security~~ considerations of national security; provided that each State shall control residence within its borders.

(*f*) Recognize the rights of the Governor of the City of Jerusalem to determine whether the provisions of the constitution of the States in relation to Holy Places, religious buildings and sites within the borders of the States and the religious rights appertaining thereto are being properly applied and respected, and to make decisions in cases of disputes which may arise with respect to such Holy Places, buildings and sites; also accord to him full co-operation and such

privileges and immunities as are necessary for the exercise of his functions in those States.

~~5.~~ 6. The constituent assembly in each State shall ~~appoint~~ elect a provisional government empowered to make the Declaration and sign ~~the Treaty of Economic Union~~ the undertaking provided for in C, and D. below.

~~On making the Declaration and signing the Treaty of Economic Union by either State, and upon approval by the General Assembly of the United Nations of such instruments as being in compliance with these recommendations, its independence as a sovereign State shall be recognized.~~

~~If only one State fulfills the foregoing conditions, that fact shal forthwith be communicated to the United Nations for such action by its General Assembly as it may deem proper. Pending such action, the regime of Economic Union as recommended shall apply.~~

C. *Declaration*

A Declaration shall be made to the United Nations by the Provisional Government of each proposed State ~~before the interim administration is brought to an end.~~ It shall contain *inter alia* the following clauses:

General Provisions

The stipulations contained in the Declaration are recognized as fundamental laws of the State and no law, regulation or official action shall conflict or interfere with these stipulations, nor shall any law, regulation or official action prevail over them.

Chapter 1

Holy Places, Religious Buildings and Sites

1. Existing rights in respect of Holy Places and religious buildings or sites shall not be denied or impaired.

2. Free access to the Holy Places and religious buildings or sites and the free exercise of worship shall be secured in conformity with existing rights and subject to the requirements of public order and decorum.

3. Holy Places and religious buildings or sites shall be preserved. No act shall be permitted which may in any way impair their sacred character. If at any time it appears to the Government that any particular Holy Place, religious building or site is in need of urgent repair, the Government shall call upon the community or communities concerned to carry out such repair. The Government may carry

it out itself at the expense of the community or communities concerned if no action is taken within a reasonable time.

4. No taxation shall be levied in respect of any Holy Place, religious building or site which was exempt from taxation on the date of the creation of the State.

5. The Governor of the City of Jerusalem shall have the right to determine whether the provisions of the Constitution of the State in relation to Holy Places, religious buildings and sites within the borders of the State and the religious rights appertaining thereto, are being properly applied and respected, and to make decisions in cases of disputes which may arise with respect to such Places, buildings, and sites. He shall receive full cooperation and such privileges and immunities as are necessary for the exercise of his functions in the State.

Chapter 2

Religious and Minority Rights

1. Freedom of conscience and the free exercise of all forms of worship, subject only to the maintenance of public order and morals, shall be ensured to all.

2. No discrimination of any kind shall be made between the inhabitants on the ground of race, religion or language.

3. All persons within the jurisdiction of the State shall be entitled to equal protection of the laws.

~~2.~~ 4. The family law and personal status of the various minorities and their religious interests, including endowments, shall be respected.

~~3.~~ 5. Except as may be required for the maintenance of public order and good government, no measure shall be taken to obstruct or interfere with the enterprise of religious or eleemosynary bodies of any faith or to discriminate against any representative or member of them on the ground of his religion or nationality.

4. 6. The State shall ensure adequate primary and secondary education for the Arab ~~and Jewish~~ minority, ~~respectively,~~ in its own language and its cultural traditions.

The right of each community to maintain its own schools for the education of its own members in its own language, while conforming to such educational requirements of a general nature as the State may impose, shall not be denied or impaired.

~~5.~~ 7. No restriction shall be imposed on the free use by any citizen of the State of any language in private intercourse, in commerce, in

religion, in the press or in publications of any kind, or at public meetings.*

~~6.~~ 8. No expropriation of land owned by an Arab in the Jewish State (by a Jew in the Arab State) † ‡ shall be allowed except for public purposes unless the land, suitable for agricultural purposes, has remained uncultivated and unused for not less than one year after written notice of utilization thereof has been given; and upon an order made by the Supreme Court of the respective State approving the expropriation on the grounds of absence of sufficient reasons for the non-utilization thereof. In all cases of expropriation full compensation as fixed by the Supreme Court, shall be paid previous to dispossession.

* The following stipulation shall be added to the Declaration concerning the Jewish State: "In the Jewish State adequate facilities shall be given to Arabic-speaking citizens for the use of their language, either orally or in writing, in the legislature, before the Courts and in the administration." [Footnote in the source text.]

† In the Declaration of the Arab State the word "Arab" should be replaced by the word "Jewish". [Footnote in the source text.]

‡ In the Declaration concerning the Arab State, the words "by an Arab in the Jewish State" should be replaced by the words: "by a Jew in the Arab State". [Footnote in the source text.]

501.BB Palestine/10–2547 : Telegram

The Acting Secretary of State to the Embassy in the United Kingdom

SECRET WASHINGTON, October 25, 1947—1 p. m.

US URGENT NIACT

4578. For the Ambassador. It is of greatest importance that you discuss immediately with Mr. Bevin certain aspects of the Palestine problem now before the UN. For background reference see: (1) unanimous recommendations I and II of UNSCOP providing for termination of Palestine Mandate and independence in Palestine; (2) majority recommendations A and B 1 (*a*) of UNSCOP providing for transitional period; (3) UK statement of Sept. 26;[1] (4) US statement of Oct. 11;[2] (5) UK statement of Oct. 16[3] (all in UN *Ad Hoc* Committee on Palestine).

It appears that some difference has developed between the US and the UK with regard to responsibility for the administration of Palestine during the process of transition to independence. We have been

[1] See footnote 2, p. 1164.
[2] See editorial note, p. 1180.
[3] See undated memorandum from the British Embassy, p. 1183.

assuming that, in asking the GA for recommendations concerning the future government of Palestine, the UK has been seeking recommendations on the basis of which it would make disposition of its mandate. The UK statements indicate a different approach. It will be appreciated if you will discuss this matter with Mr. Bevin along the following lines:

It is clear from Report of Special Committee on Palestine and from statements by US, UK and other members of UN that there is general agreement with regard to early termination of mandate and prompt establishment of independence in Palestine; and that UK intends to terminate mandate and to withdraw its forces and its administration within limited period except in case of agreement between Jews and Arabs or if the UK is able to accept a role in a UN administration.

In this connection, however, question arises as to whether mandate might not be terminated and independence achieved in Palestine in a shorter time than was contemplated in majority plan of UNSCOP. It may not be necessary to envisage an interim period of greater length than that which Government of the UK will require in any event to withdraw its forces and its administration from Palestine.

If the GA adopts recommendations based upon majority plan of UNSCOP, US considers that position of the UK might be substantially met by recommendation that British Government upon withdrawal turn over responsibility to the authorities of the Jewish and Arab states. This would permit passage of responsibility directly to the independent states proposed by the UNSCOP majority without the necessity of passing through any formal transitional period.

In order to facilitate transition to independence, it is suggested that GA's recommendations to the Government of the UK with regard to the future government of Palestine might provide for the appointment of a UN Commission, headed by a UN High Commissioner, to act as agency of transfer. It is believed that duties of such UN Commission might include making final adjustments in boundaries recommended by UN, assisting in transfer of administration and of assets of government to authorities of Jewish and Arab states, and making final report to GA on termination of mandate and establishment of independence in Palestine. We should appreciate Mr. Bevin's views on these points, and particularly with regard to the assistance which the UK Govt would be prepared to offer the UN Commission during the transitional period.

US considers it essential for UN recommendation to include the date on which British Mandate would be terminated. This question has already arisen in UN and it is almost impossible to determine upon preparatory steps leading to establishment of the two states in the ab-

sence of a period of known duration prior to their independence. We suggest July 1, 1948 and would be interested in learning British reaction. For your info. USSR Representative has already said that he would insist on a date being set for termination of mandate.

For your background and discrete use we consider that it would be extremely unfortunate for the British at this time to make an announcement regarding a specific date of withdrawal.

It is repeated that the foregoing is based on assumption that majority plan of UNSCOP would meet with approval of ⅔ of Members of GA. If majority plan does not meet with such approval, Govt. of US must, of necessity, reconsider its views with regard to question of Palestine.

Department and US Delegation plan to approach UK representatives in Washington and New York with views expressed above simultaneously with your approach to Mr. Bevin in London. If Mr. Bevin agrees with our general approach, it would be most helpful if he could indicate as much to the UK Delegation in New York.[4]

LOVETT

[4] For information on the origins of telegram 4578, which was drafted by Mr. Rusk, see Mr. Wilkins' letter of October 31, p. 1222.

IO Files: US/A/AC.14/125

Memorandum Prepared in the United States Mission at the United Nations

SECRET [NEW YORK,] October 26, 1947.

QUESTION OF PALESTINE

Ambassador Johnson
General Hilldring

1. As was indicated at the last delegation meeting which discussed the question of Palestine, it is the view of the State Department, on consultation with General Hilldring and myself,[1] that there should be a very brief interim period between the recommendation of the General Assembly regarding Palestine and the establishment of independence for the two proposed states in Palestine. The actual date which has been proposed is July 1, 1948. On that day, if the suggestion of the United States is accepted by a two-thirds of the General Assembly, both Arab and Jewish states will become independent.

[1] Presumably Ambassador Johnson.

2. This means that the maintenance of internal law and order between now and that date will continue to devolve upon the British forces and administration now in control. With this thought in mind a telegram has been sent to Ambassador Douglas [2] requesting him to discuss this matter with Mr. Bevin. I shall read the telegram (Annex 1).

3. If the British agree to continue to be responsible for Palestine during the next eight months there will be no need for further implementation of the partition plan. Moreover, it is technically impossible for the British to evacuate their troops and supplies from Palestine in a shorter period than the one contemplated. It is conceivable that the British government may reject the suggestion regarding the date for termination of the mandate and may institute a policy of "scuttle and run". This may cause civil strife and chaos in Palestine and would present the United Nations with a very serious problem, one concerning which it might feel a moral obligation to take some action of a pacifying nature, although its legal powers to do more than make recommendations are by no means established. It is partly to avoid, if possible, any such action by the British government that the telegram just read was sent to London. However, the British who have been responsible for Palestine for so many years and who voluntarily accepted this responsibility, can hardly object to being requested by the United Nations to continue in control in that area for a few months longer.

4. The feeling in the sub-committee now dealing with the partition plan is such that a date for termination of the mandate will probably be set regardless of the opinions of the British government. The Russian representative has already indicated strong opinions on that subject. It is apparent that the setting of an early and specific date for independence is the best way to avoid saddling the United Nations with the responsibility for administering the area and for implementing its recommendations, and hence is the best way to make sure that neither American troops nor Russian troops, nor any form of volunteer constabulary be employed, although the latter device might be appropriately used in the internationalization of the city of Jerusalem.

5. The other major elements of the United States proposed comments on and changes to the partition plan drafted by UNSCOP are as follows:

Immigration during the transitional period. The UNSCOP report envisaged a transitional period of not more than two years and therefore suggested interim mass immigration into Palestine, that is the future Jewish state, of 150,000. This works out to about 6,200 per

[2] *Supra.*

month. The present quota is 1500 per month. The United States is not suggesting any change in this UNSCOP recommendation. However, it is to be expected that the British will be very reluctant to maintain administrative control over Palestine while admitting all these immigrants. It is true that such a mass immigration would make the task of keeping internal peace and order much more difficult. The United States delegation has been advised of this difficulty unofficially by the British Delegation. If therefore, the British express a strong desire that the present restricted quota of 1500 per month be continued until the states become independent, next July, at which time, of course, both States will be in exclusive control of their immigration policies, the United States will acquiesce. This interim period will be one of great tension; it may be a small price to pay, to have a temporary continuation of the present immigration regulations, in order to keep the precarious peace between the Jew and Arab.

6. A United Nations Commission, headed by a High Commissioner, will be established to facilitate the transition to independence. This Commission will have the task of consulting with the British regarding such matters as the regulations to be made for holding of elections prior to independence, the calling of constituent assemblies in both Arab and Jewish States, the acceptance of economic union between the States and similar matters. The Commission will not be the interim government, but will act in an advisory capacity, as agent of the General Assembly, to the mandatory power and the Jews and Arabs.

7. Religious rights and minority rights shall become fundamental law in both States, according to the UNSCOP recommendations, and it is also proposed that there shall be no modifications of these religious and minority rights without the consent of the General Assembly.

8. The proposed economic union will include articles preserving non-discrimination regarding development and use of such facilities as ports, railroads, irrigation projects and land reclamation. There will also be a common currency. I am not sure that the Arab State, if created, would agree to such an economic union, but it is designed to be of financial and economic assistance to the Arab State in the first instance, and only secondarily of help to the Jewish State. It has been accepted in principle by the Jewish Agency, albeit with some reluctance.

9. Finally, UNSCOP proposes that if the two States are formed along the lines laid down in the UNSCOP report and outlined above, "sympathetic consideration" should be given to their application for membership in the United Nations. The United States does not object to this recommendation, but will point out that it cannot be construed as committing the United States a priority to supporting applications

for membership to be made at a future date. We do not want to run into the same difficulty as occurred regarding the admission of Bulgaria, Hungary and Rumania.

867N.01/10–3047

King Abdul Aziz Ibn Saud to President Truman[1]

At this critical moment, during which relations between the United States and the Arabs are clouded with doubt and suspicion, it is my duty as a close friend whose country is united to the people of the United States by several strong mutual political and economic ties to implore you before this last opportunity is missed to revise as quickly as is possible this dangerous situation which has resulted from the support your Government has lent to Zionism against the interests of the Arab peoples which may lead to the partition of Palestine into two states.

1. The decision of the Government of the United States to support claims of the Zionist in Palestine is an unfriendly act directed against the Arabs and, at the same time, is inconsistent with the assurances given us by the late President Roosevelt. This decision is also inconsistent with interests of the United States in these Arab countries. It is most difficult to believe that the Government of the United States can persist in its unfriendly decision.

2. Without doubt, the results of this decision will lead to a deathblow to American interests in the Arab countries and will disillusion the Arab's confidence in the friendship, justice and fairness of the United States.

3. The Arabs have definitely decided to oppose establishment of a Jewish state in any part of the Arab world. The dispute between the Arab and Jew will be violent and long-lasting and without doubt will lead to more shedding of blood. Even if it is supposed that the Jews will succeed in gaining support for the establishment of a small state by their oppressive and tyrannous means and their money, such a state must perish in a short time. The Arab will isolate such a state from the world and will lay siege to it until it dies by famine. Trade and possible prosperity of the state will be prevented; its end will be the same as that of those crusader states which were forced to relinquish coveted objects in Palestine.

4. Such a policy of the United States is in disagreement with its long-held reputation as a defender of friendly nations against fear-

[1] Transmitted to the Department by the Chargé in Saudi Arabia (Bailey) in telegram 456, October 30, 10 a. m., with the notation: "Sunday at Riyadh King Ibn Saud handed me unsigned message from him to His Excellency President Truman".

fulness and aggression. This former policy of honor was seen in the support given Syria and Lebanon by the United States in expelling the tyrannous French; this same policy was followed in supporting Turkey and Greece against the aggression of their neighbors to the north.

The Arabs of Palestine had anticipated that this same policy of support in obtaining their right to decide their own destiny would be continued by the United States.

5. The policy followed by the United States at the present is in disagreement with its announced policy of considering matters of immigration as an internal affair of foreign states. As the Government of the United States does not permit foreign powers to dictate policy of immigration into any of the United States, why then should the Arab permit foreign states to dictate conditions of immigration into their states? Should this policy be implemented, there will be no limit to Jewish aggression, which will be continued until they become a majority in both Palestine and Transjordan.

6. As this decision is still in the hands of the United States, we hope deeply that the United States will reconsider its stand before the opportunity slips away and it becomes impossible to maintain peace and security in the Near East. The establishment of a Jewish state will be a menace to peace in the Near East. It will be cause for bloodshed and will create difficulties which will be prejudicial to the interests of the United States in the Arab countries. 12–12–1366.

OCTOBER 26, 1947.[2]

[2] Telegram 456 concluded with: "In fairness to Arabs and by support of US policy to present both sides of question it seems only just this message ought to be released to press.
"Copies by courier to Arab capitals and London."

501.BB Palestine/10–2747

The Economic Adviser to the Jewish Agency for Palestine (Gass) to the Chief of the Division of Near Eastern Affairs (Merriam)

WASHINGTON, October 27, 1947.

DEAR MR. MERRIAM: As I indicated in our discussion of Palestinian economic questions on October 14th, the Jewish Agency for Palestine is now engaged in crystallizing its views on various aspects of the proposed Palestine Economic Union. It was my understanding that a corresponding process is now going on also in the United States Government.

You may recall your suggestion that—as soon as our views on the various economic and financial questions were clarified—you would welcome their submission to the State Department, in written form, so that they might be examined by United States Government experts

with a view to an interchange of views and the development of a common approach, in so far as possible.

I am now in a position to send you the attached statement [1] of our position on the monetary aspect of the Economic Union. We feel that this aspect is extremely important because it is so basic to the twin objectives of partition and economic Union; (*a*) the establishment of real economic sovereignty in each of the two States resulting from partition, with corresponding freedom of each to pursue its own economic development in accordance with its own judgment, and (*b*) the maintenance of Palestine as a single Economic Union for the free exchange of goods and services.

Naturally, at this stage, we have presented the monetary system which we believe [is] required to meet these twin objectives only in tentative outline. The more final and detailed articulation of the monetary system, in so far as it is a matter requiring international approval, will be a task for the undertaking of Economic Union, to be worked out during the next months and submitted for the approval of the United Nations, if the procedure suggested by the United Nations Special Committee on Palestine is followed.

The attached outline of a monetary system is a part of the submission on the question of the Economic Union which the Jewish Agency plans to make to the United Nations partition sub-committee in the next days. This memorandum, as amended, may then appear as an Annex to the Agency's general discussion of the problems of Economic Union.

The economic officers of the Jewish Agency are prepared to discuss the questions dealt with by the attached memorandum at your convenience.[2]

Yours sincerely, OSCAR GASS

[1] Not found attached.

[2] Mr. Merriam acknowledged this letter on November 17 with the statement that the memorandum referred to here had been transmitted to the Financial Division of the Department of State.

501.BB Palestine/10–2847

Memorandum by the Chief of the Division of Near Eastern Affairs (Merriam) to the Director of the Office of Near Eastern and African Affairs (Henderson)

TOP SECRET [WASHINGTON,] October 28, 1947.

New York has revised the detailed position paper on the UNSCOP majority report [1] to "bring it in line" with our proposal that the transition period be shortened to July 1, 1948.

[1] See memorandum of October 24, p. 1202.

Actually you will see from Miss McCown's memo attached [2] that New York has gone much further than a mere revision to conform to a shorter transitional period.

Inasmuch as our recent experience indicates that New York, in requesting our comments seems to expect a rubber stamp, and ignores even the most strenuous objections, it would appear useless to send any detailed revisions. If you approve I will inform Mr. Wilkins what our reaction is in general to the revisions, but leave it to New York to make any detailed revision, if they should desire to give consideration to our objections.[3]

[2] Undated memorandum by D. Beatrice McCown of the Division of Near Eastern Affairs, not printed. The memorandum began with: "The Palestine Committee of the US Delegation to the UN appears to have felt itself completely free to ignore the revisions suggested by, and approved in, the Department with respect to the Majority Plan. In fact, they are proposing changes which would be so far reaching in ultimate effect in Palestine that a major policy decision is involved." The substance of Miss McCown's analysis in the remainder of the memorandum was incorporated in Mr. Merriam's letter of October 30 to Mr. Wilkins, p. 1217.

[3] Mr. Henderson expressed his approval in a marginal notation.

501.BB Palestine/10–2847 : Telegram

The Ambassador in the United Kingdom (Douglas) to the Secretary of State

SECRET LONDON, October 28, 1947—8 p. m.

US URGENT NIACT

5758. Discussed with Bevin for more than an hour the proposals contained Deptel 4578, October 25.

I can summarize Bevin's position as follows:

1. The British Government will support, within reason, any proposal or recommendation which has the concurrence of the Arabs and the Jews.

2. He will not make any commitment in regard to British assistance to implement any recommendation of the United Nations General Assembly until the British Government has had an opportunity to examine them carefully. He therefore refrained from commenting on any details suggested Department's reference telegram.[1]

3. However, in a general way, the suggestions contained in Deptel 4578 imply to him that the British lend assistance in carrying out a

[1] Telegram 1127, November 1, from New York, reported that in "Creech Jones' opinion, Bevin refused to commit himself to Ambassador Douglas because the Cabinet would decide what UK action would be taken after a study of the recommendations. However, he personally felt that the UK would decide to carry out UN recommendations, although it would not be willing to accept any unilateral responsibility after the date of independence." (501.BB Summaries/11–147)

program for Palestine which, in his judgment, will lead to disturbances, if not in fact, to violence and bloodshed, the latter of which he considers to be certain.

4. The British Government does not now contemplate announcing a date for the withdrawal of its forces and the termination of its mandate.

Bevin is deeply concerned about two former American ships—the *Pan York* and the *Pan Crescent*—now either at Constanza or putting into Constanza for the purpose, allegedly, of lifting some "18,000" illegal Jewish immigrants to Palestine. (See Embassy's 5702, October 24.)[2]

DOUGLAS

[2] Not printed.

867N.01/10–2947 : Telegram

The Consul General at Jerusalem (Macatee) to the Secretary of State

SECRET JERUSALEM, October 29, 1947—4 p. m.

491. Following background for struggle which has commenced between Haganah and Irgun, in which firearms and grenades have for first time been used by Jews against Jews in Palestine.

October 20, representatives of right-wing parties met at Tel Aviv and there denounced Leftist tactics in controlling Jewish Agency and elected assembly. Party newspapers at once took up cudgels and [a]spate of recriminatory editorials ensued. Another meeting same groups took place on October 27, theme being "that Leftists were making preparations to seize power" in future Jewish state through institutions already dominated by them.

Almost simultaneous with first meeting reports of fighting between Haganah and Irgun in Tel Aviv district were received. While Haganah alleges only Irgun used firearms and grenades in October 23 incident at Benyamina, mounting frequency and violence of kidnappings, beatings and armed assaults are causing observers here to wonder whether they represent first stage of long awaited "showdown" between two groups.

Police opinion expressed mytel 436, October 11 [1] to effect steps being taken unite Haganah, Irgun and Stern is hardly borne out by these developments. As recently as October 27, very high-ranking Palestine Government official remarked that prospect in event of partition would be "a little civil war between Irgun and Haganah". Possibility exists,

[1] Not printed.

however, that two groups would temporarily unite to face common enemy.

MACATEE

501.BB Palestine/10–2947 : Telegram

The Secretary of State to the Acting Secretary of State

SECRET NEW YORK, October 29, 1947—4 : 40 p. m.

URGENT

1110. Following decisions taken at Delegation meeting this morning:

1. Territorial changes in UNSCOP majority plan suggested by Jewish Agency.

It was agreed that in Subcommittee 1 of the *Ad Hoc* Palestine Committee, Ambassador Johnson would attempt to secure agreement on the principle that the UNSCOP report should be examined with a view to reducing the size of the Arab minority and bringing into greater harmony the size of the two states relative to their populations. In accordance with this principle, it was decided to oppose the Zionist demand for all or part of Western Galilee, first, because it would remove from the Arab state virtually the only area suitable for future development and second, because it would weight the partition plan so heavily in favor of the Zionists that a two-thirds majority in the GA could not be obtained for the plan. The Delegation agreed that rectifications might be made in the eastern boundary of the coastal area of the Jewish state, on the basis that there would be no net gain of territory for that state. It was also agreed that the US should not support a Zionist demand for territory in southeastern Judea.

[Here follows discussion of matters other than Palestine.]

MARSHALL

867N.01/10–3047

The Chief of the Division of Near Eastern Affairs (Merriam) to Mr. Fraser Wilkins, at New York

TOP SECRET WASHINGTON, October 30, 1947.

MY DEAR FRASER: With reference to your letter of October 25th [1] transmitting the revisions of Annex A made by the U.S. Delegation's Palestine group, we feel in NEA that those revisions have been premised upon certain basic assumptions which may or may not prove to be valid and that these revisions in essence incorporate major policy decisions with respect to the future of Palestine, with some of which decisions the Department was not previously familiar.

[1] Not printed.

The assumptions upon which the proposed revision of Annex A appear to be based seem to be the following:

(1) That the British will remain in Palestine until July 1, 1948. (2) That, if they so remain, they will be willing to implement the plan being developed in Sub-committee 1 of the *Ad Hoc* Committee on Palestine. (3) That leaders in both the proposed Arab and Jewish States will cooperate in the implementation of this partition plan so that by July 1, 1948, the governments of those States will be organized and in full operation. The validity of each one of these assumptions is highly questionable.

Two substantive changes proposed by the New York revision of Annex A would be so far-reaching in their effect upon the future of Palestine that they represent major policy decisions:

1. The New York revisions omit the majority report's requirement that neither the Jewish nor the Arab State shall attain independence until it has given to the U.N. and incorporated in its constitution certain fundamental guarantees for the Holy Places and the protection of minorities and until it has stated its adherence to the Economic Union for Palestine. Since independence is to come to Palestine automatically on July 1, 1948, it is entirely possible that one or both of the phoenix States born of partition will come into existence on that date without having fulfilled any of the conditions originally believed to be essential by the Majority of UNSCOP and previously approved on that basis by the Department.

2. The New York revisions omit the majority report's provisions that, in case only one of the proposed Palestinian States attains independence by establishing a provisional government and fulfilling the conditions required of it by the U.N., the problem shall be referred back to the U.N. Since the Economic Union, deemed by the UNSCOP majority to be absolutely essential to any partition plan, is dependent upon the existence of two Palestinian States, the existence of one State only in actual operation would render the entire plan for Economic Union void. The U.N. would have no further control over the situation since the hypothetical States would have become independent. Of course, this change in the UNSCOP majority plan appears to obviate the necessity for any decision upon implementation during a transitional period. In fact, it will probably mean that the issue will arise again in the U.N. as the result of the chaos which will ensue in Palestine after July 1, 1948.

One further comment of a minor nature: The New York revisions propose a Commission, selected by the General Assembly and headed by a High Commissioner, to act as the agent of the General Assembly in facilitating Palestine's transition to independence. This would result in a situation whereby there would be two authorities running Palestine in the brief period up to July 1, 1948. No indication is given as to the relationship which will exist between the present Mandatory Power and the General Assembly Commission.

In other words, confusion will be worse confounded even for the brief period in which Palestine will continue to have a single well-organized government.

As stated in the first paragraph these are the views of NEA, and not necessarily those of the whole Department. Perhaps there have been policy decisions upon which these revisions are based, of which we are not aware. If this is the case we would like to know the substance thereof, and would be glad to endeavor to obtain formal clarification of the Department's views, if requested by the Delegation.

Sincerely yours, GORDON P. MERRIAM

Remarks by Ambassador Herschel V. Johnson at his Press Conference of October 31, 1947 [1]

Well, gentlemen, the statement I made on behalf of our delegation this morning [2] is in the nature of a suggestion because of the nature of the sub-committee. It is not in any sense a final decision either by the United States or by the sub-committee and certainly not of the *Ad Hoc* Committee, which will have to make the final recommendation to the Assembly. It is merely a plan which we believe would offer a reasonable hope of success in implementing the partition recommendation of the majority of the Investigating Commission.

There are certain fundamental facts which are premises which we might remind ourselves of. It is perfectly clear from the report of the Special Committee on Palestine, that is the subject of all this discussion, and from statements that have been made by the representatives of various countries in the *Ad Hoc* Committee, in the open debate, that there is pretty general agreement all around with respect to an early termination of the mandate. It is also clear from statements made by a representative of Great Britain that the British Government regards the early termination of the mandate and withdrawal of its forces and administration as desirable. In fact, they have said they are going to get out.

Now, the majority report of the Special Committee on Palestine, as you will all remember, recommends a two-year transitional period before final independence of the two states becomes effective, and the date they gave for the beginning of that period is already past now—

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[1] Reprinted from press release 297 of the United States Mission to the United Nations (IO files).

[2] Made during the ninth meeting of Subcommittee 1 of the *Ad Hoc* Committee. The United Nations has not published an official record of the 35 meetings of the Subcommittee. The United States Mission furnished the Department with the substance of these meetings, beginning with telegram 1078, October 24, and ending with No. 1250, November 22. These telegrams are filed under 501.BB Summaries and 501.A Summaries.

September, 1947—but they do recommend a two year transitional period.

We feel, however, and I have suggested it to this subcommittee, that it would be possible to shorten very materially the time between the effective date of the recommendations that the General Assembly may make and the real independence of the two states. Our delegation thinks that complete and early independence is not only feasible but for many reasons desirable. Furthermore, we believe that the date for independence can be fixed on a practical basis and geared in with the plans of the mandatory power for withdrawing its administration and the troops that are now there maintaining public order. It can be arranged so that the mandatory power can simultaneously with withdrawing its administration and troops turn over all governmental responsibility, including that for the maintenance of law and order, to the authorities for the new Jewish and Arab States.

This procedure would make it unnecessary for the General Assembly to provide in its recommendations for a transitional period under a trusteeship or any other arrangement, and it would make unnecessary the establishment of a special United Nations force for maintaining law and order during the interim period.

Of course, it is absolutely essential for a decision to be reached in the subcommittee on this point, because if the idea of having the mandatory turn over its sovereign powers and its administration responsibility of two independent states (is accepted by the subcommittee) the various provisions in the (UNSCOP) report which provide for transitional period machinery would have to be deleted or modified.

Now, we have also suggested that the General Assembly appoint a small and very competent commission with a High Commissioner at the head of it—we suggested that it might be composed of three top people—to go out to Palestine as soon as possible after the effective date of the Assembly's action, to act in an advisory and guiding capacity with the leaders of the groups who will become independent states, or with the independent states, on this hypothetical date of July 1st (1948). Also, to work in collaboration with the British authorities still in Palestine and who, until the termination of the mandate, are still responsible for its government and for the maintenance of law and order. We believe that a small commission composed of men chosen for their personal qualifications, demonstrated by experience and public record, can give the most effective assistance to the leaders of the Arab and Jewish groups who are going to have to form governments in those states. It also can act as a sort of catalytic agent without the mandatory. We believe, too, that if this plan were adopted the British government, as a good member of the United Nations,

would help in every practical way possible. It would certainly be in their interest to do so and to have a peaceful transition.

The date of July 1, 1948 was thrown out as a suggestion. That is the earliest date suggested in any of the plans, I believe. One of the resolutions put into the *Ad Hoc* Committee mentioned September, 1949. I forget which country put that in, but our suggested date, in the absence of any knowledge on our part of the precise date when the mandatory will withdraw, would seem to fit in with the practical possibility when we know that there are many thousands of British troops and a heavy governmental machinery there that cannot be removed in a day.

We think, too, that this Commission which would go out there should be sent out as the representative and agent of the General Assembly. It naturally could not have any greater powers than the General Assembly itself has. Its powers would be that of recommendation. However, the self-interest, as we see it, of all the parties concerned would, it seems to us, have an impelling effect on the possibility of usefulness of this commission. If a definite date for independence is set, and both the Jewish and the Arab leaders and their peoples know that on that date they are going to become responsible for order in their own house, we think that it would be a very strong motivation for their getting to work and for seeking wise and experienced and unbiased advice, which is offered to them with the greatest possible good will by the United Nations. We feel also that, knowing that the mandatory is leaving, they will be wise enough to profit from the counsel and suggestions of the heads of the mandatory states.

Now, in regard to the questions of public order, which is one of the first questions raised by anybody in consideration of this plan, I would like to make it perfectly clear that according to our thinking with respect to our plan the two states themselves will be absolutely sovereign on the effective date of their independence and they themselves will be responsible for the maintenance of their own public order. Naturally, the most impelling motive they will have will be their own self-interest. During this period the United Nations Commission also would have the responsibility for formulating a recommendation for the setting up of a United Nations trusteeship, or whatever other plan might be finally adopted, for the government of the city of Jerusalem and the contiguous territory within such limits as might be finally recommended. We do not know yet what will be the precise territorial limits of any of these three states, that is the Arab, the Jewish, and the free territory of Jerusalem.

Now, I have no doubt that every one of you can think of possible difficulties that may arise, as all the rest of us have thought of, and if I can help in any way by giving you some idea of the way our

delegation has speculated on these difficulties and in what way they might be met—if I can, I will be glad to answer your questions.[3]

One other thing I had in mind to say. The question also arises of what body this United Nations group would be responsible to, and I think that the very terms of our proposal give the answer. It is responsible to the General Assembly. If another situation should arise, however, where there will be a real threat to international peace and security, the jurisdiction of that particular situation might well pass to the Security Council. We do not feel, however, that it is possible at this stage for our delegation, least of all, or for the committee or for the General Assembly, to anticipate by any kind of present action every possible difficulty that may arise. The most we can do is to lay down a plan which we hope is fair, and we want to be fair to everybody concerned, even if it does not give everybody everything they ask for. With a certain amount of good will and with some wise counsel on the part of competent people, the difficult transition period will be bridged and the two states become viable, both politically and economically, in a very short time. We feel strongly that the placing on the shoulders of the Jewish and Arab leaders in their states the full responsibility for their own future will be in some ways the best guarantee of its success. That may be too hopeful a statement, but as long as someone else is responsible, the people who are most concerned are not likely to progress as rapidly in their thinking and actions as when they must bear the entire responsibility themselves for those actions.

[3] A transcript of the questions and answers which followed Ambassador Johnson's remarks was issued by the United States Mission in press release 299, October 31 (IO files).

501.BB Palestine/10–2547

Mr. Fraser Wilkins to the Chief of the Division of Near Eastern Affairs (Merriam)

TOP SECRET NEW YORK, October 31, 1947.

DEAR GORDON: I have this morning received your letter of October 30, 1947 in reply to my letter of October 25, 1947 [1] with regard to the revisions proposed by the United States Delegation to the United Nations in Annex A—Detailed Position Analysis of Majority Plan of UNSCOP.

I should like to recall, in order properly to present the practical problem which faced the Delegation, that early in the week of October 19 I had several telephone conversations with Gordon Mattison with

[1] Not printed.

regard to the course of developments respecting Palestine and that, thereafter, Dean Rusk visited New York. Following Dean Rusk's arrival we prepared a draft telegram to London which attempted to frame a workable approach to the question of Palestine as it was developing at the United Nations. Dean Rusk returned to Washington with this draft telegram on October 22.

In the meantime, in anticipation of Sub-committee meetings which were scheduled to commence on October 27, the United States Delegation was confronted with the problem of revising its papers in support of a position which was in the process of being adopted by the Department, based on policies approved by the Secretary in New York.

During the afternoon and late into the night of October 24 the working group labored on the revision of Annex A, as stated in the draft telegram. This telegram with minor changes was approved by the Department and sent to London about noon October 25. During the afternoon of October 25 the working group went over the majority plan of UNSCOP and its revisions of Annex A in detail, paragraph by paragraph, with Ambassador Johnson and General Hilldring. All of these revisions, with certain minor exceptions, were approved by Ambassador Johnson and General Hilldring.

Gordon will remember that we talked with him by telephone during the morning of October 25 and that he told me that, as the Delegation was in closer touch with the situation in New York, the Delegation might put forward the suggested changes in Annex A, as revised by the Delegation, in Sub-Committee 1; and that it would be sufficient if the Delegation forwarded a copy of revised Annex A for such comment as the Department might care to make. In accordance with this telephone conversation, we worked on our papers during the evening of October 25 and on October 26, dispatching five copies of revised Annex A to the Department by courier on the evening of October 26.

With regard to the revisions of Annex A I should like, on behalf of the Delegation, to make certain comments respecting the basic assumption and major policy decisions as set forth in your letter of October 30.

With regard to basic assumptions, it seems to us that similar assumptions, with appropriate changes for detail, are also basic to the majority plan of UNSCOP. For example,

1) that the British or some other administering authority will remain in Palestine until September 1, 1949.

2) that they or someone else will implement the plan (UNSCOP dodged this issue.)

3) that leaders in both the proposed Arab and Jewish states will cooperate in the implementation of this partition so that by September 1, 1949 the governments of those states will be organized and in full operation.

333-774—72——78

It is our belief that the validity of each one of these assumptions is as questionable as the validity of the assumptions on which the Department's telegram #4578 of October 25 is based.

With regard to over-all policy respecting Palestine, the Delegation's line of action was established and approved, following discussions with the Delegation, by the Secretary. The Department's telegram #4578 of October 25 is an expression of one aspect of this policy. The Delegation's revisions of Annex A flow from the general policy and the expression of it in the Department's telegram #4578 of October 25.

As you have noted, the New York revisions omit the majority report's requirement that neither the Jewish nor the Arab state shall attain independence until it has given to the UN and incorporated in its constitution certain fundamental guaranties for the Holy Places and the protection of minorities, and until it has stated its adherence to the economic union for Palestine. It was the Delegation's view that inasmuch as the plan envisaged termination of the Mandate and independence in Palestine as early as July 1, 1948, thereby eliminating the formal transitional period and the necessity for an administering authority other than the present British administration acting behind a UN Commission, it would be unnecessary and undesirable to stipulate conditions precedent to independence. It was believed unnecessary because if the UN recommended that a declaration be made and an undertaking be signed, the moral effect of such a UN recommendation would require the authorities in the Jewish state and the Arab state to act in accordance with the UN recommendation, and in addition it would be difficult for either *de facto* state to make application for membership in the UN if it had not made the declaration and signed the undertaking. It was believed undesirable because the establishment of conditions precedent to independence might not be possible of fulfillment during the short time envisaged prior to independence which might have had the effect of raising a constitutional bar to actual independence on July 1, 1948.

As you have noted, the New York revisions omit the majority report's provision that in case only one of the proposed Palestine states attains independence by establishing a provisional government and fulfilling the conditions required of it by the UN, the problem shall be referred back to the UN. It may be noted, however, that the Delegation retained the revised provisions in D regarding the undertaking with respect to Economic Union and Transit and that, in the broader sense, we strengthened this aspect of the partition plan by removing the 3rd paragraph of B.5 which, in the event only one state signed, referred the matter back to the UN. It is the Delegation's belief that it is wiser to inform the Jewish and Arab authorities respectively in the areas of the Jewish and Arab states recommended by the GA that

they may be independent on July 1, 1948 than to make recommendations under which one of them may stall in order to keep the Palestine question before the UN. It is also the belief of the Delegation that a "sit-down strike" by the authorities, for example, in the Arab state, should not prevent the independence of the Jewish state. It is realized that Economic Union is deemed essential in the majority plan of UNSCOP. Nevertheless, as a practical matter, many have doubts regarding its essentiality. The Jewish Agency, for example, frequently points out in discussions with regard to boundaries that the territorial division recommended by the UN will probably be permanent whereas the constitutional changes recommended by the UN may not necessarily endure. The Delegation believes in the principles of Economic Union and hopes that the UN recommendations in this respect will be accepted by both the Jewish and the Arab states; but it believes at the same time that the provisions for Economic Union should not be a condition precedent to independence. Both the Jewish and Arab states should be in a position voluntarily to adopt Economic Union. The Jewish Agency has already stated that it would accept Economic Union. The Arab High Commission has not, of course, discussed this detail because of its general opposition to the UNSCOP Report, but the Delegation believes that it should have the right of deciding whether it desired to participate in the Economic Union or whether it desired to make other arrangements for its economic well-being, for example, with the neighboring Arab states.

With regard to a United Nations Commission, it was the Delegation's belief, as indicated in the Department's telegram #4578 of October 25, that the UN Commission, headed by a UN High Commissioner, would be appointed to act as the agency of transfer in order to facilitate the transition to independence. The Delegation had no thought of suggesting that two authorities would be in existence for the administration of Palestine prior to July 1, 1948. The proposed UN Commission, headed by a High Commissioner, would have no administrative or political authority, but would be charged simply to advise Jews, Arabs and the mandatory power and to facilitate the independence of the Arab and Jewish states. The ultimate authority and responsibility in Palestine rests with the UK until the Mandate is terminated, whereupon it will be transferred instantaneously to the Jewish and Arab states. It was the Delegation's belief that the UN Commission would represent the great moral authority of the UN in Palestine behind which and through which the UK could actually transfer the powers of government to the new states. It was our hope that London would recognize this facade which, in our view, would have the effect of removing the onus of actual partition to which the British have very reasonably objected. The exact relationship between the UK and the

UN Commission was not specified because it was felt that this suggestion by the Delegation, while understood by the Delegation, might more appropriately be developed by other members of the *Ad Hoc* Committee on Palestine.

It is my hope, Gordon, that these observations will give you some indication of the trend of our thought in New York, and will serve to indicate the manner in which we tried to overcome (1) the apparent reluctance of any member of the UN, including the UN [*UK*], to act as administering authority in Palestine, and (2) the possibility that the discussions in the UN with regard to military implementation would lead to some type of force in which it would be necessary for American units to participate.

With regard to the last paragraph of your letter of October 30, Gordon told me on October 25, as previously indicated in this letter, that the Delegation might put forward the suggestions in Annex A, revised, as the Delegation was in close touch with the situation in New York, on the understanding that any basic objections which the Department might have would be communicated to the Delegation. It was for these reasons that we undertook the revision of Annex A based on the Department's telegram #4578 of October 25 and that I acted as transmitting agent for the Delegation in sending the revised text by the first courier on October 26 following conversation with Gordon Mattison on October 25. Originally we planned to send it by teletype but because of the technical difficulties, such as "crossing through" and "underlining" of words indicating deletion and addition of text we believed transmission of five copies by courier was preferable for accuracy, understanding and distribution in the Department. It is my duty to add, I believe, that the Delegation has requested the Department's view with regard to these and all other important changes which the Delegation has proposed in the various papers connected with Palestine and that we have endeavored to bring all papers into line with policies laid down by the Secretary, the Department, and the Delegation.

Sincerely, FRASER WILKINS

867N.01/10–3147

The Counselor of the British Embassy (Allen) to the Director of the Office of Near Eastern and African Affairs (Henderson)

SECRET WASHINGTON, October 31, 1947.

Ref: G.124/ /47

DEAR HENDERSON: You doubtless know that when Lord Inverchapel saw Mr. Marshall and Mr. Lovett this morning he discussed with them the question of illegal Jewish immigration into Palestine. One par-

ticular aspect of this question, which the Ambassador had no time to raise with Mr. Marshall but which he did later discuss with Mr. Lovett, was the problem of the control of Jews leaving the United States zone in Austria. Mr. Lovett told the Ambassador that if he would arrange to have the State Department furnished with full information on this question, he would see that it was looked into.

I accordingly enclose three copies of a memorandum [1] setting out the facts on the basis of telegrams which the Ambassador has recently received from the Foreign Office instructing him to make representations on the subject to the United States Government. The Ambassador would be most grateful if you could have this matter investigated urgently by the Division or Divisions concerned. Needless to say, he very much hopes that the State Department will find it possible to arrange for early instructions to be sent to the United States authorities in Austria on the lines desired by the Foreign Office. You know the great importance which Mr. Bevin attaches to this whole question.

Yours sincerely, DENIS ALLEN

[1] *Infra.*

867N.01/10–3147

The British Embassy to the Department of State

SECRET

MEMORANDUM

It appears probable that as many as 17,000 Jewish illegal immigrants may reach Palestine waters from the Black Sea in the near future, thus threatening to fill the Cyprus camps to capacity. It is therefore most important that none of the 28,000 displaced Jews now in Italy should be allowed to embark for Palestine within the next few months. The success of the representations which His Majesty's Government in the United Kingdom are making to the Italian Government on this subject will be considerably influenced by the extent to which the movement of Jews from Austria into Italy can be checked. The British representative at Vienna has been instructed to discuss this matter with his French and United States colleagues. His Majesty's Ambassador at Paris is also making representations to the French Government.

2. So far as the authorities in the French zone of Austria are concerned, the essential points are, that they should (*a*) prevent Jews from crossing the Italian frontier from their zone and take back those who do, and (*b*) tighten control of the frontier between the United States and French zones.

3. Recent indications point to a tightening up of French control of illegal Jewish movement through their zone. However, while the French authorities appear to be disposed to help, their ability to deal adequately with this movement will, to a considerable extent, depend upon the readiness of the authorities in the United States zone to cooperate, since the French authorities are reluctant to prevent egress from their zone or to take back Jews crossing into Italy so long as the United States authorities take no steps to control movement from their zone into the French zone.

4. The largest concentration of Jews in Austria is in the United States zone. It is understood that the policy of the United States zonal authorities has hitherto been neither to aid nor to hinder the movement of Jews and that they are unlikely to feel able to alter this policy without instructions from Washington.

5. His Majesty's Government in the United Kingdom accordingly request that the authorities in the United States zone may be moved to prevent Jews from crossing into the French zone and to take back those who do.

6. His Majesty's Government are also anxious that action should be taken to prevent the misuse by the American Joint Distribution Committee and similar organisations of ex-United States Army vehicles and equipment. The following is a typical instance of such misuse. At the end of May five hundred Jews arrived at the boundary between the United States and French zones led by an A.J.D.C. jeep containing a man in United States Army uniform who threatened the Austrian gendarme with a tommy-gun when the latter attempted to halt the convoy. It is suggested that if organisations such as the American Joint Distribution Committee were compelled to paint their ex-United States Army vehicles a different colour and to dye their ex-United States Army uniforms, this equipment could no longer be used to disguise the true nature of such convoys and thus prevent Jewish organisations from deriving indirect aid from a misuse of ex-United States Army equipment.

WASHINGTON, October 31, 1947.

867N.01/10–1547 : Telegram

The Acting Secretary of State to the Legation in Saudi Arabia

CONFIDENTIAL WASHINGTON, October 31, 1947—7 p. m.

339. In response SAG note quoted Legtel 431 Oct 15 express appreciation US Govt for views expressed and state they have been given careful consideration. Give assurance that US Govt has sought to

impose no unilateral solution Palestine problem but has advocated finding by UN of fair and just solution.

For your info SAG note, although apparently sent consequent meeting Pol Committee Arab League Sept 19, bears little or no resemblance to notes from other Arab Govts and is much more moderate.[1]

Sent Jidda, repeated London, USUN.

LOVETT

[1] In reply on November 4 (telegram 467 from Jidda), Chargé Bailey stated: "Deputy Foreign Minister told me today SAG greatly disappointed Department's reply in note quoted Legtel 431, October 15 saying "SAG cannot understand how US can say it has sought impose no unilateral solution Palestine problem and has advocated fair and just solution after favoring partition and openly opposing Arab cause; US must alter its stand re Palestine and withdraw its active support of Zionism if it hopes retain SAG unquestioned friendship now being strained; US constantly losing prestige Arab world; SAG is United States' best friend and advises entire Arab world so when US loses prestige so does SA'. Last statement I heartily concur." (867N.01/11–447)

501.BB Palestine/11–347 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

SECRET URGENT NEW YORK, November 3, 1947—1 p. m.

1133. For Henderson and McClintock from Rusk. On Friday I saw Lionel Gelber, Political Adviser to the Jewish Agency, whom I had known at Oxford. Our conversation was generally personal except that I took the occasion to express very strong views about the possibility of further incidents arising from attempts to run additional immigrants illegally into Palestine. I stated that the seriousness with which the US would view such further incidents could not be exaggerated and that it was of the utmost importance that the Jews give the UN an opportunity to settle this difficult question without the passion which further incidents would inevitably arouse. I asked him to speak to the heads of the Jewish Agency along these lines in the strongest possible terms.

On Sunday night Gelber came to see me with the following report:

After the Secretary's talk with Judge Proskauer,[1] the Jewish Agency had made contact with the Jewish Underground to ascertain the facts. After my talk with Gelber, Agency made fresh inquiries on Saturday and Sunday. Gelber said he was authorized to inform me that he had no information about prospective sailings either from Atlantic ports or from Black Sea ports for the next five or six weeks. He stated the Jewish Agency would do everything within its power to prevent further incidents but indicated that the Agency did not have complete

[1] Joseph M. Proskauer, President of the American Jewish Committee.

control of the Underground. He asked me if we could furnish him any precise information we get as to perspective sailings in order that the Agency might use its maximum influence to prevent incidents. I then repeated what I had told him earlier and told him we expected the Agency to exert itself to the utmost to see that the Underground is restrained.[2]

Henderson may wish to call the above to the attention of the Secretary. Further, if there is any intelligence on specific ship movements which we wish Jewish Agency to block, I would be prepared to take it up with Jewish Agency if Dept. desires. [Rusk]

AUSTIN

[2] According to telegram 1136, November 3, 4:27 p. m., from New York, Mr. Shertok that day had assured General Hilldring that there was no basis of truth in the reports of vessels leaving American and Black Sea ports to carry illegal immigrants to Palestine (867N.01/11–347).

867N.01/11–347 : Telegram

The Consul General at Jerusalem (Macatee) to the Secretary of State

SECRET JERUSALEM, November 3, 1947—6 p. m.

497. Reference statement "UK might turn over responsibility to authorities Jewish and Arab states" in infotel October 29, 5 a. m.[1]

Although Johnson reported as stating October 31[2] if Arabs do not form government their section might be continued as UN trusteeship, desire emphasize this ConGen unaware any Arab who would accept office in partitioned Palestine thus making himself target for assassination. Therefore if trusteeship is prospect for Arab area it should not be envisaged as short-term arrangement and careful consideration should be given to problem of policing such turbulent area.

Assumption of power by Jews may also be complicated in view dissension and fighting in Jewish community at present over who will govern. Right wing groups almost certain demand elections under UN auspices as they claim present left wing labor control emanates from unfairly conducted elections in past.

If partition is rejected by Assembly and Zionist hopes dashed, officials here believe terrorism will increase to extent unparalleled in past.

[1] Not printed. It summarized telegram 4578, October 25, to London, p. 1207.

[2] In the question and answer period that followed his remarks of October 31 (see footnote 3, p. 1222), Ambassador Johnson stated: "Naturally the success of this plan would depend in part on acceptance and cooperation of both states, but if, for instance, the Arab State refuses to cooperate, that is no reason why the Jewish State should not have its independence. Then if the mandatory were out, the United Nations would certainly have the responsibility in the form of trusteeship for the other state until they could pull themselves together and fulfill the requirements for independence."

Foregoing uncertain elements not conducive British acceptance request they maintain order in trying period between now and July 1948. Weekend reaction news reports Johnson press conference October 31 summarized:

British officials and businessmen received news with anger or incredulity at what to them our lack understanding either of British or Palestine problem. High ranking police officer added Americans simply fanning flames pan-Islamism for which America may one day pay dearly.

When news of Johnson statements arrived late October 31 in government press room, British correspondents immediately denounced American position with considerable bitterness, telling American correspondents America desired build empire with British doing "dirty work". Jewish Agency security and intelligence chiefs elatedly informed officer attached ConGen Jewish state now practically set up.

Hebrew press declares Johnson and Balfour declarations will rank together for all time; announces Britain's maneuvers have failed her miserably and put her in situation where Americans are fixing date her departure for her.

Arab press practically ignores matter except brief reference *Difaa* saying in effect more American nonsense on subject but hopes American policy will change for better.

MACATEE

501.BB Summaries/11–447 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

[Extract]

SECRET NEW YORK, November 4, 1947—2: 59 a. m.
1141.

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Ad Hoc COMMITTEE ON THE PALESTINIAN QUESTION, SUBCOMMITTEE 1
(12th and 13th Meetings)

The USSR presented to the Subcommittee on Nov. 3 a 10-point proposal on implementation of the Palestine partition plan, recommending a one-year transitional period, during which the administration would be under the control of the SC. Detailed plans for setting up the independent Arab and Jewish states were also set forth in the Soviet plan. At its afternoon meeting the Subcommittee approved the majority of the Economic Union section of the UNSCOP Report.

At the outset, Tsarapkin (USSR) stated that the US proposals on the pre-independence period meant that the administration of Palestine would be ensured by UK and that British troops would remain until the Arab and Jewish states became independent. Under the US proposals all measures preparatory to independence would be carried out by the UK, while it was a fact that the UK's mandatory system over Palestine had failed. In the USSR view "it is incorrect and does not correspond to the task of forming independent Arab and Jewish states to create such a situation in which all the preparatory measures in Palestine would be entrusted to the UK and put under its control, even if the UK would offer its services."

Quoting statements by Creech Jones (UK) on the UK attitude on implementation of UN recommendations, Tsarapkin said these statements did not leave any place for doubt that the UK would not implement a decision which was not agreed to by both parties. As it was known that the Arabs had rejected partition, it appeared clear that referral of the preparatory measures for setting up the two states to the UK would lead to a situation in which both states would remain on paper.

As for the UN commission proposed by US, Tsarapkin observed that it was obvious that such a commission with such limited functions would be powerless and would only be a cover under the UN flag. He maintained that the UN could not agree to placing the problem into the hands of only one power. Acceptance of the US proposals, he said, would lead to the undermining of the Palestine problem, and the USSR could not agree with the US proposals on implementation, nor did it believe these proposals could serve as the basis for solution of the problem.

Tsarapkin then presented the following 10-point program on the structure of Palestine: (1) the British Mandate to be abrogated as from Jan. 1, 1948; (2) UK troops to be withdrawn from Palestine within the shortest time possible, but not more than four months after the abrogation of the Mandate; (3) between the termination of the Mandate and independence, a transitional period of as short a period as possible, with a maximum length of a year; (4) UN administration of Palestine during the transitional period "in the person of the SC" which should exercise the administration through a special commission composed of the representatives of SC members, the commission having its seat in Palestine; (5) on arrival in Palestine the commission should carry out measures for the establishment of Arab-Jewish frontiers in accordance with the GA decision; (6) after consultation with the democratic parties and social organizations of the two states, the special commission should elect in both states a provisional council

of government, the activities of both councils to be carried out under the general direction of the commission; (7) both provisional councils should hold elections along democratic lines to the constituent assembly not later than six months after their formation, with the election regulations to be elaborated by the councils and approved by the special SC commission, (8) the constituent assembly of each state should work out a democratic constitution of its state and elect a government; (9) both provisional councils should proceed under the supervision of the special commission to establish administrative organs of government, central and local; and (10) both provisional councils should within the shortest possible time form an armed militia from the citizens of their states, sufficient in number to maintain internal order and to prevent frontier clashes. This militia, in its operative respect, should be under command of its national commanding personnel, but general military and political control over its activities should be exercised by the special commission, Tsarapkin explained.

Discussing the USSR proposals, Johnson declared that condemnation of the US plan as one which would sabotage the whole program was without substantial evidence. He observed that the USSR plan varied only in minor details from the US proposals. Pointing out that the problem of Arab rejection of any plan of partition would likewise arise in the USSR plan, Johnson said that the dilemma of this GA was to get a plan to which both parties would agree. He failed to see any advantage to be gained from prolonging the transitional period. He questioned whether it would be possible for UK troops to get out of Palestine in four months. Johnson further declared that an inexperienced commission in a troubled area like Palestine would have a most difficult task.[1]

Johnson expressed the hope that the Arab state would have an enlightened view of its own self-interest. In case the Arab state did not accept the proposals, he declared that some other arrangement

[1] Telegram 1152, November 5, from New York, reported that the United States Delegation discussed the Soviet proposals and that "While it was agreed that it would be highly undesirable to endow an organ of the SC with full governing powers in Palestine, it was recognized that the prospects for approval of a partition plan in the Assembly would be prejudiced if it proved impossible for the US and the USSR to reach agreement in the *Ad Hoc* Subcommittee. Ambassador Johnson was authorized to continue to press for adoption of the US plan, preserving a flexible attitude to permit future compromise if necessary." (501.BB/11–547) This wording was incorporated in the United States Delegation Decisions, November 5, under US/A/M/60, IO files.

In a memorandum of November 6 to Ambassador Johnson, Mr. Knox indicated that this wording did not present a clear picture of what had transpired at the meeting. He concluded that the following addition would clarify it: "It was emphasized, however, that the United States would not agree to any plan (short of action taken under Chapter VII of the Charter) which placed the administration of Palestine under the Security Council and thereby gave the Soviet Union a negative control over its development through use of, or threat to use, the veto power." (USUN files)

would have to be worked out, perhaps involving continuation of the UN Commission as a Trusteeship Authority. The period when the proposed SC commission would be in Palestine after the UK troops had left would be a difficult time. He appealed to the Subcommittee to set up the independent states as soon as possible.

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AUSTIN

IO Files: US/A/AC.14/SC.1/9

Memorandum by Mr. M. Gordon Knox to the United States Deputy Representative at the United Nations (Johnson)[1]

SECRET [NEW YORK,] November 4, 1947.

The following is an analysis of the Russian proposals on Palestine.[2] At first sight, it would appear that a compromise could be found between the Russian proposals, and those suggested by the United States. The differences are seemingly not great. Furthermore, most states hope that the remarkable agreement between the United States and the U.S.S.R. on the Palestine question can be continued. Also it is a foregone conclusion that at the present time, unless the Russian bloc agrees with the United States regarding support for a specific partition plan, there will be no partition at all, since there will be no two-thirds majority in the General Assembly.

Nevertheless, examination of the Russian proposals makes one wonder whether the Russians want partition or whether it is chaos they seek in Palestine. The Russian plan envisages the following things happening:

1. British troops would have no legal authority in Palestine after December 31, 1947. The troops, therefore, would have no basis for maintaining order; they would be welcomed or unwelcomed guests as the case may be. Their equivocal position during a period of civil strife might make them a target for abuse and attack which would tend to weaken law and order in Palestine, and damage British prestige in the Middle East.
2. British administration would cease to function on January 1, 1948, and twenty-five years of experience would be thrown to one side and replaced by a United Nations commission which would have no substantive experience on which to base its decisions and administrative acts. The outcome would be that persons representing eleven different nations which presumably would be at logger-heads, would be called upon to manage an area torn by civil strife.

Under paragraph four of the Russian proposals a loophole exists whereby the authority of this Special Commission, even if the Special

[1] Addressed also to General Hilldring.
[2] See telegram 1141, *supra*.

Commission could agree on certain administrative decisions, could be challenged and appeals could be made from the Special Commission's decisions to the Security Council which is its parent body. In the Security Council, there is the veto. For instance combining paragraphs four and five of the Russian proposals, the Special Commission would determine the boundary of the Jewish and Arab States. If the Arab state were displeased with the boundary decision and if the Russian member of the Special Commission had been in the minority when the particular frontier was voted on, the Arab state could refuse to abide by the decision of the Special Commission and challenge the Special Commission to seek support for its boundary line in the Security Council. The Arab state could hope that a Russian veto would cause the Security Council to repudiate the Special Commission's decision. There would be a ripe opportunity for the Arab state or the Arab League to offer political concessions to the Soviet Union in return for a Russian veto of a particular boundary decision, or any other decision which might be unfavorable to the Arab state.

Similarly, under paragraph six of the Russian proposals the Special Commission would elect a Provisional Council of Government for both the Jewish and the Arab states. Here again the very personnel of the Provisional Council would be dependent on Russian approval. The Provisional Council would not be elected by the inhabitants of the Jewish and Arab states, but by the Commission. Under paragraphs six, seven, eight and nine, of the Russian proposals a complicated procedure is established whereby the Provisional Council elected by the Special Commission and operating under the general direction of the Special Commission would hold elections to a Constituent Assembly in the Arab and Jewish states. Since the election rules in each state would be subject to the approval of the Special Commission, the effect would be that the Constituent Assembly might be largely the creation not of the electors, but of the Special Commission. Furthermore, the only frame of reference guiding the Special Commission in determining what kind of elections in [*to?*] the Constituent Assembly should be held would be that said elections should be held on "democratic lines". Past experience in Germany, Austria and Korea shows how widely divergent are the views of the West and the Soviet Union regarding "democratic lines".

The next step under the Russian proposals would be to have the Constituent Assemblies draft "democratic constitutions" and elect governments for the Jewish and Arab states. It is not clear, however, what authority these governments would have. In any case at least under the transitional period, the provisional councils would establish local administrative organs of government under the supervision of

the Special Commission. However, these Provisional Councils would have no control over the armed militia and, therefore, would have no means of enforcing their decisions. According to paragraph ten of the Russian proposals, the Provisional Councils would form the armed militia in both of these states but in general the military and political control over the activities of the armed militia would be exercised by the Special Commission.

To summarize, the Russian proposals set up a very cumbersome and highly complicated rule of authority which would be difficult to make function even if the members of the Special Commission could agree among themselves; even if there were no inherent right of appeal from the Special Commission to the Security Council and even if it could be assumed that the inhabitants of Palestine were in substantial agreement with the principles of partition and desired by all means to make the partition plan work successfully and smoothly. None of these assumptions exists. Finally, this question can be asked: If this elaborate Russian plan of a Special Commission electing Provisional Councils which in turn hold elections to establish Constituent Assemblies which drafts constitutions and elects governments, fails to be carried out within the twelve months maximum period, does this mean that the Special Commission continues to exercise authority over Palestine after the end of the twelve months period? Also, how can the Special Commission enforce its regulations when it only has the right to give orders to both Jewish and Arab armed militia and no other means of making sure that said orders will be carried out? With the termination of British authority on January 1, 1948, and removal of physical presence of British troops not later than April 30, 1948, there will be no means for the Special Commission to proceed with its alleged duty of setting up two independent states against the wishes of the majority of inhabitants of Palestine, except by appealing to the Security Council for force. The Security Council at present has no force which can act, since Article 43 of the Charter has not been implemented. Action can be taken under Article 106 but the presence of troops of the Great Powers in Palestine would be extremely dangerous to the peace and security of that area, and perhaps lead to the division of Palestine into zones, and the repetition of the disastrous results which followed the dividing up of Germany, Austria and Korea.

I think that the United States should make it clear that it can not and will not support the Russian plan: that there can be no compromise between the Russian and American plans, but that if the Russian proposals were to be used as a basis for discussion they must be completely rewritten. I can see the advantage of having the partition plan

as generally agreed upon, labelled the Russian plan rather than the American plan. But in that case I suggest that the Russian proposals be stripped of the following weaknesses:

1. The link to the Security Council
2. The elimination of British control prior to independence
3. The creation of a United Nations control body (the Special Commission) which has no means of carrying out its orders and which, therefore, has responsibility without having authority.

IO Files: US/A/AC.14/SC.1/8

Statement by the United States Representative in Sub-Committee 1 of the "Ad Hoc" Committee on the Palestinian Question

[NEW YORK,] November 4, 1947.

MR. CHAIRMAN: I should like at this time to make a brief statement regarding implementation and the transitional period.

It is clear from the report of the Special Committee on Palestine and from statements of various Representatives in the *Ad Hoc* Committee that there is general agreement with respect to early termination of the Mandate. It is also clear from statements made by the United Kingdom Delegation that its Government regards the early termination of the Mandate and withdrawal of its forces and administration as desirable.

The UNSCOP Report recommends a two-year transitional period starting September 1947. There have been suggestions, however, that it might be possible to shorten the time between the recommendation of the General Assembly and the Independence of the two States. The U.S. Delegation feels that early independence is not only feasible but desirable. Furthermore, we believe that the date for independence can be so fixed that the Mandatory Power may, upon withdrawing, turn over all governmental responsibility, including responsibility for the maintenance of law and order, to the authorities of the Arab and the Jewish States. This would obviate the necessity for a separate transitional period under a trusteeship or other arrangement, and for the establishment of a special United Nations force for the maintenance of law and order.

If this idea of simultaneous termination of the Mandate and independence of the two states is adopted by the Subcommittee, certain changes in the UNSCOP Report, such as the deletion of all reference to a "transitional period", will have to be made. I would suggest, therefore, Mr. Chairman, that the Subcommittee discuss and come to a conclusion on this suggestion, and that, if it is favorably considered, we immediately begin work on the necessary detailed changes in the

plan contained in the UNSCOP Report. My Delegation is prepared to present specific proposals for your consideration.

My Delegation does not presume to set a definitive date for the attainment of independence in Palestine but would suggest that July 1, 1948 may be a suitable date for working purposes.

In the view of my Delegation, the steps leading to independence should take place with the advice and assistance of the General Assembly. For this purpose we believe that the General Assembly should establish a United Nations Commission, headed by a High Commissioner, to advise and assist in the transfer of the powers of government from the Mandatory Power to the two independent states and to the proposed trust territory of this City of Jerusalem and in the establishment of the new units of government on a stable basis.

501.BB Palestine/10–2547

The Chief of the Division of Near Eastern Affairs (Merriam) to Mr. Fraser Wilkins

TOP SECRET
PERSONAL

WASHINGTON, November 5, 1947.

DEAR FRASER: Many thanks for your letters of October 31 and November 1.[1] I don't envy you people in your job of keeping away from the horns of the UNSCOP bull. Your problem is well stated in the middle paragraph of page 4 of your October 31 letter.[2]

In so far as I can visualize it, what has happened is that on examination the *gendarmerie* horse proved to be an intractable beast, so that the Delegation sought to transfer the burden to the British goat. The British have yet to be heard from on this. My guess is that it was a good try on our part but that, despite Creech Jones, they won't fall for it. To Bevin it must seem that we've got ourselves into a position from which we are trying to squirm, and I think that quite possibly he is enjoying the spectacle, having been in the same position himself for lo! these many years. But, no matter how we dress up what we have in mind for the British in a stand-by role, they know that they would have to implement partition. I don't see how we can count heavily upon the moral authority of UN, since, if UN votes the UNSCOP plan in the face of opposition and resistance by one of the peoples directly concerned, and by some of its own members, UN's moral authority could be scored at zero, for it will have violated its own charter. There has been plenty of notice of this, official and otherwise by this time.

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[1] Letter of November 1 not printed.

[2] This is the paragraph beginning with "It is my hope, Gordon"; see p. 1226.

It seems to me that, in this murky business, we should at least hang on to any principle that is discernible in it. The one principle that has been advanced thus far to justify our support of the UNSCOP report is that it is a majority report of a UN committee, which we have to support for that reason. However, so far as I can see we have now abandoned even that one principle by taking the position that Economic Union, regarded by UNSCOP as essential to the majority plan, is not essential. We might with equal reason take the position that partition is not essential to the plan, or immigration. Any one of these is or would be a major policy decision marking a departure from our basic September [*October?*] 11 decision. Jettisoning of Economic Union is not an amendment or modification of the majority plan "in order more accurately to give effect to the principles on which that plan is based," nor is it in line with our position "that the powers of the Joint Economic Board be strengthened".

A sit-down strike by the Arab portion of Palestine would not hold up Economic Union, because, according to UNSCOP, that is to apply even if one of the states does not adopt it. On the other hand, the failure of one outfit to agree to the Declaration and to Economic Union would be such a serious matter for the future of Palestine that UNSCOP was well advised to provide that the situation should be reviewed by the General Assembly in such an event.

It is hard to see why so much has been sacrificed for the purpose of plunging Palestine into chaos not later than July 1, 1948.

Since writing the foregoing on November 3 the Russian plan has been stated. On first reading, the bugs seem to be as follows: (1) It won't work, as it depends on cooperation; (2) It would result in a dog-fight over what are "democratic parties and social organizations," just as in Korea and throughout the Russian orbit; (3) the Russians would have veto power on the Security Council. A short trusteeship under the Trusteeship Council would reduce or obviate objections (2) and (3) but objection (1) would remain, as it does for all plans to implement the UNSCOP report thus far advanced.

Our main difficulty here is that when New York puts a draft position up to us, we don't know how much steam the suggested position has behind it. We are uncertain how high up that position has been cleared at your end, or what new policy line lies behind it. A further difficulty is that while we are collecting a few preliminary thoughts on the subject, we are informed by the radio or the press that USUN has already spoken up in meeting. It may be, of course, that clearance between New York and Washington is done on a high level that we don't know about in NE.

Now it is the morning of the 5th and we have Pearson's statement. It seems good to me, but I think he has given up too easily on the

333-774—72——79

Trusteeship Council. If Ben Cohen's formula on "states directly concerned" [3] could be utilized so that the Mandatory Power would be the one and only state directly concerned, the difficulty might be overcome.

The difficulties attached to the SC formula seem considerable. While SC might have some justification for considering Arab resistance a threat to the peace, the Arabs could with equal reason contend that enforcement by SC of partition against Arab wishes would be aggression by the SC itself.

Sincerely, GORDON P. MERRIAM

[3] Mr. Cohen, Counselor of the Department of State, enunciated his formula at an informal meeting of the United States Group on Trusteeship at London on January 17, 1946. His view was that "it was up to the State with administrative responsibilities to take the initiative." (Minutes of the Group, *Foreign Relations*, 1946, vol. I, pp. 554, 557) The Counselor again defined this term at the meeting of the Secretary's Staff Committee on April 20, 1946, "to mean only the state immediately administering or in control of the territory." (Minutes of the Committee, *ibid.*, pp. 569, 572)

867N.01/11–547 : Telegram

The Chargé in Iraq (Dorsz) to the Secretary of State

SECRET BAGHDAD, November 5, 1947—noon.

561. Azzam Pasha yesterday afternoon (Embtel 558, November 4 [1]) showed Busk [2] (Embtel 551, November 3 [1]) cable from Feisal at Lake Success stating Salvador, Chile and third South American state had deserted Arabs under US pressure.[3]

Azzam Pasha commented to Busk "Arabs can appreciate internal political considerations which determine US pro-Zionist policy, but can't they at least leave the small states alone to form their own opinions".

Busk reports Azzam depressed by message. Azzam contends US action is forcing Arabs to warfare which he is anxious to prevent.[4]

DORSZ

[1] Not printed.

[2] Douglas L. Busk, British Chargé in Iraq.

[3] Telegram 353, November 5, from Damascus, reported President Kuwatly's belief, expressed to the British Chargé in Syria, that China and Cuba, which had opposed partition, had been forced to change their attitude by American pressure (867N.01/11–547).

[4] Mr. Henderson, in telegram 547, November 6, to New York, drew Ambassador Johnson's attention to telegrams 561 from Baghdad and 353 from Damascus. He then stated: "In view of bitterness which is arising in Arab countries on this subject, I would appreciate your advice as to what reply can be made especially as to how far we can go in authorizing our representatives to make denial." (867N.01/11–547)

501.BB Palestine/11–447 : Telegram

The Secretary of State to the United States Representative at the United Nations (Austin)

SECRET WASHINGTON, November 6, 1947—6 p. m.

546. For Hilldring from Henderson and McGuire.[1] Dept favors working group's revision (urtel 1146, Nov 4[2]) and feels strongly that this is only wording USDel should vote favorably upon. If rest of Subcommittee 1 accepts Guatemalan revision,[3] USDel should reserve its position and introduce working group's wording in full committee. Reference last para urtel[4] Delegation should not attempt to influence wording any alternative proposal.

If necessary to defend position, USDel might state:

1. US Govt considers it an integral part of the UNSCOP proposals that measures should be taken to provide in so far as possible that both the Jewish and Arab States have the means for financial stability and a reasonable opportunity for economic progress. This conception was the basis for UNSCOP's recommendation that there should be an economic union.

2. UNSCOP did not provide a detailed definition of economic union. The Jewish Agency has presented certain proposals regarding currency and customs which define economic union in a very limited way. In fact, the Agency proposals appear to be designed to establish economic separation. While in order to avoid delay in the submission of the whole report of the subcommittee, USDel has tentatively approved the Jewish Agency's currency proposals, it intends to devote further study to them, and reserves the right to suggest changes at a later time if it becomes clear that the Agency's proposals will endanger the financial stability of either state. In the meantime, USDel is not prepared to approve any change whatever in the specific UNSCOP proposal for an equal division of customs revenues, until such time as it becomes clear from experience that some other division is compatible with accomplishment of the objective of financial stability for both states.

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[1] Paul F. McGuire, Associate Chief of the Division of Financial Affairs.

[2] Not printed; the revision read as follows: "After these obligations have been met in full, the surplus revenue from the customs and other common services shall be divided in the following manner: not less than 5 per cent and not more than 10 per cent to the City of Jerusalem, and the residue in equal proportion to the Jewish and the Arab States. *At the end of the first year, and every two years thereafter*, the division shall be reviewable by the Joint Economic Board, which shall make such modifications as may be deemed necessary." (501.BB Palestine/11–447)

[3] Telegram 1146 reported this revision was "proposed by Guatemala in consultation with and to meet Jewish Agency's views" and read the same as the revision above through the distribution of revenues to the City of Jerusalem. Thereafter it read: "and the residue shall be allocated to each state by the Joint Economic Board in a proportion to be decided each year. The Board shall take into account that no state shall receive a share higher than approximately four million pounds in excess of its net contribution to these revenues, but the amount granted may be adjusted by the board according to the price level in relation to the prices prevailing at the time of the establishment of the union."

[4] This paragraph gave the text of a compromise wording which was acceptable to the Jewish Agency.

Above position drafted in light of Dept's understanding that USDel has already tentatively approved certain Jewish Agency currency proposals in modified form, and may not consider it feasible to retract this approval. However, Dept would prefer that US position on currency proposals also be formally reserved. If possible without serious embarrassment, Dept suggests that USDel take position that there is insufficient information available to permit any detailed elaboration of UNSCOP's recommended objective of "a common currency", and that such elaboration should be left to be worked out during the course of negotiations for the treaty of Economic Union.

Dept's economic experts believe there is serious doubt that Arab State can be financially stable if it has to depend solely upon its own tax resources for governmental revenues and upon foreign exchange earnings from exports originating in the Arab State for all import requirements of that State. It would appear reasonable and compatible with UNSCOP concepts to provide for pooling of taxes and foreign exchange receipts and central import licensing for an initial period after political separation. An exception for gift capital remittances could be provided. If USDel feels it is incumbent upon US Govt to recommend a detailed plan for economic union at this time, State and Treasury will undertake to prepare such a plan in time for presentation to full *Ad Hoc* Committee. However, State and Treasury would be seriously handicapped by lack of info concerning economic effects of partition. It is in fact probable that the answer as to what form of economic union will be compatible with financial stability of both states can be derived only from experience, and that initially there should be a minimum of change from economic arrangements now in effect. I.e. the Joint Economic Board might take over the economic functions and procedures of the present Government of Palestine, but with instructions to work out procedures for a gradual transition to greater economic independence for the two states over a reasonable period of time. Dept would appreciate USDel's comments on this approach. [Henderson and McGuire]

MARSHALL

501.BB Summaries/11–747 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

[Extract]

SECRET NEW YORK, November 7, 1947—3 : 15 a.m.

1164.

. . . . . .

At a meeting of the working group (US–USSR–Guatemala–Canada) on implementation of the Palestine Subcommittee on Par-

tition, USGADel on Nov. 6 presented a proposal designed to meet in part suggestions that the SC should be assigned a definite role in the implementation of the GA's Palestine recommendations. Johnson suggested that the GA elect a UN commission composed of a high commissioner and two other members. This commission, subject to the GA recommendations on Palestine, would supervise and assist in the transfer of the powers of government to the two independent states and to the proposed trust territory of the city of Jerusalem, and would advise and assist the new governments in the establishment of stable bases of government and administration.

The US further suggested that the commission should report to and be subject to any instructions issued by the SC on matters affecting international peace and security and might report as necessary to the TC on other matters. For this purpose, the TC would be authorized to give advice to the commission within the framework of the GA recommendations. The UN commission would make its final report to the third GA session. As soon as feasible, on a date to be agreed by the SC and the mandatory power following a recommendation of the UN commission, but in any event, not later than July 1, 1948, the mandate for Palestine would be terminated and the independence of the two states would be achieved.

In the resulting discussion, it was made clear that the essential points of difference between the US and the USSR positions related to (1) the date on which the mandate would be terminated, and (2) the question of who would implement the GA recommendations. On the first point, the Soviet proposal called for the termination of the mandate on Jan. 1, 1948, followed by a transitional period, whereas the US proposal called for the termination of the mandate on July 1, 1948, simultaneously with the attainment of independence in Palestine.

On the second point, the Soviet position was that the SC should itself undertake the administration of Palestine during the period preceding independence, whereas the US position was that the steps preparatory to independence should be undertaken by the UK with the advice and assistance of a UN commission selected by the GA. These points of difference were not resolved. Tsarapkin (USSR) stated that the US suggestion gave no real responsibility to the SC. The mandatory power should lose all authority on Jan. 1, 1948, and only the SC had enough authority to take the necessary steps to carry out the GA recommendations. Therefore, the USSR felt that the Soviet proposals must be accepted.

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AUSTIN

IO Files: US/A/AC.14/153

Memorandum of Conversation, by Mr. Fraser Wilkins

CONFIDENTIAL [NEW YORK,] November 7, 1947.

Participants: Sir Alexander Cadogan, United Kingdom Delegation
Mr. Lester B. Pearson, United Kingdom [*Canadian*] Delegation
Ambassador Herschel Johnson, United States Delegation
General John Hilldring, United States Delegation
Mr. Wilkins, United States Delegation

Ambassador Johnson and General Hilldring called on Sir Alexander Cadogan this morning at Mr. Pearson's suite at The Biltmore. Mr. Pearson was also present. This meeting had been arranged at Ambassador Johnson's request for the purpose of discussing with Sir Alexander Cadogan recent developments at the United Nations respecting the Palestine question and for the purpose of ascertaining, if possible, to what extent the British authorities in Palestine would be willing to cooperate in Palestine during the period prior to independence.

Mr. Pearson commenced the conversation by outlining the present situation in Subcommittee 1 of the *Ad Hoc* Committee on Palestine. Mr. Pearson pointed out that this Subcommittee had been charged with the task of drawing up a plan for the partition of Palestine based on the majority plan of UNSCOP. Mr. Pearson explained that the vital part of this plan—its implementation—had been under discussion during the past few days in a working group of Subcommittee 1 consisting of the representatives of the United States, Soviet Russia, Guatemala and Canada. It was explained that the representatives of these four states had met as each of them had advanced suggestions regarding implementation.

Mr. Pearson observed that the United States plan provided for implementation during the period preceding the suggested date of July 1, 1948 by the United Kingdom with the advice and assistance of a United Nations Commission appointed by the General Assembly; that the Russian plan provided for the termination of the mandate on January 1, 1948, implementation by the Security Council and a United Nations Commission appointed by the Security Council reflecting the same membership as the Security Council and independence for the Jewish and Arab States on January 1, 1949; that the Guatemalan plan provided for a United Nations administration of Palestine, following the General Assembly's recommendations, with forces supplied by such states as Mexico, Sweden and Czechoslovakia; and that the Canadian

plan was very similar to the United States plan except that, for legal reasons, the United Nations Commission appointed by the General Assembly, as envisaged by the United States, would be replaced by a United Nations Commission appointed by the Security Council.

Mr. Pearson explained that the United States had yesterday endeavored to compromise with the Russians by suggesting that the General Assembly's recommendations might stipulate that the United Nations Commission appointed by the General Assembly would have general supervision of the transfer of powers from the mandatory to the two new states, would be instructed to advise and assist not only the mandatory but the two new states and would be instructed to report to the Security Council on matters affecting international peace and security and might report to the Trusteeship Council on other matters. Mr. Pearson related that the Russians had found this compromise unacceptable.

Mr. Johnson then explained that he had informed the working group that he and Mr. Pearson would discuss the general question with the United Kingdom Delegation and would endeavor to ascertain to what extent the British authorities in Palestine would be willing to cooperate in Palestine during the period prior to independence. Mr. Johnson expressed the view that the United Kingdom would be mandatory for Palestine until the termination of the mandate and that it was inconceivable to him that the United Kingdom would deny all responsibility for the administration of Palestine and the maintenance of law and order during the period of British withdrawal prior to the termination of the mandate.

Sir Alexander Cadogan replied that he had been following developments with regard to Palestine in the United Nations closely and that yesterday he had sent a telegram to London raising similar questions and accordingly could not answer Mr. Johnson's question until he had had a reply. Sir Alexander continued that it seemed obvious to him that the British authorities in Palestine, as representatives of a good member of the United Nations, would continue to administer Palestine and maintain normal internal law and order while withdrawing. Sir Alexander said that London was presently working on plans of withdrawal, and that, although he was not aware of the time schedule or the manner in which it would be accomplished, he could say difficulties arising in Palestine as a result of United Nations recommendations would not be allowed to retard or reverse the British plan of withdrawal. In other words, as Sir Alexander envisaged the British plans, the British forces would gradually withdraw from the more stable areas, hand over the administration to the new authorities, and would leave what were believed to be the more unstable areas to the last. If

during this process trouble broke out in an area which the British forces had already evacuated, Sir Alexander did not believe that the British forces would return to it and again assume the responsibilities of administration and the maintenance of law and order in that area.

Mr. Johnson said that he appreciated the British position, and, of course, assumed that if a situation arose in a part of Palestine which appeared to affect international peace and security, that development would be a matter for consideration and action by the Security Council, but that as long as the United Kingdom had the responsibility for the mandate territory, it also had the responsibility for the maintenance of internal law and order within it.

Sir Alexander indicated that in general he concurred with Mr. Johnson's views and that he personally felt that the United Kingdom would cooperate in the transfer of administration and in the maintenance of internal law and order, but that more serious difficulties arising as a result of partition would not be the responsibility of the United Kingdom.

Mr. Johnson suggested that if the United Kingdom were in a position to issue a statement indicating in general terms the extent to which the United Kingdom was prepared to cooperate with the United Nations or its agents, such as the United Nations Commission, it would have a clarifying, salutary effect upon the present state of discussions in the Working Group on implementation, and in Subcommittee 1, and in the *Ad Hoc* Committee. Mr. Johnson was of the belief that a statement by the United Kingdom, such as that which he had indicated, would tend to remove the doubts which the Russians and the Guatemalans entertained as to the honest intention of the British to withdraw and would assist the United Nations in reaching a solution on the Palestine question.

Sir Alexander Cadogan remarked that there could be no doubt whatever about British intentions to withdraw and that there would be a "dwindling suspicion" in the minds of the Russians and the Guatemalans when the British forces actually began to depart. Sir Alexander further remarked that he hoped London's reply to the telegram which he had sent to London yesterday incorporated views along the lines of those which had been exchanged today would be favorable, and that it would be possible for the United Kingdom to issue a statement clarifying its views with regard to normal implementation.[1]

FRASER WILKINS

[1] According to a second memorandum of November 7 by Mr. Wilkins, Sir Alexander Cadogan, during this discussion, informed Ambassador Johnson and General Hilldring that "the United Kingdom would abstain from voting on United Nations recommendations with regard to the future government of Palestine." (IO files: US/A/AC.14/159)

501.BB Palestine/10–3047 : Telegram

The Secretary of State to the British Secretary of State for Foreign Affairs (Bevin)[1]

SECRET
US URGENT

WASHINGTON, November 7, 1947—7 p. m.

Reference is made to the *aide-mémoire* of the Secretary of State for Foreign Affairs dated October 30, 1947[2] with regard to the activities of the SS *Pan Crescent* and *Pan York*, which according to the *aide-mémoire* are vessels registered under the flag of Panama now present at Constanza. The Foreign Secretary has likewise invited attention to the possibility that the *Colonel Frederick C. Johnson*, now lying at Norfolk, Virginia, may be destined for the same traffic.

The Department of State has undertaken immediate investigation of the status of these vessels. This investigation however is not complete and the following comments provide merely an interim answer reflecting the concern which the Government of the United States shares with the Government of the United Kingdom over the activities of vessels engaged in the clandestine emigrant traffic to Palestine. Meanwhile armed cutters of the United States Coast Guard have the *Colonel Frederick C. Johnson* under twenty-four hour surveillance at Norfolk and all possible steps are being taken to prevent the sailing of this vessel.

For the most confidential information of the Secretary of State for Foreign Affairs it can be revealed that Officers of the Department of State have discussed this problem as a matter of urgency with authorized representatives of the Jewish Agency in New York City. With specific reference to the SS *Pan Crescent*, *Pan York*, and SS *Colonel Frederick C. Johnson* an authorized representative of the Jewish Agency has informed the Department of State that the Jewish Agency has no information about prospective sailings either from Atlantic ports or ports in the Black Sea during the next five or six weeks. The representative of the Jewish Agency added that the Agency would do everything within its power to prevent further incidents but indicated that the Agency did not have complete control of the Jewish Underground. The Agency requested any precise information available as to prospective sailings in order that it might use its maximum influence to prevent incidents. The Department's representative stated

[1] Sent to London as Department telegram 4772, with the instruction: "Please call on Mr. Bevin and leave with him the following memorandum in response to his *aide-mémoire* of October 30 (your 5787 October 30)." Telegram 5787 is not printed.

[2] Not printed.

that it expected the Jewish Agency to exert itself to the utmost to see that the Underground is restrained.[3]

Furthermore the Secretary of State has in person called in Jewish leaders and informed them with the greatest possible emphasis that unless immediate and effective steps were taken to stop this clandestine activity he would have no other recourse but to treat the matter publicly.

MARSHALL

[3] Telegram 1240, November 19, 11:05 p. m., from New York informed the Department: "A report in the *NY Post* to the effect that the *Pan York* and *Pan Crescent* were ready to sail from the Black Sea last week 'but the Jewish Commission ordered the passengers disembarked pending further alterations to the ships' probably meant that representations which the JA had made were being heeded, Gelber (JA) told USGADel. Gelber said he did not know what was meant by 'further alterations to the ships' but he thought it might be the reason given to the people by their leaders who did not wish to give the real reasons, i.e., the fact that illegal immigration should be cut down." (501.BB Summaries/11–1947)

867N.01/11–947 : Telegram

The Secretary of State to the Legation in Syria

CONFIDENTIAL WASHINGTON, November 10, 1947—6 p. m.

249. In response Dept's inquiry re allegations at Damascus and Baghdad of US pressure on Latin American states to support partition Palestine, Amb Johnson has informed Dept[1] as follows:

"I have discussed matter of soliciting support for the American position at the GA with delegation officials concerned. I am assured that no USDel officials have attempted to put pressure on states mentioned in telegram Damascus 353 of November 5,[2] and Baghdad 561, November 5, in effort to persuade them to support partition of Palestine.

However, American representatives have not hesitated to explain and defend to representatives of foreign powers at UN the official American position advocating partition of Palestine and establishment of an independent Arab and Jewish state. Hence, answer to the question raised in the last paragraph of telegram Damascus 353, November 5, is in the negative. For your information and for use by Damascus and Baghdad Embassies as they see fit: Latin American states while not under pressure of US Government regarding Palestine are subject to considerable persuasion by national chapters of highly organized and well financed Jewish Agency. These states, while yielding to JA pressure, may be inclined sometimes to claim that the pressure comes from the US Government rather than the JA."

Sent Damascus 249, repeated Baghdad 420, Beirut 502, Jidda 348, Cairo 1538, Jerusalem 463 and London 4790.

MARSHALL

[1] In telegram 1181, November 9, 6:08 p. m., from New York.
[2] See footnote 3 to telegram 561, p. 1240.

867N.01/11–1047

Memorandum by the Director of the Office of Near Eastern and African Affairs (Henderson) to the Secretary of State

CONFIDENTIAL [WASHINGTON,] November 10, 1947.

Subject: Suspension of Exports of Arms and Ammunition to Arab States and Palestine

Discussion:

From time to time requests are received from Arab governments of the Near East for the purchase and export of arms and ammunition or other military material of a type requiring export licensing. Moreover, it is expected that the Jewish Agency or other Jewish organizations will make similar requests in the near future.

While these acquisitions are requested on the ground that they are required to improve and strengthen the internal security forces of these countries, I am of the opinion that, in view of the tense situation in Palestine and on its frontiers, we should not permit the export of any material of this nature to Palestine or neighboring states so long as the tension continues. Otherwise, the Arabs might use arms of U.S. origin against Jews, or Jews might use them against Arabs. In either case, we would be subject to bitter recrimination.

Recommendation:

I, therefore, recommend that effective immediately we suspend authorization for the export from the United States of arms, ammunition and other war material intended for use in Palestine or in neighboring countries, until the situation in that area has become somewhat more clarified. This suspension should also apply to export licenses already issued but not yet utilized.[1]

Concurrences:

U —Mr. Lovett
A–A—Mr. Armour
MD—Mr. Cummins
NE—Mr. Merriam [2]

LOY W. HENDERSON

[1] Marginal notation by the Secretary of State: "OK".
[2] Concurrences indicated by U, A–A and MD; cleared also by the Office of the Legal Adviser.

501.BB Palestine/11–1147 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

SECRET NEW YORK, November 11, 1947—12:30 a. m.

1198. Delegation this morning [1] took following decisions re partition plan for Palestine:

[1] November 10.

A. *Implementation.*

The critical situation in the working group on implementation was explained to the Delegation. The differences between the US and USSR proposals especially in regard to relationship between the commission and the SC were explained. It was noted that the Department preferred the omission from the US plan of the proposal for having the commission which supervises the implementation of the partition plan report to the Trusteeship Council. It was also explained that we would be willing to approve the Canadian proposal that the mandate be formally terminated on January 1, provided that the British were willing to exercise the functions of policing and internal administration until independent states existed in the area. It was noted that the British had not yet informed us whether they would be willing to assume this responsibility. With regard to the further question whether the Soviets would agree to the Canadian compromise proposal, and whether the US would assume some of the onus for failure to secure a partition plan by refusing to agree to the Canadian compromise, the American representatives in the working group were given discretion to make the necessary decisions, subject to instructions which may be received from the Department during the course of the day.

B. *City of Jerusalem.*

It was explained that there was considerable sentiment in the working group for a proposal that the international regime for the city of Jerusalem be limited to the ancient walled city of Jerusalem, with the new Jewish city being made a part of the Jewish state while the Arab city was incorporated in the Arab state. The international authority would exercise supervision over other holy places throughout Palestine. It was agreed that the American representatives in the working group should go along with the majority on this question, provided that adequate safeguards for the holy places were retained.[2]

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[2] Messrs. Wilkins and Merriam had already discussed this matter by telephone. The Department's point of view was then sent to New York in telegram 556, November 10, 6 p. m., prefaced with "for Hilldring from Henderson", as follows: "We feel that such a division is impractical and undesirable for following reasons:

"1) It would be a further departure from the provisions of the Majority Report.

"2) It would severely limit the territorial area under the authority of the Governor of Jerusalem and thus weaken his authority and prestige as guardian of the Holy Places throughout Palestine.

"3) The majority of Christian establishments in Palestine are concentrated in Jerusalem but outside the Old City. Therefore the majority of Christian establishments would fall within the area of either the Jewish or Arab states. Considerable Christian opposition to such a move could be expected.

"4) Difficulty of division of area by populations is illustrated by location of

Footnote continued on following page.

C. *Territorial question.*

It was pointed out that representatives of the Jewish Agency had stated that they could not give up their claim to the Negeb unless they received compensation elsewhere. Several delegations felt very strongly that the Arab claims to some of the Negeb were justified in view of the character of its population and the desirability of giving the Arabs a land bridge between Egypt and the other Arab states. It was suggested that the prospects be explored for a division of the Negeb, perhaps with some slight compensation to the Zionists in Galilee. If the matter arises in the working group today the American representatives will take a strong stand along the lines of the previous position adopted by the Delegation and will reserve the US position unless the solution recommended falls within the limits of the Dept's instructions.

D. *Economic union.*

It was agreed that the American representatives should adhere strictly to the Dept's position of opposing the Jewish Agency's reservations with regard to a common currency for Palestine and a ceiling on contributions to the Arab state. The provision for a periodic review of the terms of the economic union were considered adequate to protect the interests of the Jewish state.

E. *Freedom of religion.*

It was agreed that, in the drafting of UN documents regarding the future of Palestine, the USDel would insist on the inclusion of the phrase "freedom of religion" rather than "freedom of religious worship," the version preferred by the Soviets.

AUSTIN

Hebrew University which is far removed from predominantly Jewish area, and separated by a predominantly Arab area.

"5) Jerusalem has grown through a period of many years as a unitary city. The division of its administrative and municipal services, water supply, etc., would make them extremely difficult and costly to manage and operate.

"6) Under the proposed division almost the whole modern commercial area as well as all important government buildings would go to the Jewish state. The Arab state would be forced to build up an entirely new city in an area mostly unsuitable for such construction." (867N.01/11–1047)

501.BB Palestine/11–1147 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

SECRET NEW YORK, November 11, 1947—12:20 a. m.

PRIORITY

1197. Subcommittee I's working group on implementation this afternoon [1] unanimously agreed on following:

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[1] November 10.

"1. The mandate for Palestine shall terminate on 1 May 1948, and the armed forces of the mandatory power shall be withdrawn from Palestine by that date.

2. Independent Arab and Jewish states shall come into existence in Palestine on 1 July 1948, or at such earlier date subsequent to 1 May 1948 as the UN Commission, referred to below, recommends and the SC approves as desirable and practicable.

3. There shall be a commission appointed by the GA of 3–5 members representing small powers.

4. The functions of the commission shall be to implement the measures recommended by the GA as follows: (The provisions to be included here, after approval by the working group, will be drafted having in mind the recommendations of UNSCOP report, points 5–10 of the Soviet Delegation's proposals of 3 November and any other suggestions made by members of the working group.)

5. The commission shall assist the mandatory in the performance of its functions up to the termination of the mandate.

6. The commission shall be responsible for the administration of Palestine in the period, if any, between the termination of the mandate and the establishment of the two independent states.

7. The commission shall act under the authority and guidance of the SC. The commission shall be guided in its activities by the recommendations of the GA and by such special instructions within the purview of the recommendations of the GA as the SC may consider necessary to issue. The commission shall render periodic monthly progress reports, or more frequently if desirable, to the SC. (Further clarification of the last two sentences of this paragraph may be made by the working group.)

NOTE: During the period between the adoption by the GA of the resolution on Palestine and the termination of the mandate, the mandatory power shall be requested by the GA to continue to be responsible for the maintenance of law and order and the conduct of essential public services in Palestine."

Following are comments by USDel on paragraphs as indicated:

2. Provision for possible earlier independence inserted at instance USDel which expressed desire accomplish independence same date as termination of mandate.

3. It was generally agreed that powers selected for this commission should be states which support partition in the UN.

4. Soviet Delegation proposals of November 3 are contained in US/A/AC.14/144 and my telegram 1135 of November 3.[2] USDel plans to propose those modifications of UNSCOP majority plan as are contained in Department's Annex A revised by USDel—US/A/AC.14/123 of October 24, 1947 plus such other changes as required to bring UNSCOP majority plan into conformity with Subcommittee I's working group agreement on implementation.

[2] Neither printed, but for Soviet proposals, see telegram 1141, November 4, from New York, p. 1231.

7. USDel's acceptance of first sentence in principle was conditional on Russian acceptance of second and third sentences in principle. USDel made this clear in Subcommittee I's working group and in Subcommittee I itself and stressed that special commission would have full authority to carry out GA recommendations without prior approval by SC, that SC could give instructions within the purview of the GA recommendations to commission, but commission would be free to act in absence of instructions; and that approval of reports of commission by SC would not be necessary.

AUSTIN

501.BB Summaries/11–1147 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

[Extract]

SECRET NEW YORK, November 11, 1947—3 : 48 a. m.
1201.

. . . . . .

While the Arab Palestine plan developed in the Subcommittee was based on the establishment of a unitary state, the door was left "wide open" for cantonization,[1] Beeley (UK) has informed USGADel. The Arabs, he explained, did not contemplate suggesting cantonization, but had been tentatively decided that Siam would suggest in the Palestine Committee that the plan be amended to include cantonization. The plan as originally drafted contained provisions predicated on UK assistance continuing to be available for implementation. However, Beeley had informed the Arabs that these provisions would be unacceptable to the UK since it was obvious the JA could not agree to the plan.

Developments in the Palestine Subcommittee had prompted him to believe that the only basis for a solution was a unitary state with Arab and Jewish cantons having wide autonomous local powers. Jewish immigration should be permitted into the Jewish cantons for a period such as five years, after which the unitary state would become fully sovereign in immigration, in Beeley's opinion.

The hope that the US was under no misapprehension as to the seriousness of the UK Government's intentions to withdraw its troops was

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[1] According to telegram 1157, November 6, 12 : 57 a. m., from New York, Mr. Chamoun of Lebanon, on November 5, had informed a member of the American Delegation, that the "Arab States would not themselves propose cantonization in Palestine, but would not oppose it if it were proposed by some other nations." (501.BB Summaries/11–647)

reiterated by Beeley. He said Bevin, in a reply to UKDel's request for an opinion on the Soviet and US proposal of implementation of the partition plan, had commented that if the US were really concerned about keeping the SC out of the Palestine question why didn't it abandon its support of partition.

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AUSTIN

501.BB Palestine/11–1147 : Telegram

The Consul General at Jerusalem (Macatee) to the Secretary of State

SECRET JERUSALEM, November 11, 1947—4 p. m.

518. 1. High government official confirms existence JA plan on highest level set up Jewish state within UNSCOP boundaries at first opportunity regardless UN decision. January 1 is date frequently mentioned. In such event British would probably not interfere, regarding this as training period leading to full statehood. Jews already operate many of own public services, excluding postal, railways, civil aviation and customs, which Palestine Government would not relinquish in advance withdrawal. Same applies control Haifa port. In circumstances so-called state would be handicapped to extent which informant thinks not at all realized by JA. Informant confirms existence rumors that JA has some kind of deal with Abdullah, possibly to take over portion of Palestine outside Jewish state.

2. Considers suggested partition Jerusalem visualizing Jewish state approaching walls of great Mosque more inflammatory, dangerous than partition of Palestine itself. Thinks interests of Christendom in holy places would be endangered to point where churches would have to enter dispute.

3. Recent meeting occurred at Nablus, following return of mayor of Nablus from talks with Mufti, at which clashing Husseini and Nashashibi factions reconciled for resistance purposes. This regarded as increasing effectiveness Palestine Arab resistance to partition.

4. Growing cleavage noted between right and left wings of Jewish community in struggle for power with Haganah now interfering less with rightist Irgun than formerly. Interesting to note leftist Jewish press including *Davar* spokesman for JA displayed prominently felicitations to USSR October revolution anniversary. This criticized by right-wing political elements, one industrialist saying such congratulations never appeared in [*regarding*] US July 4th.

5. Although both Arabs and Jews comment locally that USSR Palestine policy motivated by desire pave way for infiltration trained

Communist agitators from eastern Europe, source mentioned paragraph 1 unimpressed by this idea since Cominform Belgrade already has working relations with Palestine Communist Party (Jewish) and Arab League National Liberation.

MACATEE

501.BB Palestine/11–747 : Telegram

The Secretary of State to the United States Representative at the United Nations (Austin)

SECRET WASHINGTON, November 12, 1947—6 p. m.

558. With reference to Negeb question, Dept concurs with decision mentioned in para. C of USUN 1198 Nov. 11. It considers any substantial modification of US position would be most undesirable for following reasons:

1. Decision to include Negeb in Arab State was approved by Department and later by full Delegation under chairmanship of Secretary.

2. For Delegation's information following factors were taken into consideration in arriving at Department's position:

a. If partition is to be successful it should be as equitable and just as possible. Among factors taken into consideration in this regard were the preponderance of population in a given area and the end use to which area could be put. Using these criteria, it was found that the Negeb was overwhelmingly Arab and has historically been so. (United Kingdom figures furnished to Subcommittee No. 1 show considerable increase in Arab population of Negeb over figures used by UNSCOP. Furthermore there has been great increase in habitations and settled population. Tribes inhabiting region can no longer be considered as purely nomadic and non-settled population.) It is a barren, arid, and topographically inhospitable area suitable only for marginal cultivation and seasonal grazing, an occupation habitually engaged in by the present inhabitants—semi-nomadic Arabs. Many proponents of Palestinian development admit that there is extremely slight chance of any large-scale development in the area.

b. One of the major objections by the Arab States to partition as envisaged in the majority report has been the fact that the proposed Jewish State would divide the historic land bridge existing between traditionally Arab areas now constituted into Arab States. By giving the Negeb, with point of intersection at Beersheba, to the Arab State this connection would be maintained, and Beersheba developed as an effective trade and communications center between the Arab and Jewish States. The forcing of a Jewish wedge in an Arab area inhabited by traditionally truculent and fanatical Moslems would immeasurably increase difficulties in connection with implementation.

c. Frequent reference has been made to the desirability of the Jewish State having an "outlet to the Red Sea and the Port of Aqaba." It

should be pointed out that Aqaba is not in Palestine. The possibility of developing any part of Palestine bordering on the Red Sea as a port is open to serious doubt, and development of satisfactory communications with such a port extremely difficult.

In view of considerations set forth above Department does not feel that the approved position should be abandoned or substantially modified.

MARSHALL

867N.01/11–1247 : Telegram

The Chargé in the United Kingdom (Gallman) to the Secretary of State

CONFIDENTIAL LONDON, November 12, 1947—7 p. m.

6005. Linton of JA advised Embassy November 10 that on behalf of JA he had recently protested strongly to Colonial Office re use Arab Legion in Palestine pointing out to ColOff that this was provocative step inviting trouble with Jewish farmers who know that 4,000-man Arab Legion is only well-trained and disciplined Arab body in area.

2. Linton said he was more concerned than ever (Embassy's 5489 October 10 [1]) re manner in which British Government would withdraw. He had gathered at ColOff that its officials are disinclined to leave anarchy behind them but on other hand there had been some loose talk in this regard by Palestine Government officials. Linton thought HMG still hopes that Arabs and Jews may reach agreement and that in consequence HMG can stay in Palestine. If so, Linton said "HMG is very wrong".

3. Linton did not believe that boycott or other economic measures taken against Jewish state by Arab state with support other Arab governments would be effective because "JA has right to ask Jewish communities all over world to finance settlement of million new Jews in Palestine" and with gift dollars from these communities Jewish state at worst could for years be largely independent of its surroundings. However, Jews will make every effort to develop close economic relations with Arabs.

GALLMAN

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[1] Not printed; it reported Mr. Linton's deep concern over the possibility that "British troops will withdraw first from Arab area toward Palestine ports thus giving Arabs opportunity consolidate their positions in vacated area with result Haganah will have to fight its way back into this area. Manner of withdrawal will be of great significance to Jews according Linton who has heard rumors effect that British are planning withdrawal to favor Arabs." (867N.01/10–1047)

501.BB Palestine/11–1347

Memorandum by Ambassador George Wadsworth to the Assistant Chief of the Division of Near Eastern Affairs (Mattison)

TOP SECRET [WASHINGTON,] November 13, 1947.

1. Following our telephone conversation of this morning, I had "strictly personal and confidential" converse with Dr. Jamali. I began by telling him frankly that you had given me to understand:

a) That "at working level" the officers of NE wished as of now to outline a procedure which might properly be followed in the event that Partition (or any other proposed plan of settlement) failed to obtain a two-thirds majority;

b) That you believed it would be of high practical advantage were such outline to be "cleared" with General Marshall prior to his departure for London,[1] especially in view of the fact that he would in all probability have left Washington before the Palestine question came to a vote in GAUN; and

c) That, to this end, you believed it would be especially helpful were NE to know, in general, Arab views on the subject and, in particular, to what degree the Arab plan of settlement (as evolved in the Second Sub-Committee) might open the way to the so-called "cantonization" compromise of which I had already informed you.

2. I then explained that I was leaving within the hour for Washington and said that I believed the moment was one when we should talk with the same full frankness which had marked our relations in Baghdad. I said that I had personally gathered the impression in conversations at working level that, in the event of "no vote," the American Government would be able to approach the resulting situation strictly on its merits and without prior commitment.

3. Dr. Jamali replied that the Arab delegations, too, had been envisaging the possibility of such a development, especially in the light of information received from London that Bevin continued adamant in his stand on "implementation." The resulting Arab views, he said, might be recapitulated as follows:

a) With failure of GAUN to adopt any resolution dealing substantively with the items on its current agenda, it "would have no further authority in the matter;" and

b) To the end that a formula be found for reopening the matter in the current session or at another special session, it would seem desirable that exploratory Anglo-American conversations be held immediately following a "no vote" in GAUN.

[1] To participate in the Fifth Session of the Council of Foreign Ministers which was held from November 25 to December 15, 1947.

4. Were such conversations to be so held, Dr. Jamali said, the Arabs would wish them to be premised on mutual recognition of the following two considerations logically emerging from the prior proceedings:

a) There shall be no Jewish State anywhere in the Arab World, but every proper safeguard shall be given the already existing Jewish Home in Palestine; and

b) There shall be no further Jewish immigration into Palestine except as incident to international settlement of the D.P. question based on all members of UN doing their share.

[Here follow paragraphs numbered 5 through 7 dealing with three draft resolutions to be proposed to the *Ad Hoc* Committee by Sub-committee 2. The resolutions dealt with the referral of certain legal questions to the International Court of Justice, the questions of Jewish refugees and displaced persons, and the constitution and future government of Palestine: for texts as proposed by Sub-committee 2, see GA (II), *Ad Hoc Committee*, pages 299–303.]

8. It is in Resolution No. III, he concluded, that you will find both the safeguards which the Arabs conceive to be properly extendable to the Jews in Palestine (as individuals, as dominant majority groups in certain parts of the country and as a cultural and religious minority in the country as a whole) and the provision which might conceivably open the way to "cantonization". In this connection he asks you to study carefully numbered paragraphs 6–iv through 6–xii. No. 6–x reads as follows:

The constitution shall authorize the Legislature to invest local authorities with wide discretion in matters connected with education, health and other social services.

9. Finally, in answer to two questions which I put to him, Dr. Jamali confirmed that the Arabs are quite willing: *a*) that administrative (sub-district) frontiers be so redrawn as to establish a number of "areas in which they (the Jews) are in a majority"; and *b*) that the President of the proposed Supreme Court (see numbered paragraph 6–xi of Resolution No. III) be selected by the International Court of Justice.

GEORGE WADSWORTH

501.A Summaries/11–1447: Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

[Extracts]

NEW YORK, November 14, 1947—1:30 a. m.

1213.

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"Ad Hoc" Committee on the Palestinian Question, Subcommittee 1 (10[*20*]th meeting)

After the two working groups on boundaries and implementation had met in closed session on Nov. 12, the full Subcommittee, at an evening meeting, completed its recommendations on all but two points of the boundary question . . . .

Chairman Pruszynski (Poland) then submitted the working group's recommendation that Jaffa be made an Arab enclave, with the Arabs having the right to free transit through the Jewish state. He did not favor a corridor through the Jewish state to Jaffa. Johnson did not believe that a special road should be constructed for Arab use from Jaffa through Jewish state, as the two peoples must learn to live together in common amity . . . . The Subcommittee approved the working group's recommendation for inclusion of Jaffa in the Arab state with free communication between this city and the Arab state . . . .

Passing to the question of Galilee, Pruszynski said the working group had been unable to formulate any definite proposal, but he recommended that a compromise on the JA proposals be worked out . . . . Shertok (JA) said that there was the possibility that an exchange might be effected of some of the land in the northern part of the Negeb which UNSCOP had placed in the Jewish state.

Johnson declared that the US could not approve assignment of any area in western Galilee to the Jewish state, since the population in this area was so predominantly Arab. In addition, this was virtually the only area which offered the Arabs any room for future expansion and development. The US, he said, would favor a slight adjustment in eastern Galilee for the benefit of the Jewish state and if possible this line might be drawn to include Safad in the Arab state. Shertok objected that Safad was one of the four Jewish holy places. Johnson replied that it was only a working suggestion . . . . Johnson said he believed that if western Galilee were given to the Jews it would seriously jeopardize the two-thirds vote for the partition scheme . . . .

Johnson proposed that some adjustment be made in the northern part of the Negeb, including the town of Beersheba, which would be in favor of the Arab state . . . .

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"Ad Hoc" Committee on Palestinian Question, Subcommittee 1 (21st meeting)

The UK announced in the Subcommittee on Nov. 13 that British troops would not be available as "the instrument for the enforcement of settlement in Palestine against either Arabs or Jews."

Cadogan (UK) made this announcement at the opening of the afternoon meeting. He said that in line with the UK statement of Sept. 26, plans were being made for an early withdrawal of British forces and administration from Palestine. Efforts were being made to reduce the time required for the military withdrawal to a minimum and the evacuation should be completed by Aug. 1, 1948. As long as British troops remain in any part of Palestine, he stated, they must maintain law and order in the areas which they occupy, but they will not be available as "the instrument for the enforcement of settlement in Palestine against either Arabs or Jews."

The impracticability of withdrawing the last of the UK troops from Palestine before summer did not imply that a UK civil administration would be maintained for that length of time, Cadogan pointed out. "We reserve the right to lay down the mandate and to bring our civil administration to an end at any time after it has become evident that no settlement acceptable to both Jews and Arabs has been reached by the Assembly." In the event of an interval between the termination of the mandate and the withdrawal of the last British troops, the UK would not maintain a civil administration and would confine itself to preserving order in the areas controlled by its remaining forces, he added.

Concluding, Cadogan told the Subcommittee that "if a UN commission were at work in Palestine taking preparatory steps for a settlement which would require enforcement it must not expect British authorities either to exercise administrative responsibility or to maintain law and order except in the limited areas of which they would necessarily remain in occupation during the process of withdrawal."

At the conclusion of Cadogan's statement, Garcia Granados (Guatemala) asked a series of questions. To the general question as to whether the UK would accept the recommendations of the GA on Palestine if those recommendations did not require it to play an active role of enforcement, Cadogan replied that if the GA, by a two-thirds majority, approved any solution, the UK would not take any action contrary to it. Asked whether the UK would accept the date of termination of the mandate that the GA recommends, Cadogan replied it was difficult to give a very affirmative answer without knowing more specifically the date. He referred to his earlier statement that "we reserve the right to lay down the mandate and bring our civil administration to an end at any time."

To the questions whether the UK would agree not to obstruct the general task of the GA commission to implement partition, the establishment of provisional councils of government, the recruitment and organization of the militias for the two states, the work of the demar-

cation of boundaries committee, and the GA recommendations on immigration and land regulations for the future Jewish state, Cadogan replied in the affirmative. However, his answer was conditioned by the reservation that the UK would have to retain a certain degree of control in order to insure the safety of its troops and assure their orderly withdrawal.

Asked as to whether the mandatory power would, when requested, surrender the different branches of the administration in a gradual and progressive way to the UN commission, the provisional councils of government and the economic board, Cadogan answered that when the time comes, the UK might not be in the position to actually hand over all these functions. He said there would be no obstruction to the UN commission, the provisional councils, or economic board in their assuming those functions in the territory evacuated by the British, as and when it is evacuated. Cadogan could not give an absolutely affirmative answer to the question of whether the UK would obstruct the commission in obtaining whatever data it wanted, but he did not believe there would be any obstruction.

Pearson (Canada) declared that the working group on implementation would have to take this UK statement into consideration and make some modifications to its report. He hoped to produce a report soon which would be approved by the Subcommittee. Johnson questioned whether sufficient warning would be given and some form or [*of?*] agreement reached between the provisional councils of government and the UK in areas where the British civil administration had withdrawn prior to the withdrawal of UK troops. Cadogan replied that he could not answer this question without further instructions. However, he commented that UK authorities would not obstruct civil authorities assuming their functions in areas evacuated by the British. He did not contemplate that the provisional councils would come into being in areas where there was still military occupation. Garcia Granados asked whether there would be any area on the UN commission's arrival where there were no troops and what exactly was meant by "military occupation." Cadogan could not answer these questions, but promised to obtain the views of his Government.

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"Ad Hoc" Committee on Palestinian Question, Subcommittee 1 (22nd meeting)

At a night meeting on Nov. 13, the Subcommittee modified the UNSCOP line in eastern Galilee, adding some additional territory to the Jewish state, but rejected JA claims to western and upper Galilee. Pruszynski (Poland) suggested a new line to the east of the one pre-

viously presented by the working group, and the US proposed a line even farther east. The JA agreed to accept the line proposed by Pruszynski in the southern part of this area and that proposed by the US in the northern part, which would add the villages of El Maikija, Meirum, El Sammi'i, Farradiya and Kafir I'Nan with a population of 2,100 Arabs to the Jewish state. The Subcommittee agreed to this line, completing the boundary discussions, except for the Negeb region.

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AUSTIN

501.BB Palestine/11–1447 : Telegram

The Secretary of State to the United States Representative at the United Nations (Austin)

TOP SECRET
U.S. URGENT

WASHINGTON, November 14, 1947—11 a. m.

561. For Austin and Johnson and Rusk. For your urgent attention following is text of statement handed me this morning by Sir John Balfour:

"His Majesty's Government in the United Kingdom have been considering the recent proposals of the working group on implementation set up by the first subcommittee of the Palestine Committee of the General Assembly.

They wish to make it absolutely clear that they will not allow the British administration or British troops in Palestine to be used either directly as the instrument of the United Nations for imposing a settlement not acceptable to both Jews and Arabs and therefore likely to provoke serious opposition in Palestine or in neighboring countries, or indirectly for the purpose of maintaining law and order while a United Nations Commission imposes such a settlement. They consider that it would be playing the Soviet Union's game to allow British troops to be embroiled in repressive action in Palestine against either Jews or Arabs. However much H.M.G. might say that they were acting as agents of the United Nations, the hostility aroused would be directed only against them.

The use of British troops more or less in the role of mercenaries for the ostensible purpose of shooting at either side in the name of law and order, but in fact for the purpose of enforcing a settlement by force on one side or the other, is therefore not acceptable to H.M.G. Nor are they prepared to put their soldiers either under the command of a United Nations commission or of a foreign power. Their troops must remain under their own control and command.[1]

[1] According to a memorandum of conversation of November 17, by Mr. Knox, Mr. Beeley of the United Kingdom Delegation had informed him that day that "There would be cooperation between the United Kingdom and the Commission to an extent . . . . The cooperation would be such that the Arabs would be

Footnote continued on following page.

H.M.G. are most anxious to remove all uncertainty about their basic position in this respect. It is that if a United Nations commission in Palestine were taking preparatory steps for an enforced settlement the British administration and British troops would not continue to exercise administrative responsibility or to maintain law and order, except for their own protection in the process of withdrawal."

Balfour said he had been instructed to deliver foregoing message to me more or less at same time that Sir Alexander Cadogan delivered his statement at UN yesterday afternoon. It had however been impossible for me to receive him until this morning.

MARSHALL

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unable to charge that the United Kingdom was helping to carry-out partition. The United Kingdom during that period would not attempt to sabotage the work of the Commission or to make its task more difficult. The United Kingdom simply would take care to avoid any responsibility for any such partition policy. Therefore, the United Kingdom would consult with the Commission and give administrative notice of the progress of evacuation and inform the Commission in advance of areas it intended to evacuate. The United Kingdom would also attempt to allow for a smooth transition of administrative control over essential governmental services for the sake of the population, but would not hold itself responsible for such transitional arrangements." (IO files: US/A/AC.14/177)

867N.01/11–1447 : Telegram

The Ambassador in the Soviet Union (Smith) to the Secretary of State

CONFIDENTIAL Moscow, November 14, 1947—4 p. m.

3215. Despite lack info GA developments except from Soviet press and fragmentary radio news, we feel obliged register our conviction Soviet policy and tactics toward Palestine question are deliberately calculated to ensure unsettlement, rather than settlement, and to create maximum difficulties for British and Americans in Near East. While proposal for neutral, small-power interim commission appears highly desirable from our point of view, we consider it essential that body should be able operate freely under general directives, with its actions subject only to disapproval by Security Council unanimity (as in case ACC Austria) and not to unanimous approval. In latter case, USSR could be depended upon to obstruct and frustrate efforts to secure orderly and peaceful transition. While Soviet acceptance Palestine partition has seemed second-choice possibility since last May (Embgram A–843 August 25 [1]), surprisingly forthright support in current GA seems to us to reflect Kremlin decision that:

(1) Both Europe and Asiatic colonial areas are at present more critical and considerably "softer" for Soviet exploitation than

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[1] Not printed.

"harder" Arab East, unshaken either politically or economically by war and enemy occupation, shielded by firm US stand in Greece, Turkey and Iran, bolstered by strong US and British interests and commitments and controlled by feudal anti-Communist ruling class, susceptible to limited political "deals" but unlikely to open doors to Soviet penetration.

(2) In view weakness indigenous Communist movements, Jews and other minority groups provide Kremlin's only immediately useful tool to "soften up" area for eventual straight Communist cultivation.

(3) Support of UNSCOP majority recommendation would place Soviet Delegation in optimum position to secure "appropriate" implementing measures and ensure adoption partition plan. This solution, though second-choice, would serve Soviet interest in softening up area by:

(*a*) Securing withdrawal of British and ensuring against their replacement by other great-power influence;

(*b*) Launching unsettling and disruptive Jewish-Arab conflict which could be kept going indefinitely by covert Soviet aid and incitement to both sides through local Communist parties who will be heavily reinforced by Communist indoctrinated emigrants from Eastern Europe; thus threatening and damaging major US and British interests in an area where USSR has nothing to lose.

(4) Soviet offense in Arab eyes would be minimized by prior endorsement partition by UNSCOP majority and USA and by Soviet record in support Syria, Lebanon, and Egypt (already being propagandized, see Embtel 3205, November 13 [1]). Moreover, given shortness of man's memory and flexibility of Soviet tactics, Kremlin could quickly recapture Arab good will by sudden reversal position if and when its interests should so dictate.

Dept pass Jerusalem 5, asking Jerusalem repeat Arab capitals.

Passed to London.

SMITH

[1] Not printed.

501.BB Palestine/11–1847

Memorandum Prepared for the Secretary of State [1]

TOP SECRET [WASHINGTON,] November 18, 1947.

Subject: Forthcoming procedures and policy on Palestine

[1] Sent by Messrs. Rusk and Henderson; drafted by Mr. McClintock.

I.

In the *ad hoc* Committee

It is apparent that in the next few days votes will be taken in the *Ad Hoc* Committee on Palestine on

1. The report of Subcommittee 1 which has worked out details of the UNSCOP Majority Report favoring partition of Palestine, and
2. The report of Subcommittee 2 which has worked out details of the Minority UNSCOP report favoring a unitary state in Palestine.

It is recommended that the US Delegation vote for the report of Subcommittee 1 and against the report of Subcommittee 2.

In Plenary Session

The report of Subcommittee 1 will undoubtedly receive a majority of votes in the *ad hoc* committee and be submitted to a Plenary Session of the Assembly. In this case the US Delegation will vote for the partition plan. It is possible also that the report of Subcommittee 2 may receive a bare majority in the *ad hoc* committee and be submitted likewise to vote in Plenary Session.

It is recommended that the US vote against the report of Subcommittee 2, but that its representative state in so doing that if neither partition nor the unitary state proposals receive the necessary two-thirds majority vote of the Assembly the US will join with other Members of the United Nations in seeking to find some other solution for the problem of Palestine.

In this latter event the US should advocate the following procedures:

1. A new *ad hoc* committee on the Palestine problem, to which each Member of the United Nations would have the right to appoint one representative, should meet not later than January 15, 1948 and submit a compromise plan to a Special Session of the General Assembly, which should meet not later than April 1, 1948, the committee bearing in mind the need that its proposed recommendation should be able to receive a two-thirds majority vote.
2. The General Assembly at its present session should call on the Mandatory Power to continue to discharge its responsibility under the Mandate for the maintenance of the Government of Palestine and the preservation of peace and order in that country until the Special Session has had opportunity to make a recommendation to the Members on a solution of the Palestine problem.
3. The General Assembly should reaffirm its resolution of May 15, 1947 which stated "THE GENERAL ASSEMBLY calls upon all governments and peoples and particularly on the inhabitants of Palestine, to refrain, pending action by the General Assembly on the report of the Special Committee on Palestine, from the threat or use of force or any other action which might create an atmosphere prejudicial to an early settlement of the question of Palestine."

II.

It is possible that in view of the support given the partition plan by the US and the USSR this plan will receive the necessary two-thirds majority vote in this Session of the General Assembly. In such case there will probably be instantaneous outbreaks of violence in Palestine, accentuating in severity as the British forces withdraw and as the proposed UN Commission seeks to set up Jewish and Arab States.

This outbreak of hostilities as between Jews and Arabs or as between Arabs and any authority seeking to implement the recommendation of the Assembly will constitute such a threat to the maintenance of international peace and security as to place the question of Palestine before the Security Council. At that time it seems certain that a demand will be made that the Security Council undertake to implement the recommendation of the General Assembly for partition. The US, having been a protagonist of partition, would seem morally bound to acquiesce in such a demand that measures adequate to the situation be used for implementation.

The Soviet Union, also a protagonist of partition, would be likely to come forward with a suggestion that its troops be used in any UN effort to enforce implementation.

If the issue is thus raised before the Security Council, and the UK continues its present policy of washing its hands of the Palestine problem, and if the Arab States, as they threaten to do, resort to the use of armed force, two questions will urgently arise before this Government:

1. Whether US forces should be used in the contingency outlined above, or
2. The US should seek to discourage the use of force for implementation in order to avoid

(*a*) irreparable damage to the relations of the US and the Arab countries, and
(*b*) affording an opportunity to the USSR to infiltrate militarily as well as politically into the Middle East.

501.BB Palestine/11–1847 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

SECRET
URGENT

NEW YORK, November 18, 1947—4:40 p. m.

1230. For the Under Secretary from Johnson and Hilldring. The work of the Sub-committee on the majority plan will probably be completed today. A solution on implementation satisfactory to the

USDel has been accepted unanimously by Sub-committee 1. This seems to assure US-Soviet accord as to the Palestine situation.

With two exceptions, Sub-committee has agreed with changes in the majority plan by the USDel.

First of these exceptions is the US position as to Negev. Situation regarding boundaries in general is:

(1) *Population:* (*a*) Reduction of approximately 80,000 Arabs in the Jewish state, leaving approximately 427,000 Arabs, including both Bedouins and settled people. This is a decrease of approximately 16 percent of Arabs in the Jewish state. This leaves approximately 950,000 people within geographic boundaries of the Jewish state. (*b*) This results in about 825,000 people in the geographic boundaries of the Arab state.

(2) *Territory:* (*a*) The agreed adjustments assign 542,000 dunums to the Jewish state but remove 166,000 dunums, leaving a net addition of 376,000 dunums to the Jewish state, of which 225,000 are desert along the Dead Sea. This is approximately 2.4 percent addition to the Jewish state. (*b*) The Jewish Agency proposes to concede an additional 300,000 dunums to the north and around the town of Beersheba including the city.

Only the United States Delegation has asked for assignment of territory in the Negev to the Arab state. At yesterday's meeting, the Jewish Agency agreed at the insistence of the United States to the transfer of a further 2,000,000 dunums in the Negev to the Arab state, and has agreed to concede to the Arab state a strip of territory one kilometer in width across the central section of the southern Negev in order that Arab tribes in this area may pass from Egypt through Palestine to Transjordan on Arab territory. As a result of the above changes, the Jewish state will have about 14 million dunums and the Arab state approximately 12 million, instead of 16 to 10 million as in UNSCOP.

(3) *Relationships:* The population relationships will be approximately 9 to 8 and the area 7 to 6, or roughly proportionate.

Concessions referred to in (2)(*b*) do not meet the Department's position as described in Deptel 558, November 12. USDel has accordingly reserved its position in Sub-committee 1 in order that that Committee may proceed with its work and send its report to the *Ad Hoc* Committee. Both of us feel strongly that it would be a mistake to carry this issue of the Negev farther. If the US introduces the question in this *Ad Hoc* Committee, it will be vigorously opposed by the Jewish Agency and probably by all the friends of partition in the 57-nation committee. It is certain in any case that only the Arab state will actively support the US position. In the event of the defeat [of the] majority report in the *Ad Hoc* Committee or in the GA, the blame for it will unquestionably be placed upon the US for raising this major doubt as to the justice of the partition plan. So many of the US recommendations have been accepted by the Sub-committee, and so large a

portion of the inequities in the UNSCOP report have been removed that both of us feel very strongly that US should accept the boundary recommendations which are being transmitted to the *Ad Hoc* Committee by Sub-committee 1.

There remain certain changes in the Sub-committee report on economic union that the Department desires made. They deal with financial structure, with the actual amount that any state shall pay to the other in any year, and provisions regarding commercial and financial treaties. There is no support in the Sub-committee for the US proposals. We stand alone in advocating these changes. We therefore have permitted the Sub-committee to submit the views of the other eight members with a reservation that we may wish to reintroduce our proposals in the *Ad Hoc* Committee. On two of these points, financial structure and commercial treaties, the decision is exceedingly close.

As to a ceiling on payments under economic union, we much prefer our formula to that of the Sub-committee and will try to effect its adoption. However, in view of Evatt's intention to get a vote in the *Ad Hoc* Committee by Thursday night and Aranha's announcement that he will finish with Palestine in the GA by Saturday night, we request authority to deal with this point in the Committee and in the GA in accordance with the judgment of the USDel based on developments and debate in each forum. As to the other two issues, namely, financial structure and commercial treaties, we recommend that they be dropped. [Johnson and Hilldring]

AUSTIN

867N.01/11–1847 : Telegram

The Consul General at Jerusalem (Macatee) to the Secretary of State

SECRET JERUSALEM, November 18, 1947—5 p. m.

529. Officer this Consulate General visiting Amman November 16 reports following:

1. Under Secretary Transjordan Foreign Office unaware, until queried, of UP interview in which Abdullah said Transjordan would remain neutral Palestine dispute and that if "New York Jews and Iraqi Arabs and all other Jews and Arabs outside Palestine" would remain quiet Palestine matter would be solved peacefully through UN. King was interviewed at his winter quarters at Shunen without knowledge Transjordan Government. After reading article Under Secretary very upset particularly references to Iraq. Stated categorically Transjordan Government policy was that of Arab League and Transjordan could not remain neutral. Added his brother, the Prime Minister, drafted many resolutions at Beirut session Arab League and Transjordan was completely committed act jointly with other Arab states. Under Secre-

tary deplored bitterly King's unbridled press statements, saying first Greater Syria scheme now this render Prime Minister's position with other Arab states precarious. Expected severe reactions to interview. Possible interview may precipitate showdown on hitherto latent disagreement between King and government. Prime Minister's position strong as no replacement available at moment and unlikely King's final position on Palestine yet fully determined by British.

2. Rumored in Amman Prime Minister leaving end November for London ostensibly to discuss revision Anglo-Transjordan treaty 1946 but more likely Transjordan position re Palestine. However departure doubtful unless present crisis in relations with King overcome.

3. Reference mytel 518, November 11, Under Secretary denied agreement by King with Jewish Agency to occupy Arab Palestine after partition. However Transjordan Government not always aware of commitments made by King, as tacitly admitted by Under Secretary.

4. Brigadier Glubb, British subject, now Chief of Staff Transjordan Army, reticent on Arab League role re Palestine, saying "events" had taken control and he unaware what would happen. Asked if he would march into Palestine if so ordered by Abdullah, he replied Abdullah not only one who would have say in matter. Distinct impression gained that some plan in making but that no definite decision reached.[1]

MACATEE

[1] According to despatch 835, November 21, from Damascus, on November 20, Nicholas Hajji Vasselou, the Greek Chargé accredited to Syria, Transjordan, Lebanon and Iraq, advised the American Chargé in Syria (Memminger) of his conversation the previous week with King Abdullah. According to the Greek Chargé, while the King "deplored the partition of Palestine, he was intelligent enough to realize that the power of the United States and Russia would be sufficient to achieve it. He, therefore, considered it his duty to face the facts and to move accordingly for the benefit of his family and his country. Abdullah, as usual, was not specific but did state that his army would move into and occupy Palestinean [*sic*] land to the west and to the north. He added that 6,000 of his desert legionnaires were already in Palestine and that the others would encounter no difficulty in joining them at the appointed time.

"Mr. Vasselou said it is obviously Abdullah's intention to keep as much as possible of those parts of Palestine allocated to the Arabs under the UNSCOP Partition Plan.

"Mr. Vasselou concluded that while Abdullah admitted that he might have a certain amount of difficulty with Glubb Pasha he nevertheless believed that the Desert Legion would be loyal to the King and that he could rely on a sufficient number of Legion officers to achieve his aim." (867N.01/11–2147)

501.BB Palestine/11–1947 : Telegram

The Acting Secretary of State to the United States Representative at the United Nations (Austin)

SECRET WASHINGTON, November 19, 1947—1 p. m.

567. For Johnson & Hilldring from Lovett. Position set forth in Deptel 558 Nov 12 reflects our considered opinion that facts regarding Negeb warrant its inclusion in Arab State. Accordingly you should

not yield to demand of JA. We realize that our position on the Negeb may not be accepted by the *Ad Hoc* Committee. In such case you should vote for the majority report as modified by Subcommittee 1, including provisions on the Negeb accepted by the majority of the *Ad Hoc* Committee, making it clear that in so doing we defer to the will of the majority.

Comments on financial aspects of economic union follow in separate telegram.[1]

LOVETT

[1] Comments on the financial aspects of economic union were drafted by Mr. McGuire on November 19 in the form of a telegram to New York for Mr. Lovett's signature. The draft was cleared by NEA but was not cabled to New York for reasons not indicated in Department of State files. The draft telegram is now filed with No. 567.

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501 Gadel Telegrams—1947

Mr. Robert M. McClintock to the Director of the Office of Special Political Affairs (Rusk), at New York

SECRET
URGENT

WASHINGTON, November 19, 1947—3:17 p. m.

Gadel 30. Special for Rusk from McClintock. On receiving the attached telegram [1] reaffirming our position on the Negeb, Ambassador Johnson through Mr. Rusk by telephone desired to report his very firm conviction that if we stuck by this position through the Subcommittee and carried it before the *Ad Hoc* Committee on Palestine the result might be that many states would abstain in the vote favoring partition and that this vote might fail to receive a majority.

Ambassador Johnson therefore requested authorization from the Department to maintain our position on the Negeb only during the debate in the Subcommittee, and then, if we were beaten in the vote in the Subcommittee, gracefully to announce our readiness to be guided by the will of the majority. In effect, therefore, Ambassador Johnson proposed that our telegram read, in place of "*Ad Hoc* Committee", "Subcommittee".

Mr. Henderson of NEA agreed with Ambassador Johnson's recommendation and having learned from Miss Schukraft [2] that it would be impossible to see you [*Mr. Lovett?*] on this matter, I informed Mr. Rusk [*you?*] that the Department gave Ambassador Johnson the authority he desired.

R. M. MCCLINTOCK

[1] Not found attached; presumably No. 567 to New York, *supra*.
[2] Gladys E. Schukraft, in the Office of the Under Secretary of State.

501.BB/11–1947

Memorandum for the File by Mr. Robert M. McClintock

TOP SECRET [WASHINGTON,] November 19, 1947.

Mr. Rusk telephoned at 4 p. m. to say that Ambassador Johnson was poised to enter the 3 p. m. meeting of the Subcommittee on the Majority Report and prepared to carry out to the letter the Department's instruction on the Negeb as set forth in our telegram this morning [*afternoon*] with the subsequent modification that the USDel need not maintain its position on the Negeb after the point where it was defeated in the Subcommittee. Ambassador Johnson was further prepared, if there was a fighting chance at all to carry our position on the Negeb, to take it up in the *ad hoc* Committee.

At this point President Truman, who had seen Dr. Wizeman [1] today, telephoned General Hilldring. The President asked General Hilldring how things were going and Hilldring said he was not too happy. Hilldring told the President of the instruction received this morning [*afternoon*] from the Department on the Negeb and apparently repeated that he was not pleased with these instructions.* President Truman then said that nothing should be done to "upset the apple-cart."

Mr. Rusk said it was obvious that there had not been enough discussion on either side during this brief telephone conversation for the President to have a clear idea as to the substance of the matter at issue.

Mr. Rusk added that Mr. Bohlen [2] had the story from General Hilldring and that I could find out from him what Hilldring had reported.

Mr. Rusk said that there were two points which should be emphasized to Mr. Lovett following a consultation with Mr. Bohlen:

1. That Ambassador Johnson in no sense had intended to change his instructions or had asked to have them changed.

[1] Chaim Weizmann, former President of the Executive of the Jewish Agency.

*Mr. Bohlen later told me that General Hilldring told the President that neither he nor Mr. Johnson were at all pleased with this morning's telegram. [Footnote in the source text.]

[2] Charles E. Bohlen, Counselor of the Department. A memorandum of November 19 by Mr. Bohlen to Mr. Lovett notes that General Hilldring called Mr. Bohlen "urgently" at about 4 p.m. on November 19, informing him of a personal telephone call he had just received from President Truman. "The President said he personally agreed with Weizmann's views and although he apparently did not issue any direct instruction, he made it plain that he wished the Delegation to go along with the majority report on the Negeb case . . . . General Hilldring said that in the circumstances in view of the contradictions between the President's wish . . . and the definite instructions from the Department to the opposite effect, he and Ambassador Johnson felt that they would not take a U.S. position this afternoon in the Subcommittee but would through the Chairman make it plain that the U.S. position would be made clear either later today or early tomorrow morning." (867N.01/11–1947)

2. All that the USDel plans to do today in the Subcommittee is to keep silent and to permit the Subcommittee report to go to the *ad hoc* committee as a unanimous report but noting US reservations with regard to the Negeb and to the financial arrangements under the economic union.

This will at least leave the door ajar for the USDel to revert to these issues in the *ad hoc* committee.

In conclusion Mr. Rusk thought Mr. Lovett should be informed that the Subcommittee has been dealing with the JA exclusively; that the US has been the only Delegation with sufficient courage or conviction to dissent from the JA and that the other Members of the Subcommittee have by and large remained silent.[3]

[3] According to a memorandum for the files of November 19 by Mr McClintock, Mr. Lovett telephoned Mr. McClintock at 6:45 p. m. "to say he had talked with the President regarding General Hilldring's conversation with the White House earlier today. The President had not at all intended to change the Department's instructions, he had merely been concerned that the U.S. should not stand out as a useless minority . . . . Mr. Lovett had communicated this to Ambassador Johnson, General Hilldring and Mr. Rusk in New York." (501.BB Palestine/11–1947)

501.BB Palestine/11–1947 : Telegram

The Acting Secretary of State to the Embassy in the United Kingdom

SECRET WASHINGTON, November 19, 1947—7 p. m.

4906. Relative Brit statements before UNGA re Palestine, please inquire FonOff informally for clarification following points:

1. Brit reserve right to lay down mandate and end their civil administration whenever evident no settlement acceptable Jews and Arabs has been reached by GA. However, if UNSCOP majority plan fails this GA time may be lacking for approval any other solution this session. In this event, presumably GA will provide for continuing work on Palestine by some subsidiary body which might result in adoption by special GA session early 1948 settlement acceptable to Jews and Arabs. Question: Do British statements mean that Brit will withdraw in absence of agreed Jewish-Arab settlement at present GA session or will they withhold withdrawal until GA has reached conclusion re settlement at special session? We appreciate this may be regarded as hypothetical question. However present GA session may end within few days.

2. If partition fails of adoption by two-thirds GA vote, does Brit information indicate that Zionists will move forthwith to establish

Jewish state, possibly by force? In such eventuality, what attitude will Brit take toward such a move? [1]

Sent London as 4906; rptd USUN as 568; rptd to Jerusalem as 482.

LOVETT

[1] According to telegram 6138, November 21, 2 p. m., from London, Ambassador Douglas discussed the contents of telegram 4906 with Sir Orme Sargent on November 19. Regarding paragraph 1, the Ambassador reported that "in the absence of agreed Jewish-Arab settlement at present session GA, they see no reason to modify their present plans to complete the evacuation by August 1, 1948. He indicates that if present session GA fails to reach agreement, probably UNSCOP will continue its work with a view to submitting further recommendations to GA at later date." The Ambassador also reported that the Foreign Office had no reliable information regarding the query in paragraph 2. (501.BB Palestine/11–2147)

Editorial Note

The reports of Subcommittee 1 and of Subcommittee 2 were submitted to the *Ad Hoc* Committee on November 19 and November 11, respectively; for their texts, see GA (II), *Ad Hoc Committee*, pages 242 and 270. The reports were discussed at consecutive meetings of the Committee from November 19 to November 25, when its Chairman declared its work completed; for the official record of these discussions, see *ibid.*, pages 144–223. Subcommittee 1 awarded the Negeb to the Jewish state (*ibid.*, page 260).

Chairman Evatt announced on November 19 that the Subcommittee on conciliation had done "everything possible . . . but there seemed little prospect of success." (*ibid.*, page 146)

501.A Summaries/11–2147 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

[Extract]

NEW YORK, November 21, 1947—3:30 a. m.

1243.

. . . . . .

In the afternoon,[1] Cadogan declared that the UK had not deviated, "and cannot deviate," from the position announced by Creech Jones, "and my task today is simply to apply the general principles contained" in that statement "to the specific proposals which are now before you." He restated these principles[:] refusal to play a major part in implementation of a scheme not acceptable to both Arabs and

[1] Of November 20, before the *Ad Hoc* Committee.

Jews; but without wishing to impede implementation of a recommendation approved by the GA.

The UK has assumed, he said, "that the Assembly, in drawing up its proposals, would take full account of the risk of strife in Palestine and of the need to provide means of filling the gap in the process of enforcement" left by the UK's decision "that its troops could not be used as the instrument of the UN for this purpose." Feeling bound to make clear the extent to which the role assigned the UK by the Subcommittee was compatible with the UK's declared intentions, he said the transitional period, as defined by the Subcommittee, "may begin in a few days' time." The Subcommittee's proposal that the commission be entrusted with authority in the transitional period was sure to create confusion and disorder because it would mean establishment of "an authority which would operate concurrently with the existing mandatory administration." He was therefore instructed to leave "no doubt that, so long as my government continues to hold the mandate for Palestine, they must insist upon their undivided control of that country."

"I should at once make it no less clear," he went on, "that my government have every right to relinquish the mandate at a very early date. In determining this date, they will certainly give proper consideration to such arrangements as may have been made by the UN for the establishment of a provisional regime to succeed the mandate." He added, however, that "there is no reasonable basis for the suggestion that my government must await the approval of the SC" before exercising their right to lay down the mandate. Regarding the Subcommittee's recommendation of "a progressive transfer" from the UK to the provisional councils and the joint economic board of responsibility for governmental functions, Cadogan declared that "the transfer of authority by the Palestine Government directly to councils of government or any other local representatives under a scheme of partition would in practice amount to the implementation of this scheme" by the UK, "which, failing Arab-Jewish agreement, they are not prepared to undertake." "If a scheme of partition were approved and a UN Commission set up as proposed in the Subcommittee's report," Cadogan stressed, "it would be to this commission that the Palestine Government would, when the time came, hand over its authority. The commission could then transfer authority to appropriate bodies."

Within the zones in which British troops would remain pending final withdrawal, the paramount concern of British authorities would be to expedite withdrawal; therefore, they would have to maintain order, prevent sabotage, etc. "They will in no circumstance allow their forces to be used for the attainment of any other purpose." Cadogan repeated

that it was the UK's objective to withdraw the last British forces "as speedily as possible."

If the object of the Subcommittee's provision about SC approval was to see that there was no delay in British departure, Cadogan assured the Committee that this was the identical purpose of the UK. It intended to move "as quickly as is practicable"; and it feared that "if other parties must participate in determining the date of our departure, there may be unnecessary delays." He assured the Committee "we shall endeavor to keep the UN commission informed beforehand of our intentions regarding the stages of our withdrawal."

Summarizing the UK's intentions, Cadogan said the UK "will in due course announce a date upon which the British civil administration will be considered at an end. After that date, apart from those British authorities who will be exercising strictly limited functions in certain areas, there will be no regularly constituted authority unless the UN can fill the gap. It is for the Committee to recommend in what way this gap can be effectively filled. If the problem is solved there should be no great difficulty in making arrangements consequent upon the subsequent stages of our military retirement from the country."

Regarding Subcommittee 2's report, Cadogan said that UK policy would preclude it equally from playing the part assigned to it in the plan for a "unitary Palestine." Subcommittee 2 had not decided to establish a commission, he noted. If the GA decided on such a commission to carry out the unitary plan, the UK attitude would be the same as toward the commission contemplated by Subcommittee 1. Without such a commission, the UK would inevitably be drawn into major participation in implementing a plan which would not command general consent in Palestine. Therefore, if the GA were to adopt the unitary plan, the UK would carry out withdrawal without assuming any responsibility for establishment of a new regime. In this case, also, a gap would be left between withdrawal and the recommendations as they now stood.

Pruszynski said the UK statement had not made the Committee's task any easier. Since this declaration might have changed the situation, he suggested adjournment to give delegates a chance to consult their governments. Pearson asked (1) whether the date of ending of civil administration mentioned by Cadogan would be the same as the date of the termination of the mandate; and (2) whether the UK intended that the date of the termination of the mandate would be prior to the date of progressive troop withdrawal. Cadogan replied in the affirmative to the first question; in regard to the second, he said it might be assumed that the mandate would be terminated early during the troop withdrawal, or possibly even before withdrawal began. Evatt

inquired about "when the time comes," asking whether that meant when the mandate had been terminated and civil administration concurrently established. Cadogan said the time mentioned could not be before termination of the mandate, and he supposed it would be after completion of withdrawal. The UK, he added, would retain full authority so long as it was the mandatory. There would be no British civil authority after the mandate had been terminated, but the UK would retain military authority in the areas where it was still withdrawing.[2]

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AUSTIN

[2] For the official record of this meeting GA (II), *Ad Hoc Committee*, see pp. 153–156.

501.BB Summaries/11–2147 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

[Extract]

SECRET NEW YORK, November 21, 1947—4:41 a. m.

1244.

. . . . . .

(33rd Meeting)

In a three-hour meeting, the Subcommittee on Nov. 20 discussed the implications of the latest UK statement on Palestine. Apparently, there was a general feeling that the changes required by the UK stand would probably not alter the partition report significantly and that these revisions would be acceptable. Both the US and USSR, however, as well as others indicated they would need to consult their governments before proceeding with the amendments. Poland and others expressed concern at lack of "final" UK statements on some problems.

The main changes which would be required were summarized by Pearson (Canada) and incorporated in suggested amendments circulated by him at the close of the meeting. They included: deletion of the provision for SC approval of the arrangements for mandate termination and transfer of authority; several changes of language to indicate that the UK's authority would be transferred to the UN commission and not directly to the provisional councils; ("the administration of Palestine, after the termination of the mandate and as the Armed Forces of the mandatory withdraw, shall be progressively turned over to the Commission") to indicate that the UK would maintain all authority intact until termination of the mandate; and other

wording changes to indicate that the UK alone would be responsible for military authority in areas from which its forces had not yet withdrawn, even after termination of the mandate.[1]

. . . . . .

AUSTIN

[1] Subcommittee 1 submitted an additional report to the *Ad Hoc* Committee on November 21 to take account of Mr. Cadogan's statement of November 20; for text, see GA (II), *Ad Hoc Committee*, p. 265.

867N.01/10–3047 : Telegram

President Truman to King Abdul Aziz Ibn Saud[1]

YOUR MAJESTY[:] I have received your communication of Oct 26, 1947 and desire to assure Your Majesty that I have given it most careful consideration. I regret to learn of your belief that the relations between the Arabs and the United States are clouded, in view of the close ties between them which have become closer with time in view of our mutual political and economic interests.

As Your Majesty knows, the Palestine problem is now before the General Assembly of the United Nations, and it is the view of the United States Government, as stated by its representative to the appropriate organ of the United Nations on Oct 11, 1947[2] that the United Nations "must do everything within its power to evolve a practical solution consistent with the principles laid down in the United Nations Charter."

At the present time the members of the United Nations, all of whom are represented in the General Assembly including Saudi Arabia, which has as its representative your honored and distinguished son,[3] are making their respective contributions to a solution of this difficult and complex question. As in any representative body of this kind, friendly and honest differences of opinions, whether held by large or small nations, should contribute to the ultimate achievement of a just and workable solution.

The approach of the Government of Saudi Arabia and of the Government of the United States to this particular matter is obviously different for several reasons; nevertheless I am firmly convinced that both Governments earnestly desire solution of international difficulties

[1] Transmitted to Jidda in telegram 363, November 21, 5 p. m., with the notation: "Convey to King following reply Pres Truman message Legtel 456 Oct 30". Regarding telegram 456 from Jidda, see footnote 1, p. 1212. The concluding paragraph of telegram 363 read: "Sent Jidda, repeated London, and repeated Cairo for repetition Jerusalem and Arab capitals."

[2] See editorial note, p. 1180.

[3] Amir Faisal.

based upon reason, peace, and justice. The United States considers that the United Nations has an indispensable part to play in the solution of difficult problems such as the Palestine problem, and for its part, is fully disposed to accept the decisions of the United Nations in this as in other matters which come within its jurisdiction.

One of the important factors influencing the decision of the United States Government to support the majority plan of the United Nations Special Committee on Palestine was the fact that it represented the majority views of a committee specially appointed by the United Nations to consider the question. The United States decision was not based on any desire to be unfriendly to the Arabs, and should not be construed as an unfriendly act, any more than the decision taken in this respect by other members of the United Nations. In the General Assembly the vote of the United States counts for no more than the vote of any other country, large or small.

In line with its support of the United Nations our delegation has made it clear that the United States wishes to abide by the decision of the United Nations and is confident that in conformity with the United Nations Charter all members of the United Nations will take a similar attitude.

I sincerely trust that the foregoing will serve to confirm to Your Majesty once more the friendly feelings which the Government and people of the United States have for the Government and people of Saudi Arabia, and their strong hope that the present amicable and useful relations will emerge from the present period, which is recognized as one of some strain and perplexity, stronger than before.

Statement by the Acting United States Representative at the United Nations (Johnson) [1]

Mr. Johnson (United States of America) expressed agreement with the statement made by the Chairman of Sub-Committee 1 that the plan presented by the Sub-Committee was legal under the Charter. There was nothing in the Charter which prevented an immediate transition from a Class A mandate to independence. Under the proposals of Sub-Committee 1, the work of the United Nations would be of short duration, with the exception of its supervision of Jerusalem. The role of the United Nations would be to assist in the actual transfer of authority from the Mandatory Power to the independent States. In practice, the United Nations Commission, while retaining the re-

[1] Made before the *Ad Hoc* Committee on the Palestinian Question during the afternoon of November 22; reprinted from GA (II), *Ad Hoc Committee*, p. 168.

sponsibility, would have to transfer the practical duties of administration immediately to the provisional councils of government. It was not contemplated that there would be a gap during which there would be no effective governmental authority.

A most difficult situation had been created by the declaration of the Mandatory Power that it could not take part in the implementation of a plan which did not have the approval of the two peoples of Palestine, a condition impossible of fulfilment. He could not agree with the statement of the representative of New Zealand that the Mandatory Power was being given the sole responsibility for implementation. The members of Sub-Committee 1, with very desultory assistance from the United Kingdom delegation, had endeavoured to avoid that situation. They had been assured that the Mandatory Power would not prevent the carrying out of the implementation programme.

The Mandatory Power had requested the United Nations to make recommendations for the future government of Palestine and had unilaterally declared that it was relinquishing its responsibility. Hence any legal objections to the action of the General Assembly must be formal in character. The United States delegation would support the proposals of Sub-Committee 1 which, in its view, met the request of the Mandatory Power.

In formulating proposals for the implementation of the majority plan contained in the report of the Special Committee, members of Sub-Committee 1 had reached unanimity on every point. It was the earnest hope of the United States delegation that a large majority of the Members of the United Nations would approve the plan of the Sub-Committee and co-operate in its implementation. The plan was sufficiently flexible to afford adjustment to any situation which might confront the commission or the joint economic board in Palestine. It offered protection for the Holy Places and religious interests of the three great religions.

The United Nations was the proper forum for the solution of the Palestine problem. Those Governments which supported partition, realizing its imperfections but nevertheless believing in its justice and workability, would contribute to the solution of one of the most difficult political problems in the world. In the view of the United States delegation, no Member of the United Nations would attempt to defy the decision of the United Nations. In that sense, the greatest test of its integrity was being offered to the United Nations.

The proposal of the Jewish Agency met the objections which the United States delegation had voiced to Sub-Committee 1 regarding the uneven division of territory, and the United States reservations on the question were accordingly withdrawn. Mr. Johnson would submit

a formal amendment to the proposals of the Sub-Committee embodying the territorial changes suggested by the Jewish Agency.

In conclusion, he urged support of the partition plan which, despite its unavoidable imperfections, offered the most practicable and just solution.

Statement by the Acting United States Representative at the United Nations (Johnson)[1]

Mr. Johnson (United States of America) asked leave to bring up a number of technical points the following day; for the time being he would make a few general observations.

The representative of Canada had referred to Mr. Johnson's comments on the attitude of the United Kingdom. While the members of the United Kingdom delegation, in their personal capacity, had co-operated with great courtesy in the work of the Committee, the United Kingdom's policy had not always helped matters. The United Kingdom had not given its full co-operation and that had rendered the Committee's task more difficult and had not closed any of the gaps, whether real or imaginary.

Like the representative of the Dominican Republic, Mr. Johnson wondered how a delegation, by abstaining, could promote a solution of the Palestinian question. As the representative of Canada had said, if the peoples of Palestine and the Members of the United Nations co-operated, the suggested means of implementation would suffice, and the difficulties which would not fail to ensue would be reduced to a minimum.

The determining factors in the success of the partition plan were loyal acceptance of the General Assembly's decision and co-operation both on the part of the peoples concerned and of the Mandatory Power during the period of the withdrawal of its troops. Mr. Johnson believed with the Canadian representative that the United Kingdom, as a loyal Member of the United Nations, would co-operate with the United Nations commission. Under the plan, as conceived, the Mandatory Power would not be burdened with the technical responsibility for implementation.

The plan of Sub-Committee 2 did not propose any means for implementation. The question therefore arose: What would happen if the United Kingdom withdrew its troops without any decision having been reached?

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[1] Made before the *Ad Hoc* Committee on the Palestinian Question during the evening of November 22; reprinted from GA (II), *Ad Hoc Committee*, p. 180. The text of Ambassador Johnson's statement was transmitted by New York in telegram Delga 51, November 25, 1: 35 a. m.

While the plan of Sub-Committee 1 was far from perfect, it offered the best practical solution. Mr. Johnson recalled that reference had been made to the permanent members of the Security Council. His Government had authorized him to support the plan of Sub-Committee 1, in which the Security Council was called upon to play a part. The Council would be responsible for all matters relating to security set forth in the plan. It could send instructions to the commission which, in turn, could submit requests to it. If a situation covered by Chapters VI or VII of the Charter developed, it would be brought before the Council. In that case, the United States Government would fulfil its duty in accordance with the Charter by taking part in the implementation of the Council's decision.

The matter could wait no longer. The hour of decision had struck. If there were hesitation, the situation would be worse in a year's time. If action were decided upon, the United Nations would be equal to the task.

867N.01/11–2447

Memorandum by the Director of the Office of Near Eastern and African Affairs (Henderson) to the Under Secretary of State (Lovett)

TOP SECRET [WASHINGTON,] November 24, 1947.

Attached hereto is a copy of a personal telegram [1] which I have just received from Hamdi Al Pachachi, who was Prime Minister of Iraq during the last year that I was United States Minister to that country.[2] I trust that you will read this telegram in full, since, in my opinion, it represents fairly the feelings of the Arab world with regard to the United States and Palestine.

I feel it again to be my duty to point out that it seems to me and all the members of my Office acquainted with the Middle East that the policy which we are following in New York at the present time is contrary to the interests of the United States and will eventually involve us in international difficulties of so grave a character that the reaction throughout the world, as well as in this country, will be very strong.

We are committed to the idea that the security of the Middle East is vital to the United States. We also agree that unless the British continue to remain a force in the Middle East, the security of the Middle East will be gravely endangered. It is impossible for the British to remain a force in the Middle East unless they retain the friendship of the Arab world. By our Palestine policy, we are not only forfeiting

[1] Telegram of November 22 not printed.
[2] In 1945.

the friendship of the Arab world, but we are incurring long-term Arab hostility towards us. What is important is that the Arabs are losing confidence in the integrity of the United States and the sincerity of our many pronouncements that our foreign policies are based on the principles of the Charter of the United Nations. In Mr. Johnson's speech of Saturday, the British were castigated before the whole world for not agreeing to suggestions of the Subcommittee which, if followed, would certainly have ruined British relations with the Arab world and would probably have resulted in the British being forced to withdraw from the whole Middle East. It is extremely unfortunate that we should be criticizing the British for following the only kind of policy which, it seems to me, they can follow if they are to remain in the Middle East. I am afraid that the reactions in London to criticisms of this kind will not help us in our efforts to prevail upon Mr. Bevin not to withdraw the remaining British troops from Greece.

I wonder if the President realizes that the plan which we are supporting for Palestine leaves no force other than local law enforcement organizations for preserving order in Palestine. It is quite clear that there will be wide-scale violence in that country, both from the Jewish and Arab sides with which the local authorities will not be able to cope. It is my understanding that Mr. Johnson, on Saturday, indicated before the Subcommittee that if the situation in Palestine should develop into a menace to peace, the matter would naturally come before the Security Council and that the United States, along with the other four Great Powers, would be prepared to share responsibility for removing this menace. Our plan envisages apparently the despatch of American, Soviet and perhaps other troops to Palestine in order to preserve law and order. It seems to me that we ought to think twice before we support any plan which would result in American troops going to Palestine. The fact that Soviet troops under our plan would be introduced into the heart of the Middle East is even more serious. I know that you have so many problems facing you that you cannot keep informed regarding the details of all of them, and I am sending you this memorandum in order to make sure that you realize the direction in which we are headed.[3]

LOY W. HENDERSON

[3] Mr. Armour noted, in a marginal notation on November 24: "I entirely agree with the above memorandum". In an undated marginal notation, Mr. Lovett stated: "I read this [memorandum] to the President at the 12:30 meeting today. I explained that the Dept thought the situation was serious and that he should know of the probable attempts to get us committed militarily. We are continuing to refuse."

The memorandum, except for the first paragraph and the last sentence, was transmitted to Messrs. Johnson, Hilldring and Rusk at Mr. Henderson's request and with Mr. Lovett's approval in telegram Gadel 31, November 24, to New York.

Editorial Note

Secretary of the Army Royall, on November 24, sent an undated report dealing with the problem of Palestine to the Executive Secretary of the National Security Council, with a request that it be circulated among the members of the Council and placed on its agenda.

The report defined the problem as the need "To assess the implications of current United Nations discussion of the problem of Palestine on the security interests of the United States."

The section marked "Discussion" stated that if the plan for partitioning Palestine should be defeated in the General Assembly, "the United Nations would be left with the problem unsolved and the necessity for contriving some alternate solution. . . . There is thus posed the question of possible United Nations trusteeship with all its attendant subquestions of the state or states to be named trustees and what forces could be authorized and organized for the essential maintenance of law and order. The "Discussion" section concluded with the statement that "Any decision by the General Assembly, or its failure to reach a decision, will hold implications affecting the security interests of the United States and thus calling for study and recommendation by the National Security Council. These implications and the pressing time element are of such importance as to urge immediate attention by the Council." (501.BB Palestine 11–2447)

At a meeting of the Consultants of the Council, on December 12, 1947, it was agreed that the Department of State should prepare the initial draft of a National Security Council report on the position of the United States on the Palestine problem.

501.BB/11–2447

Memorandum of Telephone Conversation, by the Acting Secretary of State [1]

TOP SECRET [WASHINGTON,] November 24, 1947.

Subject: President Truman's Instructions on Palestine Position

Participants: The Acting Secretary, Mr. Lovett
Ambassador Herschel Johnson
General Hilldring

Mr. Lovett telephoned Ambassador Johnson and General Hilldring at 2:20 p. m. today. Messrs. Thompson [2] and McClintock of SPA were present in the Acting Secretary's office.

[1] Drafted by Mr. McClintock.

[2] Elwood N. Thompson, Deputy Director of the Office of Special Political Affairs.

Mr. Lovett said that he had gone to the White House before lunch to ascertain the President's decision on the specific question raised this morning by the Delegation on whether or not the United States should participate in a Commission to implement partition in Palestine.

The President had said that he would be most reluctant to see the United States on such a Commission. It would only be in the event that the USSR were very likely to be placed on such a Commission that the President would agree to the United States accepting a similar post.

The second point made by the President, said Mr. Lovett, was on the question of the implementation. The President had reiterated his original position: that the United States would participate in enforcing a plan for Palestine only as a Member of the United Nations and jointly with other Members. It would not be a protagonist. If American forces were used they would merely be part of an overall United Nations force.

Mr. Lovett said that the President did not wish the United States Delegation to use threats or improper pressure of any kind on other Delegations to vote for the majority report favoring partition of Palestine. We were willing to vote for that report ourselves because it was a majority report but we were in no sense of the word to coerce other Delegations to follow our lead.

The President felt that the U.S. Delegation should scrupulously live up to any commitments which had been made to the Arab Delegations. Mr. Lovett asked if the Arab Delegations knew that the United States had fought to see their view on the Negeb accepted by the subcommittee. He thought that also within the President's orders to adhere to our commitments to the Arabs lay the general requirement that the United States was not to be an advocate and was not to use improper pressure on other Delegations.

The Acting Secretary said that the President had told him of his keen awareness of the extraordinary difficulty of the tasks faced by Mr. Johnson and General Hilldring and of his great appreciation for the job they had done in these very trying circumstances.

The conversation concluded with the remark of Mr. Lovett that the President had said he did not wish General Marshall to be embarrassed in London should Mr. Bevin "blow his top" because of any implied suggestion by our Delegation that the British had been non-cooperative on the Palestine issue. Mr. Lovett thought that this theme could conveniently be soft-pedaled.

L[OVETT]

Editorial Note

On the evening of November 24 the *Ad Hoc* Committee rejected by a 29 to 12 vote, with 14 abstentions, the third draft resolution of Sub-

committee 2 containing the unitary plan for Palestine; see GA(II), *Ad Hoc Committee*, page 206. The text of the resolution is printed *ibid.*, page 302.

501.BB Palestine/11–2547

Memorandum by the Deputy Director of the Office of Special Political Affairs (Thompson) to the Under Secretary of State (Lovett)

TOP SECRET [WASHINGTON,] November 25, 1947.

Pursuant to your request this morning SPA desires to submit the following background information with regard to the United States position on implementing any United Nations plan for the partition of Palestine:

The original basic instruction to the Delegation,[1] as approved by the Secretary of State, required that the Delegation, in dealing with the Palestine question, be guided, among other basic objectives, with the requirement

"to implement the United States position on the Palestine question, as set forth below, by methods best calculated to safeguard the strategic, economic, and political interests of the United States in the Near East.

"to achieve a *United Nations* recommendation regarding the Palestine problem and, to this end, to implement the United States position in such a way that the final recommendation of the General Assembly cannot be regarded as an 'American plan' ".

When the President approved the Delegation's proposed statement on Palestine with regard to the question of implementation the President, as set forth in the Department's Top Secret telegram No. 461 of October 9, 1947 [2] to the Delegation in New York

"emphasized that the Delegation must make no commitment for the use of United States troops in Palestine except as a part of United Nations action. Similarly any United States economic assistance would have to be our share in a general United Nations program. We do not wish in any sense to replace the British in Palestine nor to accept unilateral responsibility."

When the United States statement of position on Palestine was made by Ambassador Herschel Johnson before the *Ad Hoc* Committee on Palestine on October 11, 1947, Ambassador Johnson said that

"The United States Government was willing to participate in any United Nations plan designed to assist the parties involved to establish a workable political settlement in Palestine. He had in mind assistance through the United Nations in meeting economic and financial

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[1] Copy not found in Department of State files.
[2] Not printed; but see footnotes 1 and 2, pp. 1177, 1178.

problems and also the problem of internal law and order during the transition period. The latter problem might require the establishment of a special constabulary or police force recruited on a volunteer basis by the United Nations. He would not refer to the possibility of violation by any member of the United Nations of its obligation to refrain in its international relations from the threat or use of force, since he assumed that the Charter would be observed."[3]

Pursuant to these basic instructions the Delegation has continuously made it clear that in the first place it felt strongly that the United Kingdom could not divest itself of its responsibility at least materially to assist the United Nations in the carrying out of whatever plan for Palestine was adopted by the General Assembly of the United Nations. Likewise consistent with these basic instructions the United States Delegation has throughout the Palestine debate during the past two months insisted that United States participation in implementation would only be as a part of a broad United Nations endeavor directed to this end.

It was pursuant to these broad basic instructions that Ambassador Johnson, on the evening of November 22, made the following statement:

"Furthermore, references have been made to the attitude of the permanent members of the Security Council. My Government has authorized the Delegation of the United States at the General Assembly to support the Report of Subcommittee 1. That report brings the Security Council into the picture. It makes the Security Council responsible certainly for the security elements involved in this implementation program. The Security Council may send instructions to the Commission. The Security Council may receive a request from the Commission for appropriate instructions. Certainly if the situation would fall under the proper clauses of the Charter, Chapter VI or VII, the Security Council will be seized of the question and my Government will perform its duty under the Charter along with other members of the United Nations in carrying out the decision of the Security Council in such a case.

"This is the situation, it seems to me, where we should grasp the nettle and go ahead. This is not something to be afraid of. If we drop it and let it go it will be worse next year than it is now. The time now is for decision and work out the inequities later on. The United Nations machinery is quite sufficient for that purpose if we can just make up our minds to move now."

No comment would seem to be necessary on the foregoing portion of Ambassador Johnson's speech other than to point out that, when he said "my Government will perform its duty under the Charter along with other Members of the United Nations in carrying out the decision of the Security Council in such a case", this statement by no means

[3] This quotation is from the summary record of Ambassador Johnson's statement; see GA (II), *Ad Hoc Committee*, pp. 62, 64.

implied that the United States would necessarily send troops to Palestine. The United States Representative went no further than to reaffirm under his basic instructions the readiness of the United States to assume the responsibility which it shares equally with the other ten members of the Security Council for the maintenance of international peace and security.

501.BB Palestine/11–2547 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

US URGENT NEW YORK, November 25, 1947—4 : 33 p. m.

1257. Palestine [*Ad Hoc*] Committee on November 25 approved 25–13 with 17 abstentions and two members absent Subcommittee 1 report on partition with a revised Danish amendment.[1] Six Arab states, Afghanistan, Cuba, India, Iran, Siam, Pakistan and Turkey voted against it. Paraguay and the Philippines were absent and Argentina, Belgium, China, Colombia, El Salvador, Ethiopia, France, Greece, Haiti, Honduras, Liberia, Luxembourg, Mexico, Netherlands, New Zealand, UK and Yugoslavia abstained.[2]

[Here follow the text of the revised Danish amendment and information that it was approved 19 to 14, with the United States voting in favor and the Soviet Union abstaining.]

AUSTIN

[1] According to telegram 1260, November 25, 11 : 55 p. m., from New York, this amendment was designed to strengthen the constitutional validity of the plan (501.A Summaries/11–2547). The Danish amendment and its revision are printed in GA (II), *Ad Hoc Committee*, p. 266.

[2] For the official record of the afternoon meeting of the Committee on November 25, see *ibid.*, pp. 220–223.

867N.01/11–2547 : Telegram

The Secretary of State[1] *to the Acting Secretary of State*

TOP SECRET LONDON, November 25, 1947—8 p. m.
US URGENT

Martel 6. Eyes only for Lovett from Marshall. Last night Douglas and I had dinner with Bevin. Alexander[2] and their two wives and Sir Edmund Hall-Patch[3] were present. After dinner Bevin discussed a number of questions with us.

[1] The Secretary of State was participating in the Fifth Session of the Council of Foreign Ministers, which met at London from November 25 to December 15.

[2] Presumably Albert V. Alexander, British Minister of Defence.

[3] Deputy Under-Secretary of State in the British Foreign Office.

The first was Palestine. He took exception to Herschel Johnson's statement of the day before implying criticism of the British attitude regarding their troops in Palestine, informed us that he had directed his delegate to abstain in the voting. He summarized the British position rather elaborately stating that the unanimous political reaction in Great Britain was against the Jewish influence in Palestine and that it stemmed directly from the execution of the two British sergeants which would never be forgotten; that the anti-Jewish feeling in England now was greater than it had been in a hundred years. He stated further that, mentioning Pakistan, the British Government could not possibly be committed to a position which might involve military action against the Arabs.

He referred to the Jewish influence from the United States making impossible his efforts to successfully solve the difficulty prior to its reference to the United Nations. He referred to Balfour's declaration for Jewish home rather than Jewish state, stated that he had had thorough legal advice that the declaration did not commit British Government to development of Jewish state, characterized the declaration as an unfortunate error and outlined the good faith in which he insisted Great Britain had conducted its mandate obligations. He stated that British information indicated that Jewish groups moving from the Balkan states to Palestine illegally contained many indoctrinated Communists which presented a serious threat to Middle East stability.

Douglas questioned whether or not information regarding Communist infiltration was reasonably authenticated and Bevin replied that they were so informed.

I made no answer to his various statements other than to say that I had sympathy for the British in their difficulties in Palestine and under the pressures of the American Jew; that I felt the issue must be settled without further delays or it would result in a much more serious situation in the Middle East; that I hoped the United Nations would find an agreed settlement and that the British position would not render such a conclusion impossible.

Bevin had previously asked me if I had read the papers resulting from the British-American discussions of the Middle East [4] and what action had we taken. He was informed that I had read them and that they had been forwarded to the National Security Council and that favorable action had been recommended by the Council to the British. In the previous discussion I referred to Bevin's view that this pending Middle East agreement was of great importance, and that therefore the

[4] For documentation on this subject, see pp. 485 ff.

prompt settlement of the Palestine matter was of equal importance preliminary thereto.[5]

[Here follows discussion of subjects other than Palestine.]

MARSHALL

[5] Referring to this paragraph in telegram Telmar 6, November 26, 1 p. m., to London, the Acting Secretary of State informed Secretary Marshall as follows: "For sake of accuracy National Security Council recommendation was made to President not to British. Note use of word 'agreement'. We have taken great pains to make it abundantly clear to all concerned that no agreement is involved. Conversations represented merely exchange of views. Documents emanating from conversations were proposed statements of respective policies subject to confirmation. It was understood that these statements even after approval could not be considered as agreements; that no obligations were taken; and the policies outlined were subject to change to meet new conditions." (867N.01/11-2547)

Editorial Note

At the afternoon meeting of the General Assembly on November 28, the French Representative proposed that the Assembly postpone its decision until the following day to permit a last-minute effort to arrive at a solution acceptable to both the Arabs and the Jews. The French proposal was adopted by a vote of 25 to 15. For the official record of the discussion of the proposal, see GA (II) *Plenary*, pages 1401–1410, *passim*.

867N.01/11-2847: Telegram

The Secretary of State to the Acting Secretary of State

TOP SECRET
US URGENT

LONDON, November 28, 1947.

Martel 12. To Lovett from Marshall. Bevin handed to me the following summary of the British plan of withdrawal from Palestine.

"Military withdrawal—a series of clear-cut backward moves northwards from the Egyptian frontier phased as follows: Phase one: Gaza civil district by 29 February. Phase two: Jerusalem, Lydda and part of Samaria by 31 May. Phase three: Remainder of Samaria and Galilee by 30 June. Phase four: The remaining enclave round Haifa by 31 July.

The evacuation of stores through Haifa and by land to Egypt will start on December 1. It is estimated that, even under the most favourable conditions, we shall lose nearly 150,000 tons of useful stores.

Withdrawal of civil administration—the civil administration and the mandate will be maintained over the whole of Palestine until May 15, 1948, except that in certain circumstances the civil administration, or some parts of it, may be obliged to withdraw at an earlier date from the Gaza civil district.

If the United Nations vote in favour of partition, the arrival of a United Nations commission for the purpose of carrying out this de-

cision in Palestine is bound to have a disturbing effect on the Arab population. If the commission arrived before we were ready to hand over to it, this would make it impossible to carry out our plan. We could not maintain the mandate and civil administration for a longer period than 15 days after the arrival of the commission in Palestine. The British representative in New York is accordingly being instructed, in the event of the Assembly voting for partition, to discuss with the United Nations commission a mutually convenient date for the commission's arrival, which, to fit in with the British plans, must be not before May 1. It would be most helpful if the United States representative could be instructed to use his influence to ensure that the commission were ready to come to an arrangement with us on these lines." [1]

MARSHALL

[1] The Department repeated this message to New York in telegram 578, November 28. The following day, in telegram 581, to New York, Mr. Lovett authorized Ambassador Johnson "to inform UK Representative that Department agrees to proposal set forth in Bevin's memorandum quoted in Martel 12." (501.BB Palestine/11–2947) According to telegram 1272, December 1, from New York, this information was transmitted to Sir Alexander Cadogan the same day (501.BB Palestine/12–147).

501.BB Palestine/11–2847 : Telegram

The Acting Secretary of State to the Embassy in Chile

SECRET WASHINGTON, November 28, 1947—2 p. m.

569. Saudi Arabian Delegation UN claims as result pressure United States Govt, Chile has decided change its vote against partition Palestine to vote for partition.

Saudi Arabian Delegation previously informed United States firmly supported majority report and in conversation with other delegations had made United States position clear, but we were not exerting "pressure" on other delegations change their votes.

In order Saudi Delegation may be appropriately informed would appreciate any comment you might care make with regard Saudi allegation regarding Chile.[1]

LOVETT

[1] The Embassy in Santiago informed the Department in airgram A–541 on December 2 that "President Gonzalez Videla, personally, and certain members of the Govt sympathetic to Jewish cause. Chilean representative on Palestine Committee therefore instructed to vote in favor of partition Palestine. However, important Arab groups residing in Chile exerted sufficient pressure on political parties to cause Radical, Liberal, and Agrarian Labor Parties to issue resolutions urging Chilean Govt to either change its position on Palestine question or abstain from voting. The result was that, although in the Committee Chilean representative talked and voted in favor of partition, in the final voting Chile abstained. According to UndSecy FonAff, Egypt asked for Chile's support, but it was never granted; consequently, even if the United States had exerted pressure, the final result was unfavorable to the United States, since Chile, instead of voting in favor, abstained." (501.BB Palestine/12–247)

501.BB Palestine/11–2947 : Telegram

The Chargé in Syria (Memminger) to the Secretary of State

CONFIDENTIAL
NIACT

DAMASCUS, November 29, 1947—1 p. m.

390. President sent for me this morning to ask that eleventh-hour appeal be made for Arab rights (reLegtel 389, November 29 [1]). In hour's conversation Quwatly stressed (1) injustice in resting Arabs otherwise promising future on votes of small remote states whose UN delegates were subjected to bribes and threats; (2) danger to US in opening Near Eastern door to Russia; (3) virtual certainty that partition would be followed by years of disruptive violence and bloodshed with possibilities of fighting among Arabs themselves; (4) Balfour promise to Jews of national home in Palestine, which they now had, in no way justified Jewish state advocated by US; (5) while US had but one GA vote American influence was so great that Zionists would have no chance without US support.

MEMMINGER

[1] Not printed; it gave the text of a message from President Kuwatly to President Truman in which the United States Government was requested to take a stand on the side of the Arabs (501.BB Palestine/11–2947). On December 2, the Imam Yahya, King of the Yemen, cabled a plea to President Truman for renunciation of partition (867N.01/12–247). No evidence has been found in Department of State files that a reply was made to telegrams 389 or 390 from Damascus.

501.BB Palestine/11–2947 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

NEW YORK, November 29, 1947—6:10 p. m.

1271. The GA adopted at 5:35 p. m., November 29 the *Ad Hoc* Committee report on partition of Palestine 33–13 with ten abstentions and Siam absent.[1] Opposing partition were: Afghanistan, Cuba, Egypt, Greece, India, Iran, Iraq, Lebanon, Pakistan, Saudi Arabia, Syria, Turkey and Yemen; abstaining were: Argentina, Chile, China, Colombia, El Salvador, Ethiopia, Honduras, Mexico, UK and Yugoslavia. On the nomination of Chairman Aranha (Brazil), the following members were elected without objection to the UN Palestine Commission: Bolivia, Czechoslovakia, Denmark, Panama and Philippines.

AUSTIN

[1] For the text of the General Assembly resolution, see United Nations, *Official Records of the General Assembly, Second Session, Resolutions, 16 September–29 November, 1947*. For a description of the meeting of the General Assembly on November 29, see telegram 1274, December 1, from New York, p. 1293.

890D.00/11–3047 : Telegram

The Chargé in Syria (Memminger) to the Secretary of State

RESTRICTED DAMASCUS, November 30, 1947—1 p. m.

NIACT

391. Re my unnumbered telegram immediately preceding.[1] Just talked with Prime Minister who expressed profound regrets; said that speed with which mob struck caught Government entirely unawares; that mob organized secretly by foreign agents; that he had explained to crowds which subsequently gathered at presidency that violence could only harm Arab cause, and had arranged for gendarme protection of Legation and homes of all American personnel.

I made it clear to Prime Minister that US Government would take serious view of wanton destruction of American property and insult to American flag.

Entrance to Legation forced through rear first floor windows. No damage premises other than broken glass and shattered shutters. However, three Legation automotive vehicles completely burned.

Fire brigade which arrived in time to have saved cars was driven off by mob.

French Minister has just telephoned to say that tail end of mob stoned his Legation and tore down French flag, mob now seems to have dispersed.

British Legation untouched.

Repeat this and preceding to War.

MEMMINGER

[1] Not printed; it reported that "Well organized Syrian mob of about 2,000 in which Moslem brothers predominated stoned and broke into Legation this morning after setting fire to Legation station wagon. Thirty Syrian policemen on specially arranged duty watched with bemused indifference as surging crowd reached roof and tore down American flag. In view my protests gendarmes sent to scene and order temporarily restored . . . . Russian-Syrian Cultural Society office entered and looted." (890D.00/11–3047). This undated message was received at 12 : 56 p. m., November 30. The expression "Moslem brothers" refers to members of the Moslem Brotherhood.

Telegram 667, undated, from Baghdad, received December 4, 1 : 12 p. m., reported that the office of United States Information Service in Baghdad was stormed by a mob on December 4. The Embassy made formal protest to the Iraqi Foreign Office the same day, denouncing the illegal and forcible entry and the subsequent destruction of United States Government property (124.90G1/12–447). In telegram 458, December 5, to Baghdad, the Department approved the action taken in the protest (124.90G1/12–547).

890D.00/11–3047 : Telegram

The Acting Secretary of State to the Legation in Syria

RESTRICTED WASHINGTON, November 30, 1947—2 p. m.

US URGENT

263. Your statements to Prime Minister approved. Re your 391, November 30, 1 p. m. Please inform him that US Govt expects the

Govt of Syria like that of any country with which it maintains diplomatic relations to extend full protection to American Legation, American property, and American citizens in territory under its control.

Displeasure which Syrian Govt and people may feel towards any policy or action of American Govt in United Nations or otherwise is no ground for violence of this character.

You may point out that failure of Syrian police officials to protect Legation and to prevent hauling down of American flag adds to seriousness of incident and is certain to be cause for regret to many friends of Syria in US.

In view of expressions of regret on part of Prime Minister it is assumed that Syrian Govt will take prompt measures to make clear before whole world its disapproval of such acts, to proffer the appropriate apologies, to compensate for property destroyed, and to give adequate protection in future.[1]

Sent Damascus; repeated to Cairo, Baghdad, Jidda, Beirut, Jerusalem and War.

LOVETT

[1] Later the same day, in telegram 393, from Damascus, Chargé Memminger reported he had "just received President's apologies and strongest assurance that no further anti-Americanism will occur." (890D.00/11–3047)

501.A Summaries/12–147 : Telegram

The United States Representative at the United Nations (Austin) to the Secretary of State

[Extract]

NEW YORK, December 1, 1947—11 p. m.

1274.

. . . . . .

At the outset,[1] Aranha asked for reports on measures taken since the previous day to promote agreement. Chamoun (Lebanon) speaking on behalf of all the Arab Delegations, said the Arabs were ready, "as ever", to listen, study, and discuss "any proposals for conciliation, which were likely to offer a reasonable and just solution." They would oppose, however, any solutions the implementation of which would involve force or threat of force. The Arab Delegations had evolved the following general principles which they felt ought to serve as basis for a compromise: 1) a federal independent state by Aug. 1; 2) to consist of a federal government with Arab and Jewish cantons; 3) boundaries of cantons to include fewest possible Arab and Jewish

[1] Of the meeting of the General Assembly on November 29.

minorities; 4) the population of Palestine to elect by direct universal suffrage a constituent assembly to draft constitution of the future federal state—the assembly being composed of all elements of population in proportion to the number of citizens; 5) the assembly, in defining powers of government organs and relations with cantons, to be guided by model of US and its relations with its states; 6) the constitution to provide for protection of holy places, freedom of access, religion, etc.

US finds Arab proposal not conciliatory.

The time for conciliation would come once decision had been taken and both parties faced the hard facts, and not before, Thors (Iceland) said. Johnson thought the conditions outlined by the Arabs did not fulfill the description of the conciliatory proposals envisaged by France. No conciliatory offer was now before the GA, since Lebanon's statement had merely resurrected the minority UNSCOP recommendations, he added.

Adl (Iran) said the "Arab world's" desire for conciliation could be seen in the Lebanese statement, and asked for "a reasonable delay"—an adjournment of a few weeks during which time the *Ad Hoc* Committee might reconsider the question. Aranha asked for this proposal in writing. El Khouri (Syria) also urged exploration of possible conciliatory possibilities. He quoted Faisal's (Saudi Arabia) answer to Evatt (Chairman of the *Ad Hoc* Committee), expressing readiness to meet with Secretary Marshall, and said no reply had then been received from Evatt.

While awaiting translation of Iran's proposal, to make a ruling possible, Aranha called on the last speaker, Gromyko (USSR). He declared that the Lebanese and Syrian proposals introduced nothing new; that the unitary plan they propounded had already been rejected after careful study; and that partition should be voted upon immediately.

Iran proposes renewed Committee study.

The Iranian resolution, as presented in writing, called for adjournment until Jan. 15; invited renewed *Ad Hoc* Committee study, taking into account the Lebanese declaration; and asked the SYG to submit the Committee's report to the GA by Jan. 31. Aranha ruled it was a new resolution, which could not be considered a motion to adjourn debate, and which could not be voted on until previous resolutions had been ballotted upon. Chamoun, stating that the *Ad Hoc* Committee had done nothing about the unanimous recommendations in the UNSCOP report, thought these should be voted on first. Aranha ruled these were embodied in the reports of both Subcommittees, and required no special vote.

. . . . . .

AUSTIN

890G.00/12–247 : Telegram

The Acting Secretary of State to the Embassy in Iraq

RESTRICTED WASHINGTON, December 2, 1947—6 p. m.

451. Dept is deeply concerned lest anger of Iraqis arising from Palestine decision in UN might express itself in attacks upon Jews in Baghdad or elsewhere. Aside from humanitarian considerations it would be extremely unfortunate from point of view of security of Middle East, of interests of US, and of Iraq itself if Iraqi Govt should fail to grant full protection to local Jewish communities in case of outbursts of violence against them. You should therefore on all appropriate occasions endeavor to impress upon Iraqi authorities how important it is that they do not permit popular indignation to vent itself in violence against Jews. Dept leaves to your discretion manner and timing of such approaches as you may make.

This message is being repeated to our Missions in other Arab countries, which should follow parallel course with respect to govts to which they are accredited, and to Jerusalem for info.

Sent Baghdad as Dept's 451 rptd Beirut as Dept's 535 Cairo as Dept's 1609 Damascus as Dept's 270 Jidda as Dept's 376 and Jerusalem as Dept's 499.[1]

LOVETT

[1] Telegram 451 was repeated also as telegram 761, December 5, 7 p. m., to Tehran (501.BB Palestine/12–147).

867N.01/12–347 : Telegram

The Ambassador in Egypt (Tuck) to the Secretary of State

SECRET CAIRO, December 3, 1947—noon.

US URGENT NIACT

1387. For Loy Henderson. I was received in audience by King Farouk yesterday to present Rear Admiral Ellery Stone (Rtd). On arrival Palace was informed that King wished to have private word with me before meeting Stone.

King said he wished to inform me frankly that, following the UNO decision, Egypt, in full accord with the other Arab countries, intended to resist partition in Palestine by force of arms. Egypt would make no military move until after British forces had left Palestine as he had no wish for further difficulties with Britain. He had two of his best divisions now at El Arish on Palestine frontier and, while they would remain inactive for the present, they had been sent there to guard the frontier and to restrain infiltration of Russian Jewish saboteurs into Egypt. Only five days ago he said a number of such saboteurs have

been apprehended on Egyptian territory and, from documents seized, there could not be the slightest doubt as to their intentions. Farouk added that it was possible that there might be some guerrilla fighting between Jews and Palestine Arabs but he reaffirmed that his forces would take no action until the British left Palestine.

The King said that it was possible that in the first phases of the Jewish-Arab conflict the Arabs might meet with initial reverses as there were Jewish elements which had participated in the World War and had had extensive commando experience. He expressed the belief, however, that in the long run the Arabs would soundly defeat the Jews and drive them out of Palestine. He said that he had as yet no clear idea of what steps UNO might take when British forces left Palestine, but if an international force were sent there to keep order it was possible that an American military contingent might form part of such a force. Thus, the King said there might exist the tragic spectacle of Arabs fighting Americans.

The King then said that there was a complete understanding between Egypt and the other Arab countries on measures to be taken in view of the situation and that following a lengthy interview he had had the day before with Azzam Pasha, Secretary General of the Arab League, instructions had gone out other Arab capitals with a view of coordinating plans, both military and economic, in preparation for the conflict. King Ibn Saud, Farouk said, had pledged him his word that he would "follow Egypt" and Farouk expressed the belief that despite the great financial advantages which Ibn Saud derived from American ventures in Saudi Arabia, "the old man would rather destroy the oil wells than break his word". (This last statement by Farouk I consider to be exaggeration for the sake of emphasis.) The King then referred to the Jewish population in Egypt. He would do all in his power, he said, to protect them as his people had never had any real differences with Jews in Egypt who were "good people". If however there were to occur acts of sabotage or political assassination by Jewish elements from the outside, public opinion could react so violently that, despite military and police protection, Egyptians might take matter into their own hands.

I intervened to say that it was my earnest hope that every possible measure of protection would continue to be given to Jewish and other minorities in Egypt as well as the foreign colonies for I felt that acts of open aggression against Jews or others would be most severely judged and could only react unfavorably on Egypt's position in the world. The King admitted that this was the case but that the "Stern Gang" methods of the Jews were only too well-known and that if per-

petrated on Egyptian soil might exasperate his people to acts beyond control.

Weighing the King's remarks at their face value inclines me to the following conclusion: (1) That there is no doubt but that Egypt has definitely decided to play a full share in militarily opposing the Jews in Palestine; (2) that the King possibly through the agency of Azzam Pasha and the Arab League intends, if possible, to play a leading part in coordinating, organizing Arab resistance.

TUCK

501.BB Palestine/12–347 : Telegram

The Acting Secretary of State to the United States Representative at the United Nations (Austin)

TOP SECRET WASHINGTON, December 3, 1947—1 p. m.

586. For Johnson from Lovett. Although press reports suggest that SYG contemplates UN Palestine Commission assuming its functions in near future we much prefer to adhere to UK's timetable set forth in Deptel 578 November 28 [1] which you were authorized to support in Deptel 581 November 29.[1]

We feel initiative in this respect rests with UK but we have no objection to you, after consultation with Cadogan, making known to SYG or representatives of States on Palestine Commission our view that advantages of Britain maintaining the Mandate to May 15 far outweigh possible advantages of Commission actually undertaking its duties in Palestine before May 1.

This should not preclude the Commission actively undertaking its work of organization and initiating detailed conversations with the Mandatory Power with a view to taking over after UK withdrawal. Such conversations might profitably be carried out by the Commission in London, and should include talks also with representatives of the Jewish Agency and the Arab Higher Committee.

You should make it very clear to Cadogan that in agreeing with British timetable we confidently assume UK will furnish utmost facilities by way of advice and continuing cooperation to the Commission from the moment of its creation.

(Repeated to London for the Secretary as 5067, Secdel 1531.)

LOVETT

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[1] Not printed, but see footnote 1, p. 1290.

867N.01/11–2647 : Telegram

The Acting Secretary of State to the Consulate General at Jerusalem

SECRET WASHINGTON, December 3, 1947—6 p. m.

505. Re urtel 546 Nov 26.[1] It is assumed that Britain as mandatory power will continue to be responsible maintenance order Palestine until termination Mandate and will afford non-discriminatory protection to all persons there including Americans.

If, however, Brit are unwilling or unable to afford appropriate protection, it would appear that only alternative would be to suggest refugees proceed directly to Haifa. However advice of this character is difficult for Dept to give at this distance and it is believed that decisions may be made by you based on first-hand knowledge actual situation in Palestine.

(Re last para 546) If evacuation becomes necessary by US naval vessel Navy will pay cost passage to southern Italy.

LOVETT

[1] Not printed; it advised that "Spokesman Palestine Government states temporary shelter such as envisaged in 'nearest British Army camp' cannot be afforded unneutral Americans numbering about 4,000 who must share such general protection as may be afforded by presence British troops in country." (867N.01/11–2647)

501.BB Palestine/12–547 : Telegram

The Secretary of State to the Acting Secretary of State

TOP SECRET LONDON, December 5, 1947.

Martel 34. Bevin left with me the brief quoted below which had been prepared for him to use during his conversation with me on December 2.

"Mr. Marshall has already been informed of the outline of our plans for withdrawal from Palestine and of the difficulty which we expect if the United Nations Commission were to arrive in Palestine more than say a fortnight before we were ready to hand over authority to them. This date, according to our plan, will be about May 15.

There has already been some Arab effervescence. Nevertheless, we have received assurances from various Arab spokesmen that they will not try to make trouble while we are still in Palestine. We are now sending to the Arab Governments a message that we expect them to honour these assurances, and suggesting that this will involve not only that they should refrain from armed intervention themselves, but that

they should stop individuals from other states crossing into Palestine to provoke disorder, or inciting disturbances from outside.[1]

Our object during this period will be to maintain the *status quo* in all respects. This will apply particularly to immigration. If we modify our policy on this subject, this will be an added incentive to the Arabs to take the law into their own hands. We earnestly hope, therefore, that the United States authorities will feel able to continue and intensify the measures which they have recently begun to take to restrain those involved in organizing this traffic. It will also be most helpful if the United States authorities could recommend forbearance and moderation to such Jewish representatives with whom they are in contact in the same way as His Majesty's Government have made similar recommendations to Arab representatives."

MARSHALL

[1] Telegram 6309, December 3, 7 p. m., from London, reported: "Foreign Office showed Embassy today copy of circular telegram despatched December 2 to British missions to which this telegram is repeated instructing British representatives to urge moderation upon these Arab Governments and to point out that British forces so long as in Palestine will have to suppress disorders from whatever source in areas under British control. It would not be enough for Arab Governments to refrain from official action while British Government is endeavoring to maintain *status quo* Palestine. Arab Governments should prevent their nationals from crossing into Palestine to disturb peace." Telegram 6309 was repeated to Cairo, Baghdad, Jidda, Beirut, and Damascus (867N.01/12–347).

867N.01/10–3147

The Department of State to the British Embassy

MEMORANDUM

The Department of State has received the British Embassy's memorandum of October 31, 1947 concerning the clandestine movement of Jews from Austria into Italy and the reported misuse of former United States Army vehicles and equipment by the American Joint Distribution Committee and similar organizations.

Since receipt of the memorandum the Secretary of State has advised the British Ambassador by letter dated November 10, 1947 [1] of the efforts of this government, including warnings to Jewish leaders, to stop this clandestine activity. In the meantime also, the General Assembly of the United Nations has taken positive action on the question of Palestine which, it is hoped, will bring an end to these movements. In the light of this development the Department will keep under advisement the question of any additional special border control measures which should be taken in the United States Zone of Austria.

The Department is advised that the incident involving the misuse of former Army vehicles and equipment reported to have taken place

[1] Not printed.

at the boundary between United States and French Zones of Austria was immediately brought to the attention of responsible representatives of the American Joint Distribution Committee who happened to be in Vienna at the time. These officials stated that the vehicles in question were not operated by the organization, and took steps immediately to identify to responsible authorities in Austria and Italy all vehicles and personnel currently employed in the relief activities of the organization.

WASHINGTON, December 6, 1947.

501.BB Palestine/12–647 : Telegram

The Acting Secretary of State to the Secretary of State, at London

TOP SECRET WASHINGTON, December 6, 1947—1 p. m.

Telmar 42. For Secretary from Lovett. Reference Deptel 586 of Dec 3 to USUN New York repeated London as 5067 of Dec 3.

Shortly prior your departure for London Dept adopted policy,[1] with Policy Committee on Arms and Armaments concurrence, of suspending authorization export from US arms, ammunition, other war material intended for use Palestine or neighboring countries until situation in that area had clarified. Suspension also held apply export licenses already issued but not utilized and include disposals from US-controlled stocks abroad.[2]

In view recent disorder Palestine and threats from Arab states, Dept anticipates representatives Jewish Agency who are also representatives of Zionist Organization of America will shortly request US Govt to permit export to Palestine from US of military supplies.

Dept proposes if and when approached by representatives Jewish Agency, to reply:

1) In period preceding termination mandate, requests for military supplies should be made to British authorities in Palestine.

2) In period following termination mandate, requests for military supplies should be made to UN Commission. Commission procedure thereafter is as yet unknown.

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[1] On November 14, as indicated in PCA summary of action, No. S–69.

[2] For the statement released by the Department of State on December 5 concerning the discontinuation of the licensing of shipments of arms and ammunition to Middle East areas, see Department of State *Bulletin*, December 14, 1947, p. 1197. Under the new policy, the Department revoked its approval of the sale of sufficient arms and ammunition to train 100 Syrian pilots for one year (memorandum of December 1 by the Chief of the Munitions Division (Cummins) to Col. R. M. Barton of the Department of the Army). The approval had been given in a note of May 17, 1947, from the Secretary of State to the Syrian Minister. The memorandum and the note are both filed under 890D.24/4–2947.

3) US Govt believes UN Commission might wish at early date initiate conversations with British in London re military supplies which British may be able to make available.

Suggest you may wish inform Bevin character reply which Dept proposes make to JA representatives if latter approach Dept.[3]

LOVETT

[3] According to telegram Martel 60, December 10, from London, the substance of Telmar 42 was conveyed to Michael Wright, Superintending Under-Secretary in the British Foreign Office, on December 10 for delivery to Mr. Bevin. Mr. Wright's initial reaction was to "warmly welcome" this step by the Department (501.BB Palestine/12–1047).

740.00119 Council/12–647 : Telegram

The Secretary of State to the Acting Secretary of State

TOP SECRET
US URGENT

LONDON, December 6, 1947—3 : 30 p. m.

Martel 40. For Lovett from the Secretary. At a meeting with Bevin Thursday morning, at which Douglas and Dixon, Bevin's secretary, were present, the following matters were discussed:

1. Middle East
2. Austrian Treaty
3. Tactics toward Germany
4. Palestine

I shall comment on each separately, as follows:

1. Middle East.

Memorandum being mailed.[1]

[Here follow comments on Numbers 2 and 3; for texts, see volume II, pages 750 and 751.]

4. Palestine

Bevin handed me an informal note [2] on the plans and intentions of H.M.G. regarding the transfer of power in Palestine. He added that it should not be supposed that the withdrawal of the British administration and forces was an easy matter.

Various arrangements had to be made and they had to make provision for British assets in the country. He laid particular stress on the importance of stopping any further illegal immigration. It was bound to lead to bloodshed, since the Arabs would undoubtedly be incited to massacre the Jews, and the situation might then require the use of force. The US Government might then find themselves required to provide forces and the Soviet Government might press to provide a force. Would the US Government like this? I admitted that the

[1] Copy not found in Department of State files.
[2] Presumably the note quoted in Martel 34, December 5, p. 1298.

greatest fear of the US military authorities in regard to the question was the presence of a Russian force in Palestine. Bevin, continuing, said that if on the other hand Jewish immigration ceased until they were ready to hand over the administration to the United Nations commission in May, it would be possible to proceed in an orderly way. They should then hope to be able to introduce into Palestine the illegal immigrants now in Cyprus, numbering nearly 30,000, and they might also be able to provide a port on the Palestine coast for the introduction of legal immigrants after the taking over by the U.N. commission. They should also be able, in the period between now and May, to stop the infiltration of Jews across the frontiers. Bevin considered that it was not safe to leave this situation to the UN commission, but an understanding regarding the problems of the transfer of power was required between the US Government and H.M.G.

I said that I could not believe that the Jews would any longer proceed with illegal immigration, since it must be a dead loss to them and would be of no pressure value.

Bevin questioned this. He had no confidence in the Jewish Agency, to whom illegal immigration would still seem to have a pressure value; their object would be to cause incidents and keep their cause alive. He urged that the US Government should restrain the Jewish Agency from these courses and if possible arrange for some public announcement, condemning illegal immigration and urging the Jews to remain patient. Such a step would incidentally steady the Arabs.

I said I would send a message to Washington in the general sense advocated by Bevin. I remarked that the Zionists would be unwilling to make any statement regarding illegal immigration which would imply any responsibility for it on their part.[3]

MARSHALL

[3] A marginal notation indicates a copy of Martel 40 was sent to President Truman on December 8.

501.BB Palestine/12–947

Memorandum of Conversation, by the Director of the Office of Near Eastern and African Affairs (Henderson)[1]

SECRET WASHINGTON, December 8, 1947.

Participants: Mr. Moshe Shertok—Jewish Agency
Mr. Eliahu Epstein—Jewish Agency
Mr. Henderson—NEA
Mr. Merriam—NE
Mr. Mattison—NE
Mr. Wilkins—NE

[1] Drafted by Mr. Wilkins.

Moshe Shertok called on me this afternon for the purpose of discussing current developments with regard to Palestine. Mr. Shertok's remarks were centered around three main points:

1) *Immigration.* Mr. Shertok observed that when immigration was under consideration at the UN, the Jewish Agency formed the definite opinion that the UN had provided for the evacuation by the British before February 1, 1948 of a port and hinterland in Palestine to receive immigrants and that the UN Commission, which was expected to leave for Palestine in December 1947 would have general control of immigration. Mr. Shertok said that, according to the Jewish Agency's present information, the UN Commission had not as yet officially been appointed and that it appeared that there would be some delay in its departure for Palestine. Mr. Shertok concluded that unless a seaport were available in the near future and unless the UN Commission arrived in Palestine at an early date, it would probably be difficult for the Jewish Agency to restrain illegal immigration into Palestine.

2) *Security Council.* Mr. Shertok requested the Department to consider the issuance of an instruction authorizing the United States Mission to the United Nations to make a statement at the next meeting of the Security Council in support of the UN recommendation on Palestine with particular reference to recent activities by sections of the Arab population and statements by some of the Arab States in opposition to the UN decision to partition Palestine. Mr. Shertok was of the opinion that an American statement of this character would reinforce the decision of the UN and would have the effect of indicating that the United States was still behind the UN recommendation.

3) *Military Supplies and Advisers.* Mr. Shertok stated that he desired tentatively to express his thoughts with regard to this question and observed that it would be essential for the Jewish authorities to be prepared militarily to take over gradually from the British authorities as the latter withdrew their armed forces. Mr. Shertok said that they turned to the US for assistance in the first instance but that if it should not prove possible to obtain such assistance in the United States the Jewish authorities would perforce be obliged to turn elsewhere. Military supplies were considered by Mr. Shertok to include reasonable quantities of all types of small arms plus heavier equipment including planes, machine guns, mortars, anti-aircraft and tanks. Military advisers were necessary, according to Mr. Shertok, in order that the Jewish authorities might best utilize the forces, equipment and territory at their command. Mr. Shertok added that it was necessary to discuss and act on these matters now in order that the Jewish state would be able to take care of itself on the actual date of British withdrawal; it being understood, of course, that use would not be made of such military supplies prior to the British withdrawal.

333-774—72——83

I asked Mr. Shertok whether the questions of immigration and military supplies had been discussed with the United Kingdom Delegation and with the UN Secretariat in New York and whether Mr. Nahum Goldmann had as yet had an opportunity, as planned, to discuss these matters with the British authorities in London. Mr. Shertok replied that the Jewish Agency proposed to go into these matters further with the UN Commission as soon as its members had been appointed and that Mr. Goldmann was proceeding to London tomorrow and would raise these and other questions there.

I pointed out the unfortunate consequences which might follow if further illegal immigration into Palestine were to take place at this time and was assured by Mr. Shertok that the Jewish Agency would take all steps in its power to prevent such illegal immigration; but that the provision of a seaport and an increase in the present rate of legal immigration would be essential to accomplish this purpose.

I also explained that the recently announced policy of the US Government prohibiting the export or disposal abroad of military supplies to Palestine and neighboring Arab countries was not a new policy having been established by the Secretary prior to his departure for London in November. I stated that it had been given publicity in the press recently because of other press statements to the effect that some $36,000,000 worth of military supplies had been transferred to the Arab States since the war. I pointed out that this latter statement was not correct and that, as a matter of fact, less than $8,000 consisting of light arms for internal security or police forces had been transferred to the Arab States.[2] I said that the Arab States had received other supplies since the conclusion of the war but that they were of a non-military character similar to the surplus supplies received by many other countries in this period.

I told Mr. Shertok that I would bring all of his remarks including his request with regard to an American statement in the Security Council to the attention of Mr. Lovett and Mr. Armour.[3]

Mr. Shertok expressed a desire to pay his respects to Mr. Lovett and Mr. Armour prior to his proposed departure for Palestine on December 16 or 17. I told Mr. Shertok that I would inquire whether the Acting Secretary and the Assistant Secretary would have an opportunity to see him during the next few days and, if so, that I would communicate with him accordingly.

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[2] For a breakdown of these figures, see the Department's statement of December 5, cited in footnote 2, p. 1300.

[3] Mr. Henderson transmitted this document to Messrs. Lovett and Armour in a memorandum of December 9. He made the following recommendations: "1. *Immigration:* No further action by the Department at this time.

"2. *Security Council:* No recommendation is made as I do not know what the policy of the U.S. Government is on this subject.

"3. *Military Supplies and Advisors:* No recommendation is made pending further clarification of Mr. Shertok's tentative views." (501.BB Palestine/12–947)

501.BB Palestine/12–947 : Telegram

Governor General Mohammad Ali Jinnah of Pakistan to President Truman [1]

At this hour when the Muslim world has received a terrible shock owing to the most unfortunate decision of the United Nations Organization to enforce partition of Palestine, I would like to address to you, Mr. President, this personal appeal.

2. The decision is *ultra vires* of the United Nations charter and basically wrong and invalid in law.

3. Morally it is untenable. Political, historically, geographically and practically it would be impossible to enforce partition against the united resistance of the Arabs who have the full sympathy and support of over three hundred million Mussalmans and many non-Muslim countries and not only those who voted against UNO decision.

4. In the long run it will and must fail. The very people for whose benefit this decision is taken—the Jews, who have already suffered terribly from Nazi persecution—will I greatly fear, suffer most if this unjust course is pursued. Moreover the decision presents a great danger to world peace.

5. May I therefore, at this eleventh hour, appeal to you and through you to the great and powerful American nation, which has always stood for justice, to uphold the rights of the Arab race. The Government and the people of America can yet save this dangerous situation by giving a correct lead and thus avoid the gravest consequences and repercussions.

6. May I, Mr. President, with your permission, release this telegram to the press.

[1] Transmitted to the Department by the Chargé in Pakistan in telegram 198, December 9, 1 p. m., with this introduction: "In letter dated December 8, Secretary Foreign Affairs has requested me transmit following message from Governor General Jinnah to President Truman and asks Department deliver copy Ambassador Ispahani his information (verbatim text) :".

501.BB Palestine/12–1047

Memorandum by the Acting Secretary of State to President Truman

TOP SECRET WASHINGTON, December 10, 1947.

Ambassador O'Neal at Manila has asked [1] that you be informed of a conversation which he had on November 30, 1947 with President Roxas concerning the Philippine vote in the United Nations on the Palestine partition question.

As you will recall, the Philippine Delegate to the United Nations, Ambassador Romulo, in an address before the General Assembly

[1] In telegram 1550, December 4, 7 p. m., not printed.

of the United Nations on November 26, 1947 indicated that the Philippines would vote against Palestine partition. When the vote was taken, however, on November 29, the Philippines voted in favor of partition.

In his telegram, Ambassador O'Neal reports that President Roxas stated that he had instructed the Philippine Delegation to change its position and vote in favor of partition because of his fear, based on a report from Ambassador Elizalde and a telegram from some ten United States Senators, that a vote against partition would have an adverse effect on United States–Philippine relations.

A statement of the substance of Ambassador O'Neal's telegram [2] and of the Department's reply [3] thereto is attached.

ROBERT A. LOVETT

[Annex]

Ambassador O'Neal's telegram is to the following effect:

President Roxas stated that he was greatly disturbed over the position in which he had been placed with regard to the Palestine question. He had received a report from Ambassador Elizalde that a "United States representative" had intimated that failure to support the United States position on the Palestine question might have an adverse effect upon Philippine-American relations. President Roxas had also received a "high-pressure telegram" signed by some ten United States Senators.

When queried by President Roxas, Ambassador Romulo had replied that he had been in close touch with the United States representatives at the United Nations, that these representatives had never intimated a desire that he support the United States position, that his instructions were to use his own judgment and that to reverse his position at that time would be extremely embarrassing and would be certain to renew the charge that the Philippines was a mere puppet of the United States.

President Roxas said that the Palestine question was important to him because of the considerable Mohammedan population in the Philippines. He added that he had never been approached by the American Embassy at Manila with regard to the subject. Nevertheless, fearing a Senate hostile group, he was wiring Ambassador Romulo to reverse his position and asked Ambassador O'Neal to write to the President explaining the situation.

Ambassador O'Neal added that he was sure President Roxas feels that he has been placed in an unfair and damaging position and that he desires to cooperate in full with the United States on all major questions.

In reply to this telegram, the Department has requested Ambassador O'Neal to inform President Roxas that this Government had supported Palestine partition as the best answer to the problem on the basis of a majority recommendation by the United Nations Special

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[2] *Infra.*

[3] Telegram 1273, December 9, 7 p. m., not printed.

Committee on Palestine; that the Department considered that United Nations Members had a right to their own convictions on the subject and had a right to vote in accordance with those convictions; that the way in which a Member voted was not so important as the maintenance of the freedom to vote in accordance with belief; and that it was important that the solution reached should have the genuine support of a majority of the Assembly of the United Nations. The United States Delegation at the United Nations had accordingly publicly stated that this Government favored the proposed partition of Palestine but had not sought to bring pressure in the matter on any Government and does not regard failure by any Government to support the plan as an indication of unfriendliness to the United States. These views had been expressed to the representatives of the various Governments at the United Nations. The Department was not able to understand the report from Ambassador Elizalde concerning the attitude of a "United States representative" referred to by President Roxas and desired additional information and an indication of the identity of the person involved.

The Department has also requested Ambassador O'Neal to inform President Roxas of this Government's surprise that he should have entertained any doubt with regard to the effect which a vote on the Palestine question would have on United States–Philippine relations. He was also requested to indicate this Government's appreciation of the Philippine Government's known desire to cooperate with the United States on major problems.

The Department added for Ambassador O'Neal's confidential information that Ambassador Elizalde's attitude might reflect in part his own estimate of the possible effect which an adverse Philippine vote on partition might have on the extension of additional financial assistance to the Philippines by the United States Congress.[4]

[4] Department of State files indicate additional charges by Arab sources that the United States exerted pressure on various countries to support partition. They also contain an explanation by the Greek Ambassador that Greece had voted against partition "as part of a deal which the Greek representatives had made with the representatives of the Moslem states. In return for Greek support on the Palestine issue the Moslem states agreed to give full support to Greece in the future on Greek questions arising before any UN organ." (memorandum of conversation by John D. Jernegan, Assistant Chief of the Division of Near Eastern Affairs, December 3, 501.BB Palestine/12–347)

125.4916/12–1047 : Telegram

The Consul General at Jerusalem (Macatee) to the Secretary of State

SECRET JERUSALEM, December 10, 1947—5 p.m.

589. Since predominantly Arab area in which Jerusalem situated now hostile to USA, we have following operational difficulties:

1. American personnel virtually confined in security zones maintained by British because elsewhere non-Arab cars stoned, fired upon.
2. Meeting courier at Lydda, 30 miles distant through Arab territory requires police escort, is hazardous and may become impracticable any time.
3. For same reason Americans wishing leave country with alternatives of Lydda or Haifa as egress points may be cut off any time. Railway travel has been eliminated for some time as too dangerous. Problem meeting new personnel, some of whom due shortly, also arises.
4. Messengers, chauffeurs, domestic servants, all Arabs, also Arab office employees showing signs tension and continued service problematical.
5. British as long as here may be counted upon for utmost helpfulness. When British withdraw problem how to operate becomes virtually unanswerable, raising question as to continuation food supplies, fuel, public utilities as post, telegraph, electricity. Food already becoming difficult.

Depcirctels advising insistence for protection upon governments to which accredited naturally not applicable Jerusalem after British departure. Therefore will appreciate Department's keeping us fully advised on following as guide for future planning and basis decisions regarding evacuation wives, families and possibly women employees:

a. Idea envisaged by UN there will be Arab State believed unrealistic because Arabs will refuse form one. Since assumed there will be early establishment US diplomatic mission in Jewish state does Department envisage a Consulate General continuing in Jerusalem and if so what will its principal functions be?

b. If so assume Consulate General will deal with UN Palestine Commission on problems relating to American interests in Arab area. However present indications are that UN Commission will be treated as enemy by Arabs. Chief Palestine Criminal Investigation Department told *NY Times* correspondent off record that police could not possibly protect UN Commission if it located anywhere except Tel Aviv. Such location would invest Commission with partisan character thereby preventing discharge of duties envisaged by UNGA. High Government official refuses visualize Commission in Tel Aviv thinks possible house in strongly guarded Mt. Scopus building Jerusalem from which Commissioners could not emerge however. These prophecies throw grim light on future of Jerusalem Trusteeship Council.

c. Can Department or US Delegation indicate who will do job of present experienced police force of 20,000 reinforced by British military of 60,000? As they now find security problem difficult, seems logical think rapidly assembled substitute would find more so. Therefore suggest Department explore possibility providing Consulate General with own independent guard, assuming our present security zone will

be liquidated with British departure. Also discuss with Navy means our ensuring direct radio communication with their units in Mediterranean. High British officials think disruption communications in post-mandate period very likely.

d. Reference decision Policy Committee on Arms and Armaments. (Depintel December 2, 1 a. m.[1]) JA officials already indicated informally will make formal request for arms and technicians in keeping with US responsibility for partition decision. In any case decision Policy Committee scarcely likely affect plentitude of arms already in Palestine and pouring in daily.

Realize hypothetical nature much of above, but extreme gravity future problems appears justification, even at risk seeming alarmist. Will appreciate Department's guidance on matters discussed.

MACATEE

[1] Not printed.

501/12–1147

Memorandum by President Truman to the Acting Secretary of State

WASHINGTON, December 11, 1947.

I read with a lot of interest your memorandum of the tenth in regard to the Philippine situation.

It seems to me that if our Delegation to the United Nations is to be interfered with by members of the United States Senate and by pressure groups in this country we will be helping the United Nations down the road to failure.

The conversation between the President of the Philippines and our Ambassador is most interesting.

I have a report from Haiti, in which it is stated that our Consul in Haiti approached the President of that country and suggested to him that for his own good he should order the vote of his country changed, claiming that he had instructions from me to make such a statement to the President of Haiti. As you very well know, I refused to make statements to any country on the subject of its vote in the United Nations.

It is perfectly apparent that pressure groups will succeed in putting the United Nations out of business if this sort of thing is continued and I am very anxious that it be stopped.

H[ARRY] S. T[RUMAN]

867N.01/12–1147

Memorandum of Conversation, by the Director of the Office of Near Eastern and African Affairs (Henderson)[1]

SECRET [WASHINGTON,] December 11, 1947.

Participants: Dr. Fadhil Jamali, Iraqi Foreign Minister
Mr. Chorbachi, Iraqi Chargé d'Affaires
Mr. Henderson, NEA
Mr. Colquitt, NE

Dr. Jamali called on Mr. Henderson on December 4 to pay his respects and to discuss with him the Palestine problem as it appeared following the UN decision in favor of partition. There were now two principal fears in his mind, Dr. Jamali said, namely, the possibility of armed conflict between Arabs and Americans, and the possibility of Soviet troops gaining a foothold in Palestine from which it might prove impossible to dislodge them. In the latter connection he referred to press reports of a statement by an un-named American military authority expressing fear of such military penetration of the Mediterranean by the Soviets through the opportunity presented by Palestine. Dr. Jamali felt that the seriousness of the situation made it essential that thought be given by those truly interested in preserving Arab-American amity—such as Mr. Henderson and himself—to some constructive solution of the problem before matters progressed so far that it would be too late to prevent a catastrophe.

Dr. Jamali commented that the Arab delegations felt badly disillusioned by the UN's handling of the Palestine case, which they considered a gross injustice. Not only have the American delegation used pressure on other delegations, but even Dr. Evatt, the Australian chairman of the *Ad Hoc* Committee had been strongly opposed to the Arabs and had been observed canvassing for partition votes. Dr. Jamali said he could not understand why the last-minute Arab proposal for delay in the hope of achieving conciliation had been rejected.

The situation had now deteriorated so badly, Dr. Jamali reiterated that some means must be found out of the impasse. It was his personal belief that the problem should eventually be brought before the Security Council as a situation constituting a threat to peace, that the SC should pass the dispute on to the Assembly for conciliation, and that the Arabs should then propose cantonization as the basis for the future of Palestine.

In answer to Dr. Jamali's inquiry as to whether he thought a solution might eventually be achieved by this course, Mr. Henderson replied

[1] Drafted by Mr. Colquitt.

that he did not think it could be. Mr. Henderson stated that it would be misleading to hold out any such hope: the US had determined its policy of supporting partition after long and careful consideration, with full realization of the seriousness of the decision, and that the decision was final and would undoubtedly be adhered to. Mr. Henderson thought that the Arabs were mistaken if they thought that through bloodshed they could gain a reconsideration of the problem in UN. The use of violence would probably be regarded as coercion and would be resisted by the US. The only solution that he could think of, Mr. Henderson said, was for the Arabs to accept the UN Partition Plan; otherwise, he could see no way of breaking the impasse.

Dr. Jamali replied that the UN Partition Plan would never be accepted by the Arabs and that they would die in defense of their rights rather than accede to it. The world had not believed the Arabs when they had said they would give their lives to prevent the establishment of a Zionist state in Palestine, but now it would see the Arabs meant what they said.

Concluding, Dr. Jamali said that although the situation was very gloomy and that he feared a possible Arab-American clash, he felt that every effort must be given to thinking out a means of solving the problem while there was still time. Iraq wanted America's friendship, he said, and needed its help in implementing its plans for national development. Some means must be found to preserve that amity through removal of the friction caused by the Palestine problem.

Mr. Henderson assured Dr. Jamali that the US was equally anxious to preserve Arab-American friendship. As for the Palestine issue, however, he could see no other solution than the acceptance by the Arabs of the UN solution.

L[OY] W. H[ENDERSON]

867N.01/12–1247

Memorandum of Conversation, by the Assistant Secretary of State for Political Affairs (Armour)

CONFIDENTIAL [WASHINGTON,] December 12, 1947.

Participants: Mr. Armour
Mr. Shertok, Jewish Agency
Mr. Epstein, Jewish Agency
Mr. Mattison, NE

Mr. Shertok opened the discussion with a review of the current situation in the Middle East as it affected Palestine, including the disturbances against Jews in Aden and Aleppo. He again urged, as in

his meeting with Mr. Henderson on December 8, that the United States Representative on the Security Council make a statement which would serve as a warning to the Arab States not to interfere in the Palestine matter. I replied that the matter would be considered by the officials concerned in the Department.

I took the occasion to emphasize our continued concern over the possibility of the departure of the *Pan Crescent* and the *Pan York* from Constanza. Mr. Shertok replied in the same vein as he had yesterday in his talk with Mr. Johnson in New York (New York tel. 1301, December 11 [1]), i.e., explaining the Agency's position and that while the Agency was against the departure of those ships that they might not be able to stop them. I again emphasized our earnest desire that the ships not be allowed to depart.

[1] Not printed; it reported Ambassador Johnson's statement to Mr. Shertok that "we felt very strongly that it would be unwise for these ships to sail and for any illegal immigration to reach Palestine under present circumstances." (501.BB Palestine/12–1147)

Later the same day, Mr. Shertok sent a letter to Mr. Armour in which he noted that he "had intended to refer during our interview to the question of supplementary military equipment for the present Jewish defense organization or the future militia in Palestine, and I hope an early opportunity may be afforded for us to discuss the matter." Mr. Armour's reply of December 22 noted that Mr. Shertok's tentative views had already been given to Mr. Henderson and that Mr. Goldmann planned to raise the question with British authorities. He suggested, accordingly, "that a further discussion of this matter might be postponed for the time being." (867N.01/12–1247)

CFM Files: Lot M–88: Box 104: Anglo-US-French Conversations

British Memorandum of Conversation [1]

TOP SECRET [LONDON, 17 December, 1947.]

ANGLO-AMERICAN CONVERSATIONS

Mr. Marshall paid a farewell call on the Secretary of State at the Foreign Office at 6 p. m. on December 17th. The situation resulting from the breakdown of the recent meeting of the Council of Foreign Ministers and other subjects concerning Anglo-American relations were discussed in a conversation lasting 1¼ hours.

Arab Reactions to the General Assembly's Decision on Palestine.

The Secretary of State explained that Arab reactions had been even worse than we had expected. We were getting in reports from all over the Middle East, which were disturbing. He wished to tell Mr. Marshall in confidence that he was proposing to get along various Arab repre-

[1] This memorandum was prepared by Frank Roberts, Personal Secretary to Mr. Bevin, and copies were given to Ambassador Douglas; see footnote 30, vol. II, p. 822.

sentatives to London one by one in order to steady them. The situation might blow up throughout the Middle East with serious reactions on the Americans as well as ourselves. He was himself convinced that the Soviet Union had supported partition in order to cause a general mix up, from which they would profit when the Jews and Arabs began to fight. He thought that if and when the Russians intervened, it would not be in Palestine itself but in Iraq. He was anxious about the position of 100,000 Jews in Bagdad and of others in other places in the Middle East. They would not be the victims of war but would risk having their throats cut.

MR. MARSHALL said he had not had many reports yet. He had heard the situation was serious but had not thought it was as bad as the Secretary of State had said. The American representative[s] in the Middle East countries were of course disturbed and he would keep a careful watch.

THE SECRETARY OF STATE said that Mr. Marshall ought to know that some Arabs, including Nuri Pasha, whom he had recently seen in London, alleged that after Mr. Marshall had left America pressure had been put on many members of the United Nations, especially the Latin America countries, to vote for partition.

MR .MARSHALL said that the position was very difficult. The Arabs also had been bringing pressure to bear everywhere. He had tried to stop this, although the Latin American countries had asked the Americans for a lead, he had refused to give it. He had taken a similar line over elections to the Security Council. He felt it was better in the long run not to intervene. He had given his people instructions accordingly over Palestine, and he had the greatest confidence in General Hilldring, who was handling this and who, he was absolutely sure, would handle it with very clean hands.

Editorial Note

In the files of the Department of State, under 501.BB Palestine/12—1747, is a carbon copy of a report dated December 17, 1947, whose purpose it was "To assess and appraise the position of the U.S. with respect to Palestine, taking into consideration the security interests of the U.S. in the Mediterranean and Near East areas and in the light of the decision of the General Assembly of the United Nations regarding the partition of Palestine." The paper gives no indication of authorship, but it seems to be the initial draft called for in the editorial note, page 1283, and a forerunner of Policy Planning Staff Report 19 of January 19, 1948. It is anticipated that the latter report will be printed in a forthcoming volume of *Foreign Relations*.

The report of December 17, 1947, made two alternative recommendations, as follows: "25. The United States should immediately announce that we have become convinced that the partition of Palestine is impossible of implementation and that the Palestine problem should therefore be referred back to a special session of the General Assembly to meet in a neutral country such as Switzerland. At this session we should propose that a 'middle-of-the-road' solution be attempted for which we would endeavor to obtain support from the Arab and Jewish communities of Palestine. If this proved impossible, we should propose a UN trusteeship for Palestine, pending agreement by the Arab and Jewish communities.

"Meanwhile, we should take the lead in asking the British to remain in Palestine, with the right to request whatever assistance they might require from other members of the UN. In these circumstances the UN should be asked to defray the costs of continued occupation by the British.

"OR

"26. The US should take the position that, in view of the manifest impossibility of implementing the partition of Palestine, no steps should be taken to that end. We should oppose sending UN troops to Palestine to enforce partition. We should maintain and enforce our embargo on arms to Palestine and neighboring countries."

867N.01/12–1747 : Telegram

The Consul General at Jerusalem (Macatee) to the Secretary of State

SECRET JERUSALEM, December 17, 1947—5 p. m.

615. Myerson, JA political chief, called December 15, complained about Palestine Government.[1] Said she saw sinister design in actions government adding while Jews can take care of themselves against Arabs, British and Arabs together too much. Cited several examples of "government discrimination" against Jews, including prohibition against Jewish settlement police using armored cars.

After adding Jews may be forced to war with both government and Arabs she wondered what outsiders would think if Jews remained quiet under "provocation". I remarked restraining on part of Jews will not be considered weakness but sign of strength that so much had

[1] Telegram 586, December 9, 1 p. m., from Jerusalem, reported that Mrs. Myerson, accompanied by Mr. Ben-Gurion, informed Mr. Macatee on December 8 that the Jewish Agency thought the Government of Palestine was unnecessarily lenient in controlling the Arabs. She expressed distress at news of an Arab ambush of a convoy on the Jerusalem–Tel Aviv road at which the Mukytar of Yagur, a close friend, and a high-ranking Haganah officer had been killed. (867N.01/12–947).

been attributed to Jews because of terrorism that exhibition of restraint could not fail bring favorable reaction. Myerson wants UN committee here quickly, failing that a UN observer "who could keep eye on government". Asked that her remarks be reported US Government.

This frame of mind typical of JA these days as their many difficulties increase. Having at first welcomed British handing over Tel Aviv area to Jewish police, now sees sinister design here also, commenting since British and Arabs remaining in Jaffa Jews will be compelled to fight them both.

Similar views expressed in *Palestine Post* editorial yesterday commenting upon which high government official said government felt if Jews took over own defence same would have to apply Arabs. Jews were not willing accept this therefore government feels their argument not valid.

MACATEE

501.BB Palestine/12–1747 : Telegram

The Ambassador in the United Kingdom (Douglas) to the Secretary of State

TOP SECRET LONDON, December 17, 1947—6 p. m.

6523. Reciprocating information re US policy arms shipments Middle East (Telmar 42 [1]) and expanding initial Foreign Office reaction reported Martel 60, December 10,[2] Michael Wright handed Embassy officer December 15 following top secret memorandum:

Text begins. "HMG has treaty obligations to supply certain Middle East states with war materials. They have regularly supplied such material in accordance with these obligations over number years. Delivery such items ordered under these arrangements some time ago has not yet taken place. It is not intended to hold up delivery such items, which form part previous orders.

"Any new orders from Palestine or Arab countries [3] will be scrutinized with great care before decision is taken on them. Decisive factor will be whether war material in question is intended for use in Palestine or is likely to be used there.

"If hostilities broke out in Middle East, whole question of supply and delivery of arms to Middle East countries would be reconsidered.

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[1] December 6, p. 1300.

[2] Not printed, but see footnote 3, p. 1301.

[3] Telegram 988, December 30, noon, from Ankara, reported that on December 29, the Turkish Foreign Minister informed Ambassador Wilson that "representatives Arab states recently requested Turkish Government supply arms. Turks refused pointing out this would be violation Turkey's obligations as member UN; also Turkey receiving arms from US and if Turkey furnished arms to Arabs to combat UN decision supported by US this would place Turkey in impossible situation." (890B.113/12–3047)

"British forces intend to abandon no weapons or warlike stores in Palestine in course of their evacuation.

"While Palestine Government continues to exercise its authority, it will continue as at present to take steps to prevent import of arms.

"From moment Palestine Government relinquishes authority it will be for UN Commission to decide on policy with regard to import of arms." *Text ends.*

Wright remarked more he thought about it, more he thought Department would be well advised to avoid "superfluous" point three. Basic problem in Palestine as proven by recent disorders is that there are already too many arms hidden away by both sides. HMG does not favor more arms imports.

DOUGLAS

125.4916/12–1047 : Telegram

The Acting Secretary of State to the Consulate General at Jerusalem

SECRET WASHINGTON, December 20, 1947—2 p. m.

545. Contel 489 [*589*], Dec. 10. In reply your lettered paragraphs:

a) Dept envisages continued functioning Jerusalem office pending clear picture course future developments in Palestine may take.

b) On basis UN Palestine recommendation Dept considers Consulate General should deal with Palestine Administration until mandate is terminated; with the provisional councils of govt, the UN administration for Jerusalem and the British military authorities in their respective areas thereafter until Oct 1, 1948; and with the councils of govt of the two areas and the UN administration for Jerusalem after Oct 1, 1948.

Consulate General should cooperate with UN Commission as agency of transfer keeping it informed of important developments in relations between Consulate General and post-mandate authorities. If subsequent developments should prevent formation or restrict activities of Councils of Government envisaged in UN plan, additional instructions will be sent you by the Dept.

c) UN recommendation made no provision for security forces other than militia for maintenance internal law and order. Provision of guard for Consulate General being discussed in Dept. To facilitate telegraph estimate no. and desired date arrival.

Dept assumes present and planned radio equipment (Deptel 526, Dec 12 and Contel 599, Dec 13 [1]) adequate to assure maintenance communications. Navy Wash being informed and requested arrange contact with Jerusalem.

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[1] Neither printed.

Dept concerned possible food shortage Jerusalem. If present or future needs cannot be supplied in Palestine or from nearby countries, telegraph estimate needs from US and whether you desire establish commissary.

d) No change contemplated in present US policy prohibiting export military supplies to Palestine and Arab States.

LOVETT

Editorial Note

Mr. Eliezer Kaplan, Treasurer of the Jewish Agency, sent a letter to Mr. Henderson on December 22 in which he cited conversations he had had the previous week with officers of the State and Treasury Departments and of the Export-Import Bank. He enclosed two memoranda setting forth various financial proposals of the Jewish Agency (867N.01/12–2247)

Mr. Merriam analyzed these proposals in a memorandum of December 31 to Mr. Henderson, as follows: "In scope and purpose, the program calls for raising 1¼ billion dollars for a four-year project calling for resettling 400,000 European and Asiatic Jews in the Jewish State, and for developing the country in a way to raise the Arab standard of living gradually to that of the Jews. The JA hopes to raise ¾ billion dollars from private sources and appeals to the U.S. Government to supply the balance of ½ billion dollars. Of the latter sum, the JA seeks an Eximbank loan of $75,000,000, leaving it to be implied that the remaining $425 billion [*million*] is to be supplied by a grant from the U.S. Government.

"From the table of 'Funds Required for the Accomplishment of the Four-Year Plan' on page 3 of the memorandum, it is clear that expenses directly connected with the immigration program account for $1,070,000,000 of the total expenditure of $1,251,500,000 envisaged, thus leaving only $180 million for general development purposes, including raising the Arab standard of living."

Mr. Merriam concluded: "it is difficult to see how serious consideration can be given to a financial request of this kind before political conditions in and around Palestine are placed on a sound basis and before the immigration and financial policies of the Jewish State are established. It is inconceivable that the Congress or the Eximbank would provide funds for the purpose of setting up an economic and immigration regime on a shaky, indigent basis which would result only in further appeals for money and other forms of assistance, probably including arms and armed force, to carry forward an unsound investment." (867N.51/12–3147)

867N.01/12–2347

Memorandum of Conversation, by the Assistant Chief of the Division of British Commonwealth Affairs (Fales)

SECRET [WASHINGTON,] December 23, 1947.

Participants: Mr. Lovett
Sir John Balfour
NEA: Mr. Henderson
BC: Mr. Fales

Sir John stated that he had called in order to enlist "supporting action" to Britain's efforts to stop illegal immigration into Palestine. He referred to conversations on this subject between the Secretary and Mr. Bevin in London. He suggested this Government either continue its efforts of persuasion with the Jewish agencies or issue a statement condemning illegal immigration into Palestine.

Mr. Lovett recalled the actions taken over the past several months to delay the sailing of the ship *Colonel Frederick C. Johnson* and indicated that further efforts would be made if the British would authorize us to release information which would justify further action. Mr. Lovett referred to past efforts of persuasion which had been taken and indicated the difficulty of going beyond the President's statement of last June. The General Assembly Resolution (Nov. 29, 1947) providing for immigration after February 1 under the mandatory power was referred to and it was agreed that this Government could make no statement contrary to that resolution for which we had voted.

Discussion ensued of the possibility of Britain entering into an agreement with the Jewish Agency which would provide for regular immigration of refugees in Cyprus and possibly, if insisted on by the Zionists, of the *Exodus* group now in Germany, during the period of the mandate in return for a commitment that there would be no attempt to force other immigration; such an agreement to also provide that a seaport for immigration would not be established in Palestine until Britain had laid down the mandate.

Sir John felt that such an agreement held possibilities which should be examined and said that he would transmit the suggestion to his Government.

867N.01/12–2347 : Telegram

The Consul General at Jerusalem (Macatee) to the Secretary of State

SECRET JERUSALEM, December 23, 1947—3 p. m.

636. Stabler[1] visited Amman and Shuneh December 21 and 22. In one hour interview with King Abdullah, King stated Arab Legion,

[1] Wells Stabler, the Vice-Consul at Jerusalem.

now occupying strategic positions Palestine, may well be obliged occupy Palestine following departure British administration and troops if requested by Palestine Arabs to prevent chaos, anarchy and because internal security Transjordan requires such action. Asked through whom request Palestine Arabs might be transmitted in absence formal leadership King said mayors and municipal heads would be popular voice. That such request will be made or can be arranged most likely. King stressed propinquity Transjordan to Palestine and said disorders Palestine would affect Transjordan more than any other state. Consequently he must decide course action in light best interests his people.

Abdullah regretted haste of Jews and stated if they had shown more restraint some compromise benefitting both Arabs, Jews might have been achieved. Said federal form administration might be desirable in Palestine. Possibly such solution foreseen by King following occupation Palestine by his troops. Said after necessary period military government he would listen to all voices regarding administration and form government Palestine although determined there should be no Jewish state. King regards himself entirely alone in efforts maintain peace Near East with British withdrawing, United States withholding recognition, and Russia his "enemy".

King who looked unwell was cordial as usual and seemed most disposed express his views. Interview was interpreted by Under secretary Foreign Office who at times seemed pained King's views which not accord Arab League plans.

MACATEE

867N.01/12–347 : Telegram

The Acting Secretary of State to the Embassy in Egypt

SECRET WASHINGTON, December 26, 1947—5 p. m.

1695. For Tuck. Re statements made by King Farouk as reported urtel 1387 Dec 3. Unless you see some reason for not so doing please seek immediate audience with King and inform him you have been instructed by the President to discuss with him informally and orally problem of Palestine partition. During your discussion you should adopt following line:

1. US Govt decided after anxious and sober consideration to support partition in the UNGA despite realization of how strongly opposed Arab States were to establishment of Jewish state in Palestine. Its support of partition was not motivated by any unfriendliness towards Arabs or lack of appreciation of their concern in matter. US Govt took position because:

(*a*) After reviewing statements and expressions of policy by responsible American officials, resolutions of Congress, and Party platforms

of last thirty years it came to conclusion that unless there was some unanticipated factor in situation the trend of public opinion and policy based thereon practically forced it to support partition.

(*b*) Majority Report of UNSCOP recommending partition did represent new factor but one supporting Jewish state.

(*c*) Public opinion in US stirred by mistreatment of Jews in Europe and by intense desire of surviving Jews to go to Palestine strongly supported establishment of Jewish state.

(*d*) Troubled situation in Palestine accompanied by British decision to withdraw made it evident that solution of this difficult problem could not be postponed.

2. US Govt concerned re Palestine problem and sincerely desired fair solution. It therefore welcomed presentation to UN and earnestly and sincerely worked for impartial UNGA Committee with broad terms of reference to examine problem. At no time did Amer Govt directly or indirectly endeavor to influence recommendations of UNSCOP. It desired UNSCOP to approach matter in impartial way and work out solution of Palestine problem which would have overwhelming support of world opinion as one which was fair and workable.

3. US Govt in deciding to support Majority Report of UNSCOP at UNGA took position that it should not use its power and influence in prevailing upon other countries against their will to support Majority Report. US delegation was instructed that it should explain US reasons for supporting Majority Report but should not exert pressure on other delegations. So far as US Govt has determined no undue pressure was brought upon other countries by US Governmental officials responsible to Executive. Statements have been made that pressure was brought by Amer private citizens and by Americans holding official positions over whom Exec Branch of Govt had no control. It is impossible to determine definitely whether such pressure if it was applied changed any appreciable number of votes. In any event it is considered that the vote of the UNGA reflected the belief that partition was best of the solutions of the Palestine problem which were advanced.

4. It is understood that one of the reasons for Arab resentment at the UNGA decision is concern lest the Zionists intend eventually to use their state as a base for territorial expansion in the Middle East at the expense of the Arabs. It is the conviction of the United States Government, based on conversations with responsible Zionist leaders, that they have no expansionist designs and that they are most anxious to live with the Arabs in the future on cordial terms and to establish with them relations of a mutually advantageous character. If at a later time persons or groups should obtain control of the Jewish State who

have aggressive designs against their neighbors, the United States would be prepared firmly to oppose such aggressiveness in the United Nations and before world opinion.

5. The United States Government, prompted by the friendliest feelings for the Arab Governments and for the Arab peoples, expresses the most sincere hope that in their disappointment and resentment at the decision of UNGA, the Governments of the Arab countries will not attempt by armed force, or will not encourage the use of armed force, to prevent the carrying out of that decision. It is my own hope that Egypt, possessed of a sense of responsibility derived from long experience in world affairs, not only will set an example in restraint, but will use its great influence with its sister states to prevail upon them not to resort to actions of a character which may bring discredit to the Arab people, undermine the present order of the whole Middle East, and eventually lead to a world conflict in which the peoples of the Middle East may be the most tragic sufferers.

6. It seems hardly necessary to point out that there are in the world today powerful aggressive forces which create hatreds, promote violence, and result in chaos. It would be tragic if the forces striving for an orderly, peaceful and prosperous world should at this juncture allow themselves to be disrupted over the question of Palestine.

7. There is a mutual need for friendly political and economic cooperation between the United States and the countries of the Middle East. If there is to be a real sense of security as well as a developing prosperity in that area, the countries of the Middle East and those non-Middle Eastern powers who sincerely desire the principles of the Charter of the United Nations to be applied to that area in the interest both of the Middle Eastern people and of world security must work with cordiality and mutual trust. If the problem of Palestine, which has long been a source of suspicion and uneasiness could once and for all be eliminated, the United States Government can see no obstacles to the attainment of the cooperation so vital to all of us. It is the conviction of the United States Government that acquiescence on the part of the Arab States in the UNGA decision on Palestine, difficult though such acquiescence may be, would remove Palestine as a disturbing influence in international affairs.[1]

LOVETT

[1] Telegram 1695 was initialed by President Truman.

Editorial Note

Mr. McClintock drafted a suggested press statement on the *Pan Crescent* and the *Pan York* for use by Mr. Lovett at his press confer-

ence on December 30 and forwarded the draft to him with a memorandum of December 30. The draft consisted of four paragraphs. Mr. Lovett deleted the last paragraph and "took the rest," which stated: "The United States Government has learned that two vessels of Panamanian registry, the *Pan Crescent* and the *Pan York*, have picked up approximately 12,000 Jewish refugees from Rumanian and Bulgarian Black Sea ports destined for Palestine.

"This immigration is uncertified in that the passengers aboard the *Pan Crescent* and the *Pan York* have no valid visas for Palestine.

"The Department of State deprecates clandestine emigration to Palestine, particularly since the resolution which was adopted by the Second Session of the General Assembly on November 29, 1947, provided for substantial legal immigration to Palestine at an early date." (867N.01/12–3047)

Mr. Lovett did not use these paragraphs at his press conference later the same day.

867N.01/12–3147 : Airgram

The Consul General at Jerusalem (Macatee) to the Secretary of State

SECRET JERUSALEM, December 31, 1947.
[Received January 14, 1948—8:55 a. m.]

A–274. Following is an attempt to summarize the developments of the four weeks since the UN vote on partition and to give the views of this Consulate General relative to partition and its effects on Palestine:

I. *General.*

In the present period, terror is prevalent and normal life (i.e., normal for Palestine) is disappearing. It is, however, compared with what may be expected in future, a period of relative quiet and restraint. This phase may continue until the withdrawal of the British is more imminent and until the Arabs have made more definite plans to give effect to their determination to prevent partition. Present outbursts are, it is felt, comparatively unimportant and disorganized and are merely the inevitable concomitants of a situation that is tense and waiting. They are prompted by hatred of the Jews mixed with feelings of intense patriotism, and may be expected to increase.

The present situation is also one of extreme uncertainty. The UN has not announced who is going to police Palestine when the British withdraw and what forces are to be used to implement partition. We feel that if the UN expects to be able to partition Palestine without forces to help maintain order and to enforce partition, its thinking is

most unrealistic and its efforts will be vain. Meanwhile, until some statement is made as to what will be done, the situation here will remain uncertain and watchful. No plans can be made to meet an unknown situation.

It is tragic that many of the present casualties comprise innocent and harmless people, going about their daily business. They are picked off while riding in buses, walking along the streets, and stray shots even find them while asleep in their beds. A Jewish woman, mother of five children, was shot in Jerusalem while hanging out clothes on the roof. The ambulance rushing her to the hospital was machine-gunned, and finally the mourners following her to the funeral were attacked and one of them stabbed to death.

II. *Jewish Situation.*

At the present time the Jews are maintaining comparative quiet. The Stern Gang is limiting itself to occasional attacks on British personnel. The Haganah is concerning itself with protection of Jewish lives and property and with "punitive" reprisals for Arab outrages. In some instances it is felt that the IZL has forced the hand of the Haganah in this respect since the IZL reportedly started these punitive attacks.

The Jewish Agency thus far has not called on the Haganah for any organized defense. However, recent attacks, particularly one in which Mrs. Myerson was involved, may give the JA an excuse for setting up an active defense against the Arabs. The Jewish Agency bitterly denounces the British forces whom it accuses, perhaps with some justification, of partiality to the Arabs. The Jewish Agency has claimed that it is completely impotent to deal with the activities of the terrorists. Pointing to British failures to deal with such persons, they justify the failure of the much smaller Jewish forces to deal with the same people.

There are indications that certain segments of Jewish opinion doubt the economic and military soundness of the proposed Jewish state. Their doubts are reflected in the demands recently made on the UN and the US for help to protect and bolster the nascent state. Mrs. Myerson's recent visit to the Consul General and her demands that something be done about the inability of the British to protect Jewish interests reflect this concern. The present Jewish difficulties in connection with food costs which are mounting daily, and in connection with road transport for food, are also part of this problem. The Jews produce about 35% of their own food. The rest must come from the Arabs and from abroad. Arab boycotts of Jewish markets, already started in connection with shipments from Egypt, would place Jewish food supplies in a precarious situation.

III. *Arab Situation.*

There is a tendency among outside countries to overrate the importance of the present unrest and violence in Palestine. As stated above, most outbreaks of trouble since the partition decision have been sporadic and unorganized. Such disturbances are to be expected in a country where there is so much tension and uncertainty as there are here. But responsible Arab headquarters are undoubtedly watching the situation and waiting for a favorable time to make a serious step. This time may come later in the spring when the proposed actions of the British become much more apparent than they are now. The Arabs will also have to wait until they are better organized and prepared than they are now.

The signs of serious preparation on the part of the Arabs for resistance are many. The women of the country are preparing bandages and material for the welfare of the troops. Young men are being constantly recruited and sent to neighboring states to be trained for military service. Some bands are already organized in the country and are working in a coordinated way. This is evidenced by the recent outbreak of attacks on freight trains and by the carefully selected targets of such attacks. Tons of food and rations have been stolen at such times—and it is most probable that these materials are being taken to safe storage for later use. There is an active market here for all kinds of arms and ammunition. Frequent thefts are made of guns and equipment from the British military. And there are constant reports on the desertion of Arab constables from the Police Force. These latter take their arms with them, and the rate of deserters has presently reached the average daily figure of fifteen. This points to the impracticability of the announced UN intention to rely on the use of local militia to maintain order.

Cooperation among Palestinians and members of the countries of the Arab League is close and seems to be more coordinated than before. Constant information shows that the Palestine Arabs are relying for considerable assistance, especially in arms, food and training of young men, on the surrounding Arab countries. Those delegates to UNGA who before the partition vote spoke with apparent contemptuousness of Arab bluff and will to resist would find it difficult, in this atmosphere, to continue in that belief. Yet observers here note with some wonderment, based on news which has so far reached this post, that the UN still proceeds toward the task of partitioning Palestine with no apparent realization of the extent of Arab determination to resist.

It is felt that the arrival of the UN Commission will probably stimulate Arab activity. It is also felt that the Arab attitude toward the

UN Commission will be indistinguishable from their attitude toward the Jews. UN Commission members and their staff are generally believed to be in real danger of assassination as soon as they arrive in Jerusalem.

As has been indicated, there is a general feeling here that the Arabs will fight. It is not believed that they will even pretend to negotiate with the UN Commission. Their rumored decision not to form an Arab state from the part allotted to the Arabs by the UNSCOP plan tends to bolster this belief. And certain quarters here have indicated that the Arabs believe the world situation will prevent any active UN interference in the war that they intend to wage on the Jews. They point to the fact that there is trouble between East and West. They also point to the fact that the United States is not interested in having Russian troops sent to the Middle East. The same is true of Soviet satellite troops. The Arabs feel that if UN sends troops here to maintain law and order and to implement the partition, either Russian or Soviet satellite troops—or both—will be sent to the Middle East. And the Arabs hope that such a dilemma will be effective in causing the US to oppose UN military interference in Palestine.

IV. *British Situation.*

Since the British have announced their intention of giving up the mandate, their chief desire seems to be to prevent any organized warfare before their departure. As a result, the strong-arm measures that were formerly characteristic of their occupation no longer obtain. Frequent outbreaks of violence are not stemmed by the police or by the army. When the British interfere in local troubles, they seem to do so only if the violence is of such a nature as would seem to be capable of spreading. The British attitude seems to be one that is governed by a desire not to precipitate general trouble by interfering too much in local situations.

There is probably some reason for the Jewish complaint that the British are favoring the Arabs. There is little doubt that the Palestine Police personnel, especially the middle and lower ranks, are inclined to favor the Arabs and to remain outside of the Arab-Jewish melee. Instances are frequently quoted in the Jewish press of the partisan attitude of the British forces. Requests from Jews for authorization to organize their own protection against the Arabs are refused. Police arrests and searches among Jewish personnel and settlements are the order of the day. The Jewish Agency is incensed at this attitude and is clamoring for the arrival of the UN Commission so that it can keep an eye on the Palestine Government. The Arabs are constantly erecting barricades on the highways and even in the cities. The police say that they cannot cope with all activity of this kind. Even police cars

and personnel are stopped. When the Arabs lay hands on a Jew, he is lucky if he escapes with his life.

One problem that is bothering the British authorities at the present time is the question of a free port for the Jews. The *Ad Hoc* Committee for Palestine gave orders to the mandatory government to evacuate a port for the use of the Jews by February 1, 1948. Presumably Tel Aviv will be the port chosen. The Palestine Government fears that such a port will be used by the Jews for the import of arms and war materials which it believes will inflame the Arabs far more than will Jewish immigration. The government is believed to have notified the UN of its concern over this matter, but the situation is not yet clarified so far as we can ascertain.[1]

V. *Position of the American Consulate General.*

The first concern of the Consulate General is the continuance of its work here. So long as the British are here, there is little doubt that this mission will live and work in comparative security. The security zone system maintained in Jerusalem by the British makes working conditions possible for us and enables us to maintain contact with officials of the Government. But movement outside Jerusalem is particularly hazardous, and it is out of the question for members of this Consulate to move in and about those parts of Jerusalem which are not in protected zones. Furthermore, the comparative security enjoyed at present by the Consulate will last only so long as the British are here. After their departure, security will become a matter of conjecture. The question of importing enough American troops to protect our interests and to ensure the continuance of our work is a problematical one. Such a move would involve problems such as the question of other powers bringing in units of their own troops, but we have been assured by the present Government that it would not object to the arrival of American troops for the purpose of guarding the Consulate General. The British say they would have to consider similar measures for their own Consulate General which would be established upon their withdrawal.

The Arabs blame the United States for the success of the partition plan. They claim that the US delegation to UN brought pressure to bear on other countries to vote in favor of partition. As a result, the Arabs generally (with the exception of certain broad-minded indi-

[1] According to telegram 665, December 31, 9 a. m., from Jerusalem, the Jewish Agency sent to the Consulate General at Jerusalem a 13-point memorandum, dated December 26, 1947, for transmittal to the United States Government. The memorandum stated that the Mandatory was acting in a way that would obstruct or delay implementation of measures recommended by the General Assembly. It also reviewed attacks by Arabs after November 29 and charged that the British were not exercising effectively their responsibility for the maintenance of order (867N.01/12–3147). The text of the memorandum was transmitted to the Department by Jerusalem in despatch 239, December 31.

viduals who remain cordial) do not look upon US personnel with any favor. Small incidents point up this unfriendliness. In one instance the arrival of American personnel on the scene in the nick of time prevented the burning of cars belonging to officers of this Consulate. Some reports indicate the belief among Arabs that the attitude of our UN delegation toward partition is due solely to the advice and guidance of this Consulate General. And the bombing of the Consulate immediately after the announcement of the US stand on partition is another indication of how the Arabs feel toward local US representatives. This feeling will be intensified by any official statement or act of the United States favoring the Jewish State.

In case of intensified trouble here, the question of communications becomes very serious. At the present time we are taking emergency measures to ensure a reserve of gasoline and food in case they are cut off. Such inadequate measures as are possible, with the limited supply of firearms available, have been taken to protect the Consulate against physical attack, at least for a short while. A radio transmitter has been set up so that communications will not be entirely cut off. But beyond this, little can be done. Even under present conditions trips to Lydda Airfield are out of the question, and our pouch has to be sent to a smaller field nearer to Jerusalem where only C–45's can land. And the trip to this field, only ten minutes away by car, is not without hazard. In the case of serious trouble, road communications will undoubtedly be blocked, unless the Consulate General is provided with sufficient troops to escort messengers and travelers to the seaports. All exits from Palestine for personnel in Jerusalem will of necessity be through hostile country.

The question of protection of American citizens and property is problematical. Beyond giving a general warning to Americans to leave the country, there is little that can be done. The question is complicated by the fact that a large number of the American citizens here are Jewish. Any Arab uprising will not distinguish between American and other Jews. Since we are here to protect all Americans to the utmost of our ability, the community of Americans that is not Jewish will have to share the facilities afforded with the Jews—and will therefore have to share the hazards of the Jews in the country. In this connection, it is interesting to note that Americans of Palestinian Arab origin are making arrangements to leave the country as far as possible. A similar Jewish trend may be prevented by their inability to reach this Consulate in safety.

VI. *Conclusions.*

Generally speaking, we believe on the basis of present information that the UN Commission will be attempting a well nigh impossible task. The problems of security and safety for this Consulate may

become insoluble, and the question of what government we will be accredited to will become academic. There will be no Arab State, and if the UN Commission escapes assassination and is able to form an organization in Jerusalem, it may easily find itself in the position of having to function in prison-like conditions where the Arabs might succeed, through constant interference with communications, in preventing the public, including this Consulate General, from having access to it.

MACATEE

SAUDI ARABIA

INTEREST OF THE UNITED STATES IN THE PRESERVATION OF THE INTEGRITY AND SECURITY OF SAUDI ARABIA; THE QUESTION OF FINANCIAL AND OTHER AID[1]

711.90F/1–1747

Memorandum of Conversation, by the Director of the Office of Near Eastern and African Affairs (Henderson)

TOP SECRET [WASHINGTON,] January 17, 1947.

Participants: Secretary Byrnes
Mr. Acheson, Under Secretary
Mr. Henderson, Director, NEA
Crown Prince Saud, Saudi Arabia
Ambassador Sheikh Fuad Hamza
Sheikh Asad al-Faqih, Saudi Arabian Minister to the United States

[Here follows a discussion of political problems in the Near East, particularly in connection with the agitation by Transjordan for a Greater Syria; for the text of this part of the memorandum, see page 738.]

FINANCIAL ASSISTANCE

The Saudi Arabs stated that it was the desire of King Ibn Saud to modernize Saudi Arabia and to elevate the living standards of the population of the country as soon as possible. In order to carry out such a program, it was necessary for Saudi Arabia to obtain loans and technical assistance. Saudi Arabia desired to turn exclusively to the United States, in which it had confidence, for financial and technical assistance in the realization of its plans for economic development. Saudi Arabia had recently obtained a loan from the United States,[2] but the King had felt that the terms of the loan were not satisfactory. The loan, for instance, was of so short a term that the King had been compelled to curtail its size since he would not be in a position to pay back large sums of money within the short period of ten years. The

[1] Continued from *Foreign Relations*, 1946, vol. VII, pp. 738–750.

[2] For information about the $25,000,000 line of credit to the Saudi Arabian Government approved by the Export-Import Bank on January 3, 1946, see telegram 2, January 4, 1946, to Jidda, *ibid.*, 1945, vol VIII, p. 999.

King would like to have from the United States a large loan repayable over a period of say fifty years,[3] which would enable the Government to begin carrying out at once its program for improving the economy and raising the living standards of the country. The King had asked the Crown Prince to endeavor to obtain from the President and the Secretary of State assurances that the Government of the United States was in principle agreeable to such a loan.

The Saudi Arabians were informed that the Government of the United States viewed with favor the extension of long-term development loans in the Middle East of the very character outlined by Prince Saud. The International World Bank was in a better position, however, than the Import-Export Bank to extend loans of this kind. The Import-Export Bank was short of funds. Furthermore, Congress had not intended that it engage in the business of granting long-term development loans. The loan which the Import-Export Bank had already extended to Saudi Arabia was of a relatively short-term character because it was primarily a loan for budgetary assistance rather than for economic development.

The Saudi Arabians replied that the King did not wish Saudi Arabia to be "internationalized"; he did not want an international loan; he did not wish to be indebted to countries other than the United States. He trusted the United States and he preferred to do business with that country rather than with other foreign countries or with an international entity. Would it not be possible, they asked, for Prince Saud to be able to take back with him to the King a statement that in principle the Government of the United States was in favor of American long-term loans to Saudi Arabia for use on certain development projects such as, for instance, the railway from Dhahran to Riyadh?

It was pointed out to the Saudi Arabs that the Executive Branch of the American Government was not in a position to give any undertakings in principle on behalf of the Import-Export Bank. They were told, however, that if sufficient data could be made available, it might be possible for the Department of State to assure the Prince before his departure from the United States that the Department of State would in principle be willing to support the extension of long-term credits to the Government of Saudi Arabia for certain specific development purposes. Whether it would be preferable for such credits to be extended through the Import-Export Bank or through the International World Bank could be the subject of future discussions. It

[3] According to a memorandum by Richard H. Sanger of the Division of Near Eastern Affairs, Ambassador Hamza, in a conversation with Department officers later the same day, stated that King Abdul Aziz Ibn Saud sought a loan of approximately $50,000,000 for a period of about twenty-five years (890F.51/1–1747). For information concerning discussion of this subject at the White House on January 16, see footnote 1, p. 738.

was suggested that this matter might be discussed more in detail between Saudi Arabian representatives and members of the Department before the departure of the Prince.

[Here follow a discussion of Palestine and the closing paragraph; for the texts of these parts of the memorandum, see pp. 1007 and 741, respectively.]

Editorial Note

Telegram 31, January 27, 2 p. m., from Jidda, reported that King Ibn Saud, at Dhahran on January 26, requested Minister Childs to transmit to President Truman his plea concerning the necessity for the United States to aid his country in constructing a railroad. Without such assistance, the King stated, he would be unable to adequately develop his country, which would continue to be a barren desert (890F.77/1–2747).

Acting Secretary of State Acheson, by memorandum of February 7, transmitted the text of the King's message to President Truman. The President, in a marginal notation, approved the Department's request for authority to acknowledge the message and to inform the King that careful consideration would be given to the project. The Department sent appropriate instructions to Minister Childs in telegram 43, February 13, to Jidda (890.F77/2–747).

890F.51/2–1847

Memorandum of Conversation, by Mr. Richard H. Sanger of the Division of Near Eastern Affairs

TOP SECRET [WASHINGTON,] February 18, 1947.

Participants: Amir Saud, Crown Prince of Saudi Arabia
Ambassador Fuad Bey Hamza
The Saudi Arabian Minister to Washington
His Excellency, Sheikh Sulaiman Al-Hamad
The Secretary of State
Mr. Loy Henderson—NEA
Mr. Richard H. Sanger—NE

After an exchange of complimentary greetings between the Crown Prince and the Secretary of State, the Crown Prince said that he had discussed various topics with Mr. Truman and Mr. Byrnes when he was in Washington in January, and that if Mr. Marshall desired he would be glad to review the Saudi Arabian position with regard to them. The Secretary replied that he was familiar with the subject of those conversations, and that he wished to bring the Prince up to date

in regard to the American position on the proposed development loan. He then gave the following statement to Ambassador Hamza for translation to the Crown Prince:

"We have had a number of conversations with the various interested parties. The Oil Company [1] has informed us that it is planning to build a railroad from Dammam to Dhahran and thence to Abqaiq. It also says that it is considering the advisability of extending it to Hofuf. The officials of the Company now express their willingness to talk with the Government of Saudi Arabia about having the railroad extend from Hofuf to Riyadh so that there would be a continuous railway from Dammam through to Dhahran and Riyadh.

"The Export-Import Bank, we understand, in addition to the loan of $10,000,000 already granted, has on its books a further line of credit for $15,000,000 for Saudi Arabia. In case the Oil Company arranges with the Saudi Arabian Government for the construction of the railroad, financed directly or indirectly by it, the State Department is considering asking the Export-Import Bank eventually to increase somewhat this line of credit to perhaps $20,000,000 or more."

The Crown Prince asked several questions about the loan. It was pointed out that of the Saudi Arabian request for $50,000,000 the sum of $10,000,000 had already been loaned by the Export-Import Bank. The idea was being considered of dividing the remaining $40,000,000 into two parts: $20,000,000 for the railroad [2] and $20,000,000 for the development of other projects, such as public utilities, harbors, hospitals, etc. It was doubted that the Export-Import Bank, which was not responsible to the State Department but to Congress of the United States, would be willing to extend the whole $40,000,000. Therefore the suggestion had been advanced that $20,000,000 be obtained from private firms for the construction of the railroad, and $20,000,000 be provided by the United States Government, through the Export-Import Bank, for utilities and other items. The Department of State had discussed the matter with the Arabian-American Oil Company and the suggestion had been put forward that that concern either advance the money needed for the railroad or that it assist the Saudi Arabian Government in obtaining funds from private sources. The Department was hopeful that the loan of $15,000,000 now tentatively on the books of the Export-Import Bank could be raised to $20,000,000 once an arrangement for the building of the railroad had been effected with private investors. Mr. Marshall pointed out that as Chief of Staff he could ask for funds and they could be granted, but that the Secretary

[1] The Arabian American Oil Company (Aramco).

[2] In despatch 123, January 17, from Jidda, Minister Childs reported the opinion of the Vice President of Bechtel Brothers–McCone International Corporation that the building of a railroad between Riyadh and Dhahran would cost approximately $18,000,000 rather than the $50,000,000 originally estimated (890F.77/1–1747).

of State did not control the policy of the Export-Import Bank in peace time.

The Crown Prince then raised the question as to whether this railroad would be owned by the Oil Company or Saudi Arabia, if it were built under these conditions. He was told that it was our preference that, although American private enterprise should put up the money, the actual owner should be the Government of Saudi Arabia. Amir Saud asked whether it could be said that the $15,000,000 loan which was on the books of the Export-Import Bank was a definite commitment. He was informed that it was not a definite commitment but that the Department felt that there was a strong likelihood that at least such an amount could be placed at the disposal of the Government of Saudi Arabia. The Department's statement that it would try to get the amount raised should also not be considered as a commitment either.

The Crown Prince said that he was grateful for this information, and Minister Hamza implied that although they had hoped for a more specific commitment, this was nevertheless satisfactory.

The Prince thereupon told the Secretary that his visit to the United States had been a most successful one, and that he felt a great store of "goodwill" existed between Saudi Arabia and the United States. The Secretary assured him that this was the case.

Mr. Marshall was then presented with a golden ceremonial sword by the Crown Prince, after which various photographs were taken of the Amir and the Secretary, and the conversation closed on a most friendly note.

890F.77/4–1647

Memorandum by the Associate Chief of the Division of Financial Affairs (McGuire) to the Director of the Office of Financial and Development Policy (Ness)

[WASHINGTON,] April 16, 1947.

Recent cables from Jidda report that Fuad Bey Hamza, newly appointed "Director of Economic Development" for the Saudi Arabian Government, wants the Export-Import Bank to extend its present line of credit to provide $52,190,000 over and above the $10,000,000 already made available. $32,190,000 would be utilized for the Riyadh–Dhahran railroad and harbor already considered and $20,000,000 for a new project for a harbor at Jidda and a railroad from Jidda to Mecca and Medina. For "political reasons" the Saudi Arab Government prefers Eximbank financing to private financing. Hamza remarked that loans to Saudi Arabia had the same political justification as loans to Greece and Turkey in addition to repayment security. The

Saudi Government would finance from its own resources other development projects, such as municipal utilities, hospitals and schools, if Eximbank would take care of the railroads and harbors. Hamza requested guidance in the form of an "advisory opinion" from the Department as to whether the U.S. would be prepared to reconsider its position on the railroad loan if the Saudi Government were to submit a formal request.

[Here follow remaining two paragraphs of further discussion of the matter.]

890F.77/4–1447 : Telegram

The Secretary of State to the Legation in Saudi Arabia

SECRET WASHINGTON, May 2, 1947—7 p. m.

109. Please advise Hamza as follows reLegs 115 Apr 4, 118 Apr 5 and 132 Apr 14:[1]

1. Section 2(b) of Public Law 173, 79th Congress, establishing Eximbank contains statement "It is the policy of the Congress that the Bank in the exercise of its functions should supplement and encourage and not compete with private capital."

2. In view this provision it is policy of Bank not to make loans unless it is clearly evident that borrower could not obtain required credits from private sources on reasonable terms.

3. It would appear current and prospective oil royalties may provide sound basis for private credits to SAG. Accordingly, Eximbank feels no application for railroad financing should be made pending clarification of extent to which private sources American capital might be willing finance such projects on reasonable terms.

4. If SAG desires expedite railroad projects, it should arrange to make known to private American banks or other sources of private capital its desire for credits. Dept understands Aramco has offered to assist SAG in making contacts, although SAG might desire to make contacts directly through its Legation in US.

5. It should also be understood that, although staff of Eximbank has given preliminary study to engineering report on Riyadh–Dammam railroad project, further consideration by Bank's staff and Directors would be necessary if it is requested to provide financing in lieu of private sources. Moreover, suggestion of possible Jidda–Mecca–Medina railroad is entirely new to Eximbank. Finally, Eximbank does not regard itself as committed in any way beyond existing authoriza-

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[1] None printed; these are the "recent cables" referred to in Mr. McGuire's memorandum, *supra*.

tion of $25,000,000, of which $10,000,000 already embodied in loan agreement of last year.[2]

MARSHALL

[2] The Department notified the Legation at Jidda in telegram 82, March 28, that Aramco had made $5,000,000 available for construction of the Dammam–Dhahran–Abqaiq railroad. These funds were in addition to those made available for construction of port facilities at Dammam (890F.77/3–2047).
Telegram 120 from Dhahran reported to the Department on October 4 that Aramco at 8 a. m. the same day gave the go-ahead signal to begin construction of the railroad (890F.77/10–447).

Editorial Note

In two separate notes of October 7, 1947, to the Department, the Saudi Arabian Minister requested that the United States Mint manufacture $2,000,000 worth of gold discs and 5,000,000 riyal coins for the account of his Government. (890F.515/10–747). The Acting Secretary of State advised the Minister by note on December 19 that the Mint was prepared to undertake production of both the riyal coins and the gold discs (890F.515/12–1147).

In a note of December 24, the Minister requested that the minting of the gold slugs be suspended and that immediate steps be taken to supply as a substitute $2,000,000 worth of British gold sovereigns. The Secretary of State transmitted the note to the Secretary of the Treasury on January 8, 1948, with a request that the Saudi Arabian Legation be notified when the sovereigns would be available for shipment. The shipment was actually made on January 17, 1948 (890F.515/12–2447).

890F.00/12–447 : Telegram

The Minister in Saudi Arabia (Childs) to the Secretary of State

[Extracts]

TOP SECRET
US URGENT

JIDDA, December 4, 1947—11 p. m.

538. Audience with His Majesty, King Abdul Aziz, on second.

Present His Majesty, Fuad Bey Hamza, Minister of State, and Khalid Bey, Privy Councillor, and J. Rives Childs, American Minister.

As evidence importance attached by His Majesty to my audience with him, he broke all precedent by dismissing Mohammed Effendi, the Legation interpreter who as usual accompanied me to Riyadh, as well as the Palace interpreter, and instead requested Fuad Bey Hamza, Minister of State, to serve as the interpreter; moreover, while the first

audience with His Majesty after arriving in Riyadh is one limited exclusively to exchange courtesies, on this occasion His Majesty, soon after mutual inquiries re our respective health, at once broached at this initial audience the purpose for which he had requested me to come to Riyadh.

His Majesty began by stating that he knew I was a sincere friend of the Arabs. My Government had taken decision with respect to Palestine which was most distasteful for the Arab world. He did not intend to speak, however, of that. That was past and the Arabs would take such measures as they deemed necessary for the defense of their interests. What would come out of it would be the will of God. He added, "Although we differ enormously on the question of Palestine but still we have our own mutual interests and friendship to safeguard."

His Majesty stated that he was much concerned by two problems: one, the question of Russian influence and Communistic propaganda, and the second, the menace which might be offered by the Shereefian family.[1]

[Here follow the views of the King on the two problems and on Anglo-Saudi relations.]

The King stated that he wished to speak in the frankest possible way with me. For that reason he would define the position of Saudi Arabia in relation to other Arab states with respect to the Palestine question as it presented itself now in consequence of the decision taken by the United Nations.

His Majesty stated "I occupy a position of preeminence in the Arab world. In the case of Palestine I have to make common cause with other Arab states. Although the other Arab states may bring pressure to bear on me I do not anticipate that a situation will arise whereby I shall be drawn into conflict with friendly western powers over this question."

His Majesty remarked that apart from Palestine his relations with the United States were of the closest. He considered that aside from Palestine there were no points of conflict between the two countries whose interests were complementary to one another.

For the above reasons His Majesty wished to inquire of me re three points on which he wished clear answers:

(1) Leaving aside wholly the question of Palestine, what was the attitude of the United States Government toward the Government of Saudi Arabia? To put the question in another form, His Majesty wished to know how and in what manner he might rely upon the United States.

[1] For earlier expressions of concern by the Saudi Arabian Government in connection with the agitation by Transjordan for a Greater Syria, see pp. 738 ff.

(2) Concerning the second point, His Majesty prefaced his question by remarking that a close British friend, who had been in his confidence since the days when Sir Percy Cox was High Commissioner in Baghdad, had recently informed him that it made no difference what arrangements Saudi Arabia might make with the United States as there was a secret understanding between the United States and Great Britain according to which the United States acknowledged this area as being within a British zone of political influence. His Majesty wished to know whether such an understanding existed between the United States and British Governments by which the United States recognized Saudi Arabia as being within a British political zone of influence. . . .

(3) His Majesty remarked that one of the most sensitive parts of his Kingdom was the northern part (referring to the Saudi Arabian border with Iraq and Transjordan, Shereefian states) through which there would pass the trans-Arabian pipeline which was of equal importance to the Saudi and United States Governments. His Majesty wished to give that portion of his Kingdom the greatest possible protection. He had the troops but he was lacking arms.

There was the possibility of trouble being caused on that border through Communist propaganda or through the instigation of the Shereefian family. His Majesty cited a recent incident in Transjordan in which the offices and autos of Tapline had been attacked,[2] and mentioned also proclamations and speeches made by prominent Iraqian leaders. It appeared to His Majesty that Saudi troops should be sufficiently supplied and trained to cope with such a situation. He desired to ascertain therefore whether the United States would supply the Saudi Arabian Government and army with the necessary materials for that purpose and precisely to what extent might the Saudi Arabian Government count upon assistance from the United States Government in this respect since the threat was one not only involving Saudi Arabia but also vital American interests.[3]

His Majesty observed that he had originally instructed his son, Prince Faisal, to proceed from New York to Washington upon the conclusion of the session of the General Assembly of the United Nations in order to see the President and Secretary of State on His Majesty's behalf to obtain clear and direct answers to these three questions. However, tension had become so great in the Middle East owing to the Palestine decision that His Majesty felt it might arouse undue suspicion in the Arab world should Prince Faisal proceed to Wash-

[2] See footnote 2, p. 668.

[3] According to telegram 542, December 8, noon, from Jidda, Fuad Hamza stated to Minister Childs at Riyadh on December 7 that the King had in mind the equipment by the United States of two motorized divisions and the furnishing of fifty military planes. He asserted that "His Majesty would, of course, give the most binding assurances that these would not be used under any circumstances against US but would be employed only for the defense of Saudi Arabia." (890F.00/12–847) Telegram 548, December 8, 10 p. m., from Jidda, reported that the following day Crown Prince Saud reiterated these assurances to Minister Childs at Jidda (890F.00/12–487).

ington for the purpose of conferring with President Truman and Secretary Marshall.

His Majesty said he had, therefore, instructed Prince Faisal not to go to Washington. His Majesty added that he had the fullest confidence in me and that he had asked me to come to Riyadh to present these very important questions to me instead. He wished to ask me to communicate with my Government and to request that I be summoned to Washington to deliver his extremely important questions in person to the President and Secretary of State, to acquaint them personally with His Majesty's attitude and to bring back to him the answers. It was too important a subject to commit to writing.

Finally, His Majesty stated that he did not expect me to attempt on my part to supply any answers to the questions he had raised. He would only ask that I conform with his requests.

I replied to His Majesty that I would not fail to discharge faithfully the great confidence he had reposed in me which I greatly appreciated. In view of the importance of the subject, I asked His Majesty if he had any objections to my dictating an account of our conversation to my confidential sercetary, Mr. Gleaton, who had accompanied me from Jidda. It was my thought that Khalid Bey and Fuad Bey Hamza could then review the memorandum which I might dictate and make any corrections they might consider necessary and if His Majesty so desired, the corrected memorandum might be submitted to His Majesty tomorrow. His Majesty said he was entirely in accord and that he left the matter entirely to the discretion of Khalid Bey and Fuad Bey Hamza and me. He would receive us both the following day.

Audience of third to follow.[4]

CHILDS

[4] Minister Childs had a second audience with King Ibn Saud on December 3, reported in telegram 539, December 4, midnight, from Jidda. The King reiterated that the crucial question for him was whether and to what extent he might count on United States aid in resisting incursions from Iraq and Transjordan (890F.00/12–447).

890F.00/12–847 : Telegram

The Acting Secretary of State to the Legation in Saudi Arabia

TOP SECRET
US URGENT

WASHINGTON, December 12, 1947—6 p. m.

391. In reply questions raised by King, Hamza and Prince Saud (re Legtels 538 Dec 4, 539 Dec 4, 542 Dec 8,[1] etc) you may inform SAG as follows:

[1] Nos. 539 and 542 not printed, but see footnotes 3 and 4, pp. 1337, 1338.

US appreciates spirit of friendship shown by King and his Govt at this difficult time, agrees that our relations are of closest and that, apart from Palestine, there are no points of difference between two countries whose interests are complementary. Furthermore US is reassured that King does not anticipate situation will develop whereby he will be drawn into conflict with friendly Western Powers over Palestine question.

US has in past and will continue in future assist nations of Near East in resisting Communist influence. This Govt is not unmindful of the possible new aspect in this regard presented by developments relating to Palestine and is watching matter closely.

This Govt feels now as in the past that apprehensions regarding Middle East peace and position of Saudi family arising from feared intrigues of Hashemite family are primarily a matter for intra-Arab consideration, which is capable of solution by direct arrangement, by Arab League, or in last resort by UN. As King Ibn Saud has seen from events of the last nine months the US has been in communication with Govt of Great Britain more than once on this subject and is convinced that British are not supporting Hashemite claims to Greater Syria and that they have actually used restraining influence on Hashemite circles desirous of expanding their control.

You may assure King Ibn Saud there exists no understanding of any kind between US and Great Britain acknowledging all or any part of Saudi Arabia or any other Arab country as being a British zone of political or economic influence. Saudi Arabia is a sovereign kingdom and does not come within sphere influence any Power. It is true US seeks to maintain friendly relations with Great Britain which like the United States is interested in the preservation of peace and tranquility in the Near East. The two Governments, therefore, exchange views from time to time regarding various Middle Eastern problems of common interest. Such exchanges, however, do not include views and statements given in confidence to either Govt by Saudi Arabia or any other country.

This Govt has noted with appreciation and satisfaction that there have been no disturbances within borders of Saudi Arabia, despite state of public feeling re Palestine question. Note has been taken of request of King Ibn Saud for arms and munitions of war, including equipment for motorized divisions and military airplanes to be used solely for defensive purposes of Saudi Arabia and never to be used either against US or so as to conflict with any of our interests. In particular, consideration has been given to statement of King regarding "great pressure" being brought upon him by Hashemite states, and his feeling that his failure to come into open economic

conflict with US by cancellation of the oil concession may lead to incursion from Iraq or Transjordan into his domain.

Govt of US cannot conceive of situation arising under which Hashemite states would attack Saudi Arabia merely because King Ibn Saud continued to be friendly to United States and to private American companies doing business within borders of his country. This Govt, after careful consideration, recently decided that broad interests of peace can best be served if in existing circumstances US should for time being refrain from exporting arms and munitions to Palestine and neighboring countries.[2]

King Ibn Saud should be reminded that as previously indicated to him and to Prince Saud the inability on the part of US to provide him with military aid requested should not in any way be taken as an indication of any lessening of friendship on part of US towards Saudi Arabia. It should rather be considered as indication of US view that so long as Palestine situation remains acute, shipment of arms and munitions from US to Middle Eastern area should cease pending UN consideration of security aspects of that situation.

As was pointed out by Secretary Byrnes to Crown Prince Saud when he was in Washington last January, one of the basic policies of United States in Near East is unqualifiedly to support territorial integrity and political independence of Saudi Arabia. If Saudi Arabia should therefore be attacked by another Power or be under threat of attack the US through medium of UN would take energetic measures to ward off such aggression.

For Childs. You are commended for able way in which you conducted these difficult conversations with King.

Sent Jidda as 391; repeated London as 5234.

LOVETT

890F.00/12–1547 : Telegram

The Minister in Saudi Arabia (Childs) to the Secretary of State

TOP SECRET JIDDA, December 15, 1947—10 p. m.

563. Having communicated with Prince Saud, Mecca, immediately upon receipt Deptel 391, 12th he came to Jidda personally and received me this morning, when I handed him note to HM embodying replies. I stated to Prince Saud I was personally extremely gratified by rapidity with which my Govt had answered and thought this could be interpreted as evidence very friendly disposition US toward Saudi Arabia and importance attached to any request HM. Translation of note was then read by Legation interpreter.

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[2] See telegram Telmar 42, December 6, p. 1300.

Prince Saud followed translation note with obvious gratification. He remarked:

(1) SAG fully appreciated explanation given by US re shipment arms Middle East at this time. He hoped however policy would not continue indefinitely.

(2) SAG was very grateful to US for assurances contained in note. Relying implicitly on those assurances SAG would formulate its policy in light of them, secure in belief in their strength and their fulfillment.

(3) SAG did not credit Hashemites with any substantial intrinsic strength. SAG's concern was with the power standing behind the Hashemites and the use which might be made of Hashemites by that power. (Reference being obviously to British.)

Prince Saud stated he would communicate to me certain information on a top secret basis for my personal information alone. Yesterday in Arab League meeting told me Ministers Iraq and Transjordan had requested Saudi Arabia break relations with US and cancel oil concession. SAG representative had replied it saw no reason to take such a measure. Iraq and Transjordan opposed to action of US in bringing about partition of Palestine. SAG representative replied Saudi Arabia was at one with other Arab states in opposition establishment Jewish state but saw no reason run counter to Saudi Arabia's own interests by severing relations with US. It [*He*] added if Iraq and Transjordan insisted Saudi Arabia would break relations not with US but with these two states.

In concluding audience, Crown Prince said US Government reply could not have been more timely. It would be forwarded by special plane to HM and if King had any special observations to make HRH would communicate them to me subsequently. He asked very great thanks SAG be conveyed my Government its prompt and clear reply.

Sent Department 563; repeated London as 61.

CHILDS

Editorial Note

Crown Prince Saud handed the reply from King Ibn Saud to Minister Childs at Jidda on the morning of December 16, 1947, to the note which Mr. Childs had given to the Crown Prince as described in telegram 563, *supra*. The lengthy reply from King Ibn Saud was sent in translation by Mr. Childs in telegram 568 from Jidda on December 16, not printed. (890F.00/12–1647)

To begin with, King Ibn Saud declared his thanks for the explanations given by the United States Government to the first two of the three principal questions discussed in the audience of Mr. Childs with the King on December 2 (see telegram 538 from Jidda on December 4,

ante, page 1335), and chiefly for the reiterated assurances of friendship for the Arabs, support of their independence, and the intention to maintain the *status quo*.

On the other hand, the King could not conceal his disappointment concerning the response to the third question, namely, the request for American aid to enable Saudi Arabia to take the necessary measures to assure the protection of mutual interests in the event of any emergencies. In the remainder of his long message the King took pains to make detailed observations which he hoped would remove any wrong impression concerning his purposes. He feared that there had been misinterpretation of Saudi Arabian attitudes, particularly in respect of the decision of the United States Government in preventing the export of arms to the Middle East, including Saudi Arabia.[1] He declared that any military assistance would never be used against the United States, or for aggressive attack against others. There was an extremely large difference between the position of Saudi Arabia and that of other countries, because there were vital mutual economic and strategic interests there, such as the protection of the oil field and pipe line, which did not exist elsewhere.

King Ibn Saud reconfirmed his guarantee that any military aid would not be used for other than defensive purposes. He pleaded that his real purpose was to establish a modern, mechanized military force to be used only as a means of defence around the airfield at Dhahran and in the area of the pipe line. The King asserted that he intended to ask the United States for the assistance of a training mission to supervise the training of this force and the preparation of such bases as would be required.[2] In the light of these assurances and explanations which he had frankly reiterated, King Ibn Saud hoped that the United States would review its position, and inspired by the existing situation could work out a practical way which would lead to the realization and attainment of the King's purposes.

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[1] Minister Childs reported in telegram 569, December 16, 7 p.m., from Jidda, that he had emphasized to Crown Prince Saud that afternoon that the attitude of the Uniited States toward shipment of arms to the Middle East was not based on any doubt or reservation regarding the friendly intentions and disposition of the King and his Government. The decision to embargo arms shipments had been adopted in the light of general considerations involving the peace and security of the area. (890F.00/12–1647)

[2] On December 22, Minister Childs suggested in telegram 581, from Jidda, that the sending of a military mission to Saudi Arabia would materially enhance the possibility of extending American occupancy of the Dhahran airfield beyond March 1949. (890F.00/12–2247) He was advised in telegram 18, January 23, 1948, to Jidda, that the Departments of State, Army, and Air Force were giving careful consideration to the sending of such a mission. (890F.00/12–1647)

SYRIA

CIVIL AIR TRANSPORT AGREEMENT BETWEEN THE UNITED STATES AND SYRIA

[For text of the agreement, signed at Damascus on April 25, 1947, see Department of State Treaties and Other International Acts Series (TIAS) No. 3285, or Department of State, *United States Treaties and Other International Agreements*, (UST) volume VI, page 2163.]

YEMEN

VISIT OF PRINCE SAIF AL-ISLAM ABDULLAH TO THE UNITED STATES

Editorial Note

Prince Abdullah arrived at Washington on July 14 with a party of four official and three unofficial members. "The high points of his stay here were the call on President Truman at 12:15 on Wednesday, July 16 and the call on Secretary Marshall at 11:30 the next day. Apart from a general ceremonious greeting mixed with pleasantries and compliments, Prince Abdullah said nothing to President Truman except to express the hope that America would show the same justice in dealing with the Palestine and Egyptian problems as it had shown in its other foreign relations.

"In his talk with Secretary Marshall Prince Abdullah voiced the same hope in regard to Palestine and Egypt. In addition, he said that the Government of Yemen was anxious to join the United Nations, provided it was assured of the support of the United States. Secretary Marshall replied that this matter would receive the careful attention of the Department of State."

Prince Abdullah handed three letters to the Secretary, one dated June 12 from the Imam of Yemen, and two dated June 19 from the Yemeni Foreign Office. The latter communications requested modern arms for the Yemeni army, a $2,000,000 credit for purchases in the United States, and assistance in obtaining United States dollars to finance purchases under the recent surplus property agreement. Further discussions with Department officers centered on these subjects and on financing the mission of the Prince to the United States, harbor and other development projects, the need for American advisers, the matter of interesting American companies in prospecting for oil and other subsoil deposits, and cultural relations (report of July 17 by Richard H. Sanger of the Division of Near Eastern Affairs entitled "Official Visit to Washington of Prince Saif al-Islam Abdullah, of Yemen," 890J.0011/7–1747).

The Prince was handed four communications, each signed by the Secretary of State and dated August 8, in reply to the messages he had delivered. They suggested that Yemen furnish detailed information as to the number and types of arms desired and the use to be made of them; that Yemen prepare, for consideration by the Export-

Import Bank, technical studies of proposed projects and methods of repaying the proposed credit; and that Yemeni officials discuss the availability of surplus property with the representative of the Office of the Foreign Liquidation Commissioner at Cairo (890J.0011/8–847).

The official statements issued in connection with the Prince's visit are printed in Department of State *Bulletin*, July 13 and 27, 1947, pages 101 and 198.

The United States announced before the General Assembly on September 30, 1947, its hearty support for the admission of Yemen to membership in the United Nations. The Assembly voted admission unanimously the same day (United Nations, *Official Records of the General Assembly, Second Session, Plenary Meetings*, pages 313, 316).

A surplus property agreement was entered into at Cairo on May 24, 1947, by Prince Abdullah and a representative of the Office of the Foreign Liquidation Commissioner. The agreement extended a line of credit of up to $1,000,000 for Yemeni purchases of American surplus property prior to January 1, 1948 (890J.24/8–2847). Yemen made no such purchases, however, and the Department regarded the agreement as expired on December 31, 1947 (memorandum of March 4, 1948, by Chester M. Carré, Monetary Consultant to the Foreign Liquidation Commissioner, to Joseph C. Satterthwaite, Deputy Director of the Office of Near Eastern and African Affairs, 890J.24/5–2447).

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