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United States Department of State

Washington, D.C.: U.S. Government Printing Office, 1946

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Foreign  
Relations  
of the  
United  
States



1946

Volume VI

EASTERN EUROPE:  
THE SOVIET UNION

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Department of State  
Washington



Philip S. Mosely



Foreign Relations  
of the  
United States  
1946

Volume VI

Eastern Europe;  
The Soviet Union



United States  
Government Printing Office  
Washington : 1969

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## PREFACE

S. Everett Gleason, Chief of the Foreign Relations Division, directly supervised the preparation of this volume, assisted by Rogers P. Churchill. Mr. Churchill also compiled the documentation on American relations with the Soviet Union and Finland. Documentation on the relations of the United States with all the other states of Eastern Europe was the work of William Slany.

The Publication 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*

MAY 15, 1969

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### 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 docu-



ments 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, SYMBOLS, AND CODE NAMES

**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.

- AACS**, Airways and Air Communications Service
- ABC**, American Broadcasting Company
- ACC**, Allied Control Commission
- AFHQ**, Allied Force Headquarters
- AK**, *Armija Krajowa*; Anti-German underground resistance in Poland during World War II
- Alcom-Italy**, Allied Commission for Italy
- AMG**, Allied Military Government
- AmRep**, American representative
- AMVAT**, American Mission at the Vatican
- AP**, Associated Press
- ATC**, Air Transport Command
- AVNOJ**, Anti-Fascist Assembly of National Liberation of Yugoslavia (*Antifasisticko vijeće narodnog, oslobođenja Jugoslavije*); legislative body of Yugoslav liberation movement, 1943-1945
- BBC**, British Broadcasting Corporation
- BMM**, British Military Mission
- CAA**, Civil Aviation Administration
- CAB**, Civil Aeronautics Board
- CBS**, Columbia Broadcasting System
- CCS**, Combined Chiefs of Staff
- CINCMED**, Commander in Chief, Mediterranean Theater
- Cm-In**, military telegram indicator; classified message—incoming
- COMC**, Department of Commerce
- COS**, Chief of Staff
- CP**, Division of Commercial Policy, Department of State
- Crossroads**, code name referring to atomic bomb tests made at Bikini Atoll in the Marshall Islands group
- Delsec**, indicator for telegrams from the United States Delegation to the Council of Foreign Ministers, or the Paris Peace Conference, at times headed by the Secretary of State
- Dept**, Department (usually the Department of State)
- Deptel**, Department's telegram
- EAI**, Division of Europe, Near East and Africa Intelligence, Department of State, from January to May 1946
- EATS**, European Air Transport Service
- EE**, Division of Eastern European Affairs, Department of State
- Emb**, Embassy
- Embtel**, Embassy's telegram
- ES**, Division of Economic Security Controls, Department of State
- ESC**, Central Secretariat of the Secretary of State's Staff Committee
- EUR**, Office of European Affairs, Department of State
- Ex-Im**, Export-Import Bank of Washington
- Eximbank**, Export-Import Bank of Washington
- Fan**, Communications indicator for messages from the Combined Chiefs of Staff to the Supreme Allied Commander, Mediterranean Theater
- FE**, Office of Far Eastern Affairs, Department of State

- FN**, Division of Financial Affairs, Department of State
- FonOff**, Foreign Office
- FPRY**, Federative People's Republic of Yugoslavia
- FX**, Military communications indicator
- G-3**, Operations and training section of the general staff of a large unit
- G-4**, Supply and evacuation section of the general staff of a large unit
- Glavlit**, Main Administration for Literature and Publishing, an organization of the Council of Ministers of the Soviet Union
- GNA**, Rumanian Grand National Assembly
- Gov**, Government
- GSC**, General Staff Corps
- Info**, Information
- IR**, Internal Resources Division, Department of State
- ITO**, International Trade Organization
- ITP**, Office of International Trade Policy, Department of State
- Komsomol**, All Union Leninist Communist Union of Youth
- KRN**, National Council of the Homeland (*Krajowa Rada Narodowa*); Legislative body of the Polish state, July 1944–February 1946
- MA**, Military Attaché
- MAORT**, *Magyar Amerikai Olajipari Reszvenytarsasag*, an Hungarian oil company, a subsidiary of Standard Oil Company of New Jersey
- MFN**, most-favored-nation
- MJPS**, Mediterranean Joint Plans Staff
- MTOUSA**, Mediterranean Theater of Operation, United States Army
- NAC**, National Advisory Council on International Monetary and Financial Problems
- Naf**, communications indicator for messages from the Supreme Allied Commander, Mediterranean, to the Combined Chiefs of Staff
- N. Am.**, North America
- Nav**, Naval
- NBC**, National Broadcasting Company, Inc.
- NDF**, National Democratic Front (in Rumania)
- Niact**, communications indicator requiring attention by the recipient at any hour of the day or night
- NKVD**, People's Commissariat for Internal Affairs of the Soviet Union, which controlled the Soviet Security Police; the redesignations of commissariats as ministries in March 1946 changed NKVD to MVD, Ministry of Internal Affairs
- NSZ**, National Armed Forces (*Narodowe Siły Zbrojne*); an underground resistance organization in Poland
- OCD**, military communications indicator
- OFAR**, Office of Foreign Agricultural Relations, Department of Agriculture
- OFLC**, Office of the Foreign Liquidation Commissioner, Department of State
- OIT**, Office of International Trade, Department of Commerce
- OPD**, Operations Division, War Department
- Orgburo**, the Organizational Bureau of the Central Committee of the All Union Communist Party (of Bolsheviks)
- ourtel**, our telegram
- OZNA**, Yugoslav Department of National Security (*Odeljenje za zastitu naroda*)
- PAA**, Pan American Airways
- PCG**, Julian Communist Party
- Polad**, Political Adviser on the Staff of the Supreme Allied Commander, Mediterranean Theater
- Politburo**, the Political Bureau of the Central Committee of the All Union Communist Party (of Bolsheviks)
- PPR**, Polish Workers' Party (*Polska Partja Robotnicza*)
- PPS**, Polish Socialist Party (*Polska Partja Socjalistyczna*)
- PSL**, Polish Peasant Party (*Polskie Stronnictwo Ludowe*)

- RA**, Office of Requirements and Allocations, Production and Marketing Administration, Department of Agriculture
- RAF**, Royal Air Force (United Kingdom).
- RCT**, Reinforced Combat Team
- R.D. and R. Division, OMGUS**, Reparation, Deliveries, and Restitution Division, Office of Military Government of the United States for Germany
- reDeptel**, Regarding the Department of State's telegram
- Reps**, Representatives
- reurtel**, Regarding your telegram
- SAC**, Supreme Allied Commander
- SE**, Division of Southern European Affairs, Department of State
- Secdel**, indicator for telegrams to the United States Delegation to the Council of Foreign Ministers, or the Paris Peace Conference, at times headed by the Secretary of State
- SL**, Peasant Party (*Stronnictwo Ludowe*) in Poland
- Sov**, Soviet
- SovGov**, Soviet Government
- Soyuzpechat**, State Agency (Central Organization) for Distribution of Magazines and Newspapers throughout the Soviet Union
- SP**, Labor Party (*Stronnictwo Pracy*), in Poland
- SPA**, Office of Special Political Affairs, Department of State
- SWNCC**, State-War-Navy Coordinating Committee
- TANJUG**, Telegraph Agency of Yugoslavia
- Tass**, Telegraph Agency of the Soviet Union, official communication agency of the Soviet Government
- TT**, Military communications indicator
- TWA**, Transcontinental and Western Air, Inc.
- UAIS**, Italo-Slovene Antifascist Union (*Unione Anti-Fascista Italo-Slava*)
- UB**, Polish Security Police (*Urząd Bezpieczeństwa*)
- UE**, Office of the Under Secretary for Economic Affairs, Department of State
- UNO**, United Nations Organization
- UNRRA**, United Nations Relief and Rehabilitation Administration
- urtel**, your telegram
- USFA**, United States Forces in Austria
- USFET**, United States Forces, European Theater
- VG**, Venezia Giulia
- V-J Day**, the day of Japanese capitulation
- Vlad**, Vladivostok
- WARCOS**, War Department, Chief of Staff
- WAROFF**, British War Office
- WD**, War Department
- WSA**, War Shipping Administration



## ALBANIA

### **EFFORTS TO REACH A SATISFACTORY BASIS FOR THE REESTABLISHMENT OF DIPLOMATIC RELATIONS WITH ALBANIA; WITHDRAWAL OF THE INFORMAL UNITED STATES MISSION<sup>1</sup>**

711.75/1-2946 : Telegram

*The Representative in Albania (Jacobs) to the Secretary of State*

TOP SECRET  
PRIORITY

TIRANA, January 29, 1946—5 p. m.  
[Received 9:16 p. m.]

68. Various messages beginning my telegram 263, Dec 28<sup>2</sup> have indicated growing unfriendliness of regime here toward US and possible fundamental changes going on in Govt itself. After careful sifting all available information following summarizes situation as of this date:

1. There has been and continues to be marked increase in Soviet prestige and activity in Albania. Soviet Legation has been established headed by [Minister] Chuvakhin and staffed by First Secretary Pavlov-Razigraev, Second Secretary Ivan-Ivanov and Attaché Nicolai-Grishin. Minister and two Secretaries speak English and all have wives with them. Soviet Military Mission still remains staffed by three officers, colonel, major, captain, two of which have wives. In addition there are various clerks and custodial employees of Soviet nationality. That Legation and Mission now occupy five houses and one fairly large semi-apartment house where offices and some residence quarters are situated. These officers, especially military, are frequently seen in public places with Albanian officials and military officers and during recess at Assembly meetings there was cordial hobnobbing between them. In addition there are number Russians in city supposed to be technicians but with no known jobs that can be discovered. Rumour has it that there are now several hundred such people with several thousand more to come to replace Italian technicians who will be expelled from the country. While I discount these rumours as regards numbers, the Russians definitely increasing.

2. Next most noticeable development has been expulsion of Italian Mission under Turcato and during past few days the complete taking over of businesses and assets of all Italian firms while Italians are being told to leave their homes and be ready for expulsion. This development fits in with a directive which, as reported in my 252,

<sup>1</sup> For previous documentation on the question of the establishment of diplomatic relations with the Albanian regime, see *Foreign Relations*, 1945, vol. iv, pp. 1 ff.

<sup>2</sup> Not printed.



December 21,<sup>3</sup> General Shehu<sup>4</sup> brought back from Moscow. General Shehu has since returned to Moscow reportedly to take care various Albanian officers and students proceeding there for indoctrination.

3. Definite movement under way not only to eliminate Catholic clergy Italian nationality but also to circumscribe all religious activities of Catholics such as schools and orphanage which have been closed. Also evidence steps taken to restrict all secular activities Orthodox Church and Bektashi and other Moslem sects.

4. Pending Soviet Legation seems to have reduced prestige of Yugoslav Legation and Military Mission which are no longer in lime-light although they are probably collaborating behind the scenes.

5. Within the Govt itself extreme radical pro-Yugoslav-Soviet group is taking most active part in Assembly to mold new Constitution along Soviet line. This has provoked certain opposition among Moderate Radicals who are resisting but as they seem to be in minority they are likely to lose. This rift has brought about arrests members so-called opposition such as Kokoshi, Aslani, and Larry Post mentioned mytel 59, Jan 25.<sup>5</sup> There are rumours also of fighting in north between Partisan troops and bands oppositionists.

6. In contrast with foregoing our own position has deteriorated with marked cooling off of cordiality which hitherto existed, ignoring of requests for entry permit for Office of PolAd<sup>6</sup> and wife of caretaker Marinschak and for passes for short trips out of Tirana, failure to reply to note regarding Albanian interest in Germany war plans for which Jan 22 was deadline, ignoring inquiries concerning whereabouts and welfare American citizens and complete silence on treaty question although copies of all treaties were finally handed Hoxha Jan 16.<sup>7</sup>

Foregoing climaxed afternoon Jan 28 when all alien employees on Govt payroll at Mission and servants employed by staff including Meno were told they had to leave Albania by Feb 15. This includes Rudolph Marinschak who has been employed by our Govt for many years and who rendered yeoman service in protecting our property during occupation years. This culminating incident is being made

<sup>3</sup> *Foreign Relations*, 1945, vol. iv, p. 79.

<sup>4</sup> Maj. Gen. Mehmet Shehu, Deputy Chief of Staff of the Albanian Army.

<sup>5</sup> Not printed; it reported that Larry Post, alias Liazi-Papapostoli, an Albanian citizen who had been in the United States between 1936 and 1943 and subsequently returned to Albania, had been arrested by Albanian security police for alleged oppositionist plotting against the Albanian Government (765.75/1-2546).

<sup>6</sup> Carmel Office, United States Deputy Political Adviser on the Staff of the Supreme Allied Commander, Mediterranean Theater.

<sup>7</sup> Telegram 42, January 17, 1946, from Tirana, reported that Jacobs had handed to Prime Minister Enver Hoxha on January 16 a set of bilateral treaties and agreements between the United States and Albania together with a list of international agreements to which Albania had been a signatory (711.75/1-1746). For a list of the bilateral treaties and agreements between the United States and Albania, see Department of State *Bulletin*, November 17, 1946, p. 914.

subject of separate telegram for which this telegram should be read as background.<sup>8</sup>

Repeated Caserta 32, Moscow 7.

JACOBS

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711.75/2-146 : Telegram

*The Chargé in the Soviet Union (Kennan) to the Secretary of State*

SECRET

Moscow, February 1, 1946—8 p. m.

[Received February 2—8: 54 a. m.]

321. Pattern described by Jacobs in his 68, January 29 to Department is so familiar from Moscow standpoint that there can, in our opinion, be little doubt as to who is pulling strings in Albania. For this reason, I venture to suggest that if we intend at all to resist what appears to be a deliberate attempt to reduce effectiveness and prestige of our Mission in Albania, we act at once and with great energy and firmness disputing every detail of treatment which we find unacceptable and being prepared to back up our protests promptly and decisively with measures really disagreeable to Albanian regime.

Should other means of pressure fail, I do not think we should shrink even from prospect of withdrawing our Mission if it is not given possibility to operate effectively and if the treatment accorded it is markedly discourteous.

These recommendations may seem extreme but I can assure Department that there are no people anywhere more alive and sensitive to questions of "face" than precisely that type of Russian who is working behind the scenes in Albania. If we react quickly and with vigor, these persons may find themselves subject to criticism by their own superiors for having acted impulsively and gone too far. And if we then continue to make it evident that every move against us will be vigorously countered, we will probably get reasonably good treatment in the end. But if we start by acquiescing in petty annoyances, either because they seem too petty to discuss or because we wish to avoid unpleasantness, we may rest assured that the encroachments

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<sup>8</sup> In telegram 69, January 29, 1946, from Tirana, Jacobs expressed the view that the action taken against his staff by the Albanian authorities was in contravention of the agreement contained in the exchange of notes of March 1945 for the establishment of the United States Mission in Albania. Jacobs proposed to take up the matter with Hoxha (124.75/1-2946). In telegram 16, January 31, to Tirana, the Department approved Jacobs' proposal to take up the matter with Hoxha but reminded Jacobs of the established principle that foreign government officials and their staffs must be acceptable to the authorities of the country wherein they are stationed (124.75/1-2946). On the exchange of notes in March 1945 regarding the sending of the United States Mission to Albania, see telegrams 229, March 19, 1945, to Caserta: 1136, March 24, 1945, from Caserta: and 1161, March 25, 1945, from Caserta, *Foreign Relations*, 1945, vol. iv, pp. 15-18.

will be progressive and that final result can only be to render our mission entirely ineffective.

Sent Dept 321, repeated Caserta 5 and Tirana unnumbered.

KENNAN

711.75/2-446: Telegram

*The Representative in Albania (Jacobs) to the Secretary of State*

TOP SECRET

TIRANA, February 4, 1946—5 p. m.

PRIORITY

[Received February 5—12:35 p. m.]

85. As our relations here continue to worsen and Soviet prestige increases, herewith with résumé developments to be followed in separate telegram<sup>9</sup> by certain deductions and recommendations:

1. Since seeing Hoxha, Jan 31 regarding alien staff have heard nothing from him but names of all Italian employees have been posted at deportation camp for departure. As Marinschak's name has not appeared I assume Hoxha and authorities intend to say no more than he indicated. Marinschak's case is special but Italians must go (my telegram 73, Jan 31).<sup>10</sup>

2. Press and radio campaigns indirectly slapping US continues. (My telegram 71).<sup>11</sup> During Sunday morning regular radio program an Albanian opportunity taken poke fun at Stettinius as head of UNO<sup>12</sup> when commentator said that probable reason why Stettinius did not want Albania admitted was that he had heard that Albanians "eat men". Same commentator made fun UNRRA saying it brought in "frogs" (meaning jeeps) to kill "dogs". Sunday issue *Bashkimi*<sup>13</sup> in more sober tone expressed regret to Albanian people that its American and British Allies were affording asylum in neo-Fascist Italy to such war criminals as Kadri-Cakrani and Xhelal Staravecka who executed massacres Tirana February 4, 1944. Persons mentioned are two of Albania's three worst war criminals (Devais [*Khafer Deva?*] third) whom Brig. Hodgson recommended last July should be turned over to Albanians.<sup>14</sup>

<sup>9</sup> See telegram 87, February 5, *infra*.

<sup>10</sup> Not printed; it reported on Jacobs' conversation with Hoxha relative to the Albanian regime's order that all alien employees and members of the staff of the United States Mission in Albania leave the country by February 15. Jacobs reported that the "trend of conversation with Hoxha indicated lack of cordiality which has hitherto characterized our conversations." (124.75/1-3146)

<sup>11</sup> Not printed.

<sup>12</sup> Edward R. Stettinius, Jr., United States Representative to the United Nations.

<sup>13</sup> Newspaper of the Albanian Democratic Front.

<sup>14</sup> Brig. D. E. P. Hodgson was Commander, British Military Mission in Albania. His recommendations were reported to the Department in telegram 3288, August 15, 1945, from Caserta (740.00116 EW/8-1545). For United States policy with regard to Albanians in Allied custody charged with war crimes by the Albanian regime, see telegram 31, July 7, 1945, to Tirana, *Foreign Relations*, 1945, vol. IV, p. 41.

3. Marked falling off in calls at Mission of friendly Albanians and according to word reaching us, some have been warned to stay away and others are afraid to come because of press and radio campaign against US, Great Britain and UNRRA. Also, while these three Missions have always been under certain surveillance it is now more strict than ever.

4. Restrictions imposed upon members of my staff as well as British and UNRRA personnel still continue. All permanent passes to drive on road to Durazzo canceled in December have never been renewed. On Saturday afternoon while walking in hills on outskirts Tirana, Robinson, British Press Attaché, was arrested by soldiers, taken to headquarters and warned not to go walking out of city again. If passes are issued for trips a partisan accompanies.

5. In discussing opening of Italian representative Turcato's pouches on his departure (mytel 58, January 24<sup>15</sup>) *Bashkimi* has argued that Albanian authorities have right to open diplomatic pouches to determine whether papers inimical to Albania or contraband are contained therein.

Note should be taken of this because that rule may some day be applied to us.

6. Most of our informational literature and that of the British is not being displayed and we suspect some not allowed to circulate.

7. There is considerable military movement in and around Tirana especially northward where marching soldiers frequently seen. These may be mere maneuvers under tutelage Russian army officers now here. But it is possible that these troops are in northern Albania to intimidate opposition who exist largest numbers there.

8. Number Russians continue increase and one rumor places Russian army officers now here as high as 300. Mytel 68.

9. There is noticeable silence in press and radio on Albanian Greek problems and Bevin's speech.<sup>16</sup>

10. Deportation of Italians continues. It is believed they will be completely eliminated from country except for few persons with technical knowledge who will promptly be sent out when replaced by Albanians, Yugoslavs or Soviet technicians. Mytel 68, Jan 29.

Repeated Caserta 41, Moscow 8.

JACOBS

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<sup>15</sup> Not printed.

<sup>16</sup> On Bevin's speech to the United Nations Security Council on February 1, 1946, see telegram 1275, February 2, from London, vol. VII, p. 104.

711.75/2-546: Telegram

*The Representative in Albania (Jacobs) to the Secretary of State*

TOP SECRET

TIRANA, February 5, 1946—11 a. m.

[Received 3:15 p. m.]

87. Remytel 85, Feb. 4. Following certain deductions and recommendations:

1. Since mid-December about time last Moscow Conference, Soviet influence here has been increasing by leaps and bounds until I believe it accurate to say that it is now paramount and that everything Albanian Govt is doing is directed by Communist pro-Soviet group with at least knowledge and consent of Soviet authorities and possibly under their direction. Knowing some of non-Communist members Govt as well as I do as result my 9 months' connection with affairs this country, I believe they are impotent in face of this development and I doubt whether any Albanian official not fully behind Sovietization program is any longer free agent.

2. Believe our position here will become more difficult and our every activity circumscribed as much as possible. Doubt whether authorities will reply for some time on question treaties, certainly not until some similar step is taken Belgrade same subject. Also doubt whether they are any longer interested establishing relations with US and that they will refuse any request we may make for entry additional members staff here. As already reported they refused entry to British public relations officer on ground that matter can wait arrival British Minister. Also anticipate in view resumption telegraphic communications with Europe that I may be asked before long to close down my radio facilities here.

[Remainder of telegram is devoted to Mr. Jacobs' recommendations that no additional officers be assigned to the Mission, that no further informational material be sent, and that the Army courier plane to Tirana seek to maintain a regular weekly schedule.]

Repeated Caserta 42; Moscow 9.

JACOBS

711.75/2-846: Telegram

*The Representative in Albania (Jacobs) to the Secretary of State*

TOP SECRET

TIRANA, February 8, 1946—10 a. m.

U.S. URGENT

[Received February 10—5:21 p. m.]

95. Concur heartily in recommendation contained Moscow's 321, February 1 received here only Feb 6. If we acquiesce without vigorous protest against conduct Soviet authorities who within few weeks after recognizing a Balkan state cram their ideology down the throats

of the govt recognized and inaugurated through their puppets, a program of fear and reprisal against all opposition including that obviously incapable of overthrowing govt and thus nullify every attribute of a truly democratic state, we may expect Soviet authorities to follow exactly same pattern Rumania and Bulgaria and even Korea once recognition is accorded. I feel certain that what has taken place here within short period of 6 weeks transforming an atmosphere of good will and democratic spirit at election time on Dec 2 to a regime of suspicion and fear is being forced upon Albanian authorities by small group Albanian Communists working hand in glove with Moscow and that majority members Govt are not only not in sympathy but helpless. While some action needs to be taken here, the first and most effective place for approach is Moscow where we can with good grace in view of Yalta commitments and past friendly collaboration with Moscow with respect to Albanian policy, express surprise at sudden transformation which has taken place here involving large influx Soviet nationals and large supply arms and inquire what Soviet intentions are. Time is of essence and this approach should be made at once.

2. If, when approach is made, Moscow presents an air of surprise and aggrieved innocence as it will, it might be suggested that as Department's information is so definite that something has gone wrong in Albania, since Soviet Legation has opened, Soviet Minister here be instructed to confer with me and British representative regarding situation so that all three can exchange views and endeavor to see that in accordance with Yalta and Potsdam commitments new government here is pursuing truly democratic course.

3. With regard to possible action here which, as indicated above, is secondary, there are two aspects: first, action with respect to final recognition and second, action with respect to our Mission. Concerning recognition we are awaiting reply from authorities concerning treaty question with respect to which they have since January 16 had copies of all treaties. As already indicated to Department I feel certain we shall receive no reply here until Yugoslavia is ready to reply and reply here and at Belgrade will be identical. Regardless, however, of what that reply may be, I am of opinion sudden developments indicating so clearly Soviet direction and control raises question of whether, even if authorities accept our position with respect to treaties, we should proceed further without clarification of Soviet intentions and additional assurances here that minorities shall have right to express themselves freely and that our representatives will be accorded courtesies due them.

4. With respect to our Mission, situation is delicate. Strictly speaking, it has no standing. It was sent here to study conditions and make a report which has been submitted. It has remained with Hoxha's consent on mutual understanding that it is a transition agency awaiting opening of diplomatic mission which has been delayed over treaty question. I am sure authorities, especially those unfriendly toward us, are fully aware of our vague status and this partially explains why our activities are circumscribed and discourtesy heaped upon us. This discourtesy is worse than I can take time to describe by telegram and is doubly damnable because inspired by Soviet agents. It follows too closely Soviet pattern and is too alien to proverbial Albanian hospitality for any other conclusion. With regard to Dept's attitude on servant question as stated last paragraph Deptel 16, Jan 30,<sup>17</sup> authorities have been so nasty toward this Mission since mid-December it is not a question, as posed by Dept, of whether I am *persona grata* to them but rather question of whether US can permit its representative to be kicked around and still command respect due him and his position.

5. Think therefore we must envisage possibility closing Mission on our initiative or being asked by authorities to close, a regrettable development in either case. Consider latter probability unless representations made at Moscow move authorities call halt on activities their henchmen here. If we decide to close, there are two alternatives: First, close entirely leaving property in charge British; or second, withdraw all personnel except Fultz, Stevens and Nicholas who would be left as custodians and transmitting agents for messages to be exchanged between Department and authorities here. However none of persons mentioned wish to remain if situation after representations appears ominous.

6. Accordingly while raising question at Moscow urgently, Department can be considering representations that might be made here.

7. This may be last chance to befriend this honest industrious small people who have suffered grievously from 300 years Turkish misrule, years of Yugoslav and Italian intrigue, followed by Italian and German occupation and devastation and now face prospect exploitation under fear and terror by Soviet imperialistic swashbucklers.

8. In considering this message, following telegrams should be read: 59, January 25; 68 and 69, January 29; 73, January 31; 82 and 83,

<sup>17</sup> Not printed, but see footnote 8, p. 3.

February 2; 85 and 86, February 4; 87 and 89, February 5, as well as Moscow's 321, February 1 to Department.<sup>18</sup>

Repeated Caserta 48, Moscow 11, London 8.

JACOBS

711.75/2-846: Telegram

*The Secretary of State to the Representative in Albania (Jacobs)*

TOP SECRET U.S. URGENT WASHINGTON, February 12, 1946—8 p. m.  
NIACT

23. Your 95, Feb. 8 and preceding telegrams. In light of recent developments which seriously affect situation and prestige of Mission and raise fundamental questions bearing on US policy toward present Albanian regime Dept believes that strongest representations to Albanian authorities are in order. You are accordingly instructed to communicate to Gen Hoxha following memorandum and to make clear to him that Dept attaches grave importance to matter:

*Begin Memorandum.* The Govt of the US has observed in recent weeks increasing evidence of an unfavorable attitude on the part of the Albanian authorities toward the US and the American Mission in Albania. This situation is in part reflected in recent attacks on the US by the official Albanian press and radio. More significantly, however, the Albanian authorities by their recent treatment of the American Mission have acted in a manner that is prejudicial and unfriendly to the Mission and that in practical effect hampers it seriously in the discharge of its functions.

In particular, the US Govt considers as unwarranted and discourteous the action of the Albanian authorities on January 28 in ordering certain employees of the American Mission in Tirana to leave Albania by February 15. The American Representative in Tirana, Mr. Joseph E. Jacobs, was given no prior notice of the intention of the Albanian authorities in this regard. These employees, it may be noted, were selected with care by Mr. Jacobs and have in no instance engaged in subversive activities. Their deportation will handicap and embarrass the Mission and, if carried out by February 15, will preclude proper arrangements for their welfare abroad or their replacement on Mr. Jacobs' staff within that time-limit. This proceeding is clearly

<sup>18</sup> Of the messages cited in this paragraph, telegram 59, January 25, 1946, is not printed, but see footnote 5, p. 2; telegram 69, January 29, is not printed, but see footnote 8, p. 3; telegram 73, January 31, is not printed, but see footnote 10, p. 4. Telegram 82, February 2, not printed, reported on the campaign by Albanian authorities to confiscate Italian property and expel Italians from Albania (765.75/2-246); telegram 83, February 2, not printed, reported on the opening of a trial in Scutari involving prominent Roman Catholic clergymen and a trial in Tirana on war crimes charges of two former regents of Albania under the German occupation regime and a former Albanian Prime Minister under the Italian occupation regime (740.00116 EW/2-246); telegrams 86, February 4, and 89, February 5, not printed.



inconsistent with the spirit and letter of the understanding established by the exchange of memoranda in March–April 1945 between the Office of the US Political Adviser at Caserta and the Albanian authorities,<sup>19</sup> whereby the American Representative in Albania was to be accorded such courtesies and facilities as might be necessary to the fulfillment of his mission.

This Govt has also taken note that the activities of the American Mission have been more and more circumscribed in recent weeks. Permanent passes which permitted members of the Mission staff to drive on the road to Durazzo were canceled in December and have never been renewed. Requests for permission to make short trips out of Tirana have been ignored. In addition, requests for the entry into Albania of Mr. Carmel Offie, a US Govt official, and of Mrs. Rudolph Marinschak, wife of the Mission's caretaker, have not been granted. It is clear from these incidents and the generally discourteous attitude currently manifested toward the Mission that there does not exist on the part of the Albanian authorities that sense of confidence toward the members of the Mission that was implicit in the arrangement under which the Mission was established.

The Albanian authorities will recall the friendly ties which have existed between the US and Albania since the establishment of Albanian independence. They will no doubt also recall the statements on December 10, 1942,<sup>20</sup> and subsequent occasions wherein this Govt affirmed its support of the restoration of an independent Albania. During the war the US encouraged and supported the resistance of the Albanian people to the Axis invader. It has contributed heavily to UNRRA, an organization which for months has been giving important assistance to Albania. The informal American Mission which entered Albania on May 8, 1945, to survey conditions there in connection with the question of recognition of an Albanian Govt undertook that task objectively and with a sympathetic understanding of the problems of the Albanian people. On the basis of the favorable reports and recommendations submitted by that Mission, and after consultation with the other Allied Govts signatory to the Crimea Declaration on Liberated Europe,<sup>21</sup> the US Govt in November 1945 made known its readiness to recognize the present Albanian regime provided the latter was prepared to give assurances that free elections would be held and to affirm the continuing validity of treaties and agreements in effect between the US and Albania on April 7, 1939.<sup>22</sup>

<sup>19</sup> Regarding this exchange of memoranda, see telegrams No. 229, March 19, 1945, to Caserta; No. 1136, March 24, 1945, from Caserta; and No. 1161, March 25, 1945, from Caserta, *Foreign Relations*, 1945, vol. iv, pp. 15–18.

<sup>20</sup> Department of State *Bulletin*, December 12, 1942, p. 998.

<sup>21</sup> For text of the Declaration on Liberated Europe, included as part V of the Report of the Crimea Conference, February 12, 1945, see *Foreign Relations*, The Conferences at Malta and Yalta, 1945, p. 971.

<sup>22</sup> The readiness of the United States to recognize the Albanian regime provided certain assurances were received was made known in a note delivered to Hoxha on November 12, 1945. See telegram 106, November 8, 1945, to Tirana, and telegram 191, November 12, 1945, from Tirana, *Foreign Relations*, 1945, vol. iv, pp. 67 and 69, respectively.

The requested assurances with regard to elections were given and the elections have already taken place. As for the question of the treaties, copies of the pertinent instruments have been furnished to the Albanian authorities and an early reply on the matter has been invited.

In order to remove any grounds for the misunderstanding which seems to exist in the minds of the Albanian authorities regarding the attitude of the US in respect of the admission of Albania to the United Nations, this Govt takes this occasion to state that it is fully aware of the desire on the part of Albania to obtain membership in the United Nations and has been favorably disposed toward the admission of Albania at such time as that organization is prepared to receive and act upon applications from non-member states. However, it must be pointed out that the position ultimately to be taken by the US in this connection can neither logically nor as a matter of principle be formulated without reference to the willingness of the Albanian Govt to fulfill its international obligations.<sup>23</sup>

The Govt of the US finds it most difficult, in view of the friendly treatment accorded Mr. Jacobs and his staff in the past, to understand or excuse the disagreeable attitude which has now been adopted by the Albanian authorities. Indeed, in the circumstances, question inevitably arises as to the sincerity of professions made by the existing regime regarding its national and international objectives and whether the present authorities have any real desire to enter responsibly into normal relations with the US Govt. In this connection it remains the hope of this Govt that such conclusions need not be irrevocably drawn and that the Albanian authorities will restore the basis of mutual confidence by giving earnest consideration to the matters set forth above. It is the further hope of this Government that the Albanian authorities will communicate their confirmation of the continued validity of treaties and agreements between the US and Albania to the American Representative in Tirana at an early date. Meanwhile, the Govt of the US desires to leave no doubt in the minds of the Albanian authorities that, should discourteous treatment of the American Mission continue and present efforts to dissipate the unfriendly atmosphere which has recently developed fail, it would feel compelled, while preserving the most genuine sentiments of friendship for the Albanian people, to reexamine its position vis-à-vis the existing Albanian regime. *End Memorandum.*

We do not believe it advisable in first instance to make representations in Moscow.

Sent to Tirana, repeated to Moscow, Caserta, Paris and London.<sup>24</sup>

BYRNES

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<sup>23</sup> For additional documentation on the policy of the United States with respect to the admission of Albania into the membership of the United Nations Organization, see vol. I.

<sup>24</sup> Repeated as Nos. 276, 51, 708, and 1446, respectively.

711.75/2-1946 : Telegram

*The Representative in Albania (Jacobs) to the Secretary of State*

TOP SECRET

TIRANA, February 19, 1946—noon.

URGENT

[Received 5:26 p. m.]

115. Handed General Hoxha yesterday, my first opportunity, memorandum communicated Deptel 23, Feb 12, received Feb 15, and stressed point Dept attaches grave importance to matter.

We went over memorandum together and while Hoxha agrees Mission was entitled more consideration with respect permit matters and said servant matter badly handled, he tried shift blame to "subordinates" and expressed regret that discourtesy had resulted. His remarks seem to indicate he has no clear understanding courtesy and consideration which his Govt should extend Mission friendly Govt.

When we came to paragraph on UNO he burst forth in heated argument Albania's right admission and paid little attention my efforts explain. He said Albanian people were very angry treatment accorded them by US and Great Britain and that fact explains why Albanians were no longer friendly toward Mission, overlooking fact that discourtesies began before UNO took action. Concerning press and radio attacks he said he did not pay attention such things, although with respect to American correspondents who criticized regime, he complained bitterly that US had not screened those sent here and ignored my remark that articles of which I complained appeared in official paper and over radio whereas our Govt does not control press, correspondents and radio. I then mentioned treaty matter but, as we had talked more than hour and was past lunch time, Hoxha said he would give entire memorandum consideration and advise me later.

I venture no prediction concerning results as I believe they will depend much upon wishes present Soviet advisers.

Parenthetically might add my three Italian house servants left for Italy Feb 16 after week's extension was denied and gardener expects leave this week when papers are in order. Marinschak's case not been settled because he was told when matter arose that his pass was valid until Feb 28, when he should report for further instructions.

Our 115, repeated Moscow 18, London 12, Paris 3, Caserta 58.

JACOBS

711.75/2-2846 : Telegram

*The Representative in Albania (Jacobs) to the Secretary of State*

SECRET

TIRANA, February 28, 1946—3 p. m.

PRIORITY

[Received March 1—8:40 a. m.]

135. Mytel 123, February 23.<sup>2a</sup> Having heard nothing from Hoxha,

<sup>2a</sup> Not printed.

inquired whether he intended send me memorandum or desired sehle [apparent garble] regarding Dept's memo. His secretary replied General wished to see me and fixed February 27, noon, as time. Accordingly, we discussed matter hour and half with following results:

(1) Treaties and agreements consumed more than hour interview; Hoxha constantly reiterating while some international treaties seemed acceptable, his Government could not agree in advance continued validity any treaties either bilateral or multilateral. Position his Government remained same as set forth his notes November 15 and 22,<sup>25</sup> to effect that after US recognition accord [apparent omission] has arrived first task would be re-examine treaties with us, revise or abrogate them and submit those to be continued or new ones to Constituent Assembly for ratification. Said we should trust his Government but I replied it was not matter of trust as in view recent developments here most-favored-nation agreement and naturalization treaty were more important to us than ever. When I inquired whether assuming US would accept Albanian Government's assurances with respect to re-examination after recognition, his Government would be willing exchange notes assuring American officials and nationals most-favored-nation treatment pending examination treaties and agreements, he replied in negative.

2. This occasion there was little time discuss treatment Mission but Hoxha did try in unconvincing way explain expulsion our [servants among the?] first group Italians was not intended discourtesy. I replied I disagreed but as these Italians had now left (gardener and family February 27) all authorities could best demonstrate good faith in this respect by approving continued residence Marinschaks which Hoxha said he would look into again giving impression he might be permitted stay. When, however, I mentioned entry Marinschak's wife he shook his head and said he was afraid that would not be possible. As his case has been taken up not only with Hoxha but also with Resident Permit Bureau which is aware my approach Hoxha shall await some word from authorities before permitting Marinschak take further steps himself because if he appears at Bureau he might be arrested as were two servants Fultz and Hoffman. Also mentioned Hoxha that last Saturday three stenographers my office applied permit visit Scutari Sunday and although British majors who applied same time and were to take ladies with them were advised permits could not be issued, my Mission was not given courtesy reply of any kind. This seemed to irritate Hoxha who made note and said he would look into matter immediately. As Permit Bureau under direct supervision Koci-Xoxe, head Security Police and arch Communist operating with Russian Commissar in his office, there is more than suspicion Hoxha himself does not know what goes on there.

My comments on foregoing and situation created thereby are as follows:

1. Feel certain all authorities will not recognize continued validity

<sup>25</sup> For texts of Hoxha's notes, see *Foreign Relations*, 1945, vol. iv, pp. 71 and 73, respectively.

treaties and agreements in advance complete recognition and no changed diplomatic representatives.

2. While possibility treatment accorded Mission may improve slightly some respects (at least until next consideration Albania's application admission UNO) am certain that as long as Government and Yugoslav so-called military and civilian advisers are wandering over country and as long as any vestige opposition exists members Mission will continue be restricted Tirana and only occasionally permitted travel outside accompanied by Partisan guard. Equally certain Mission will not be permitted employ any one except Americans or Albanians and that not only would Mrs. Marinschak not be permitted to enter but doubt whether Marinschak himself will be permitted remain much longer. Moreover can be expected treatment accorded Mission in future will follow identically treatment accorded foreign missions Moscow with more unfortunate results here for staff because whereas Moscow is large city with opportunity for amusement and recreation, Tirana is still small town with few such facilities. Also through fear and intimidation, as in Moscow, contacts with local Albanians have practically ceased.

3. Is clear Albania has become nothing more than satellite state Soviet Union and Yugoslavia with probability only interest those two countries have in maintenance independent Albania is hope it may eventually be admitted UNO and thus add another vote Soviet bloc. If at next session UNO Albania not admitted, Albania may become unit Yugoslav federation. Notwithstanding foregoing statement, feel certain majority Albanians opposed Russian infiltration and domination and to federation.

4. According official pronouncements and provisions of proposed new constitution now under consideration, it is clear present regime and its Russian advisers determined set up in Albania state-controlled economic system along Soviet lines; which will deny US participation in trade and development country. Likewise new restrictions on dissemination foreign publications will prevent US from carrying on cultural and info activities or at least such activities will be greatly circumscribed. Also as part this Sovietization process, all foreigners (Hoxha has insinuated as much), including Americans (one already has had residence permit renewed to April 30 only) will eventually be expelled from country except such types persons as are now permitted remain Soviet Union. As corollary this step, Albanians, barring officials, are forbidden emigrate or travel except Soviet and its satellite states.

5. Also in Sovietization process, every form opposition will be exterminated ruthlessly with Soviet and Yugoslav assistance if necessary. Even school children are being urged and given prizes for spying on teachers and parents and more important indication trend is arrest Kokoshi-Aslani group which tried form second party election time November, December last year.

6. With regard Albanian regime itself are some members Government not at all in favor turn events but are helpless. Government in hands shrewd, determined and unscrupulous Communist group which granting sincerity in its beliefs is in bringing Russia here no better than previous regime which sold Albania either to Yugo or Italy.

In view foregoing following possible courses action submitted for Department's consideration in connection with such plans as it may have in contemplation :

(1) I should be instructed advise Hoxha attitude taken by his Government toward treaties and agreements not acceptable and that US Government cannot proceed with recognition and exchange diplomatic representatives until such time as Albanian authorities are willing to reconsider. Note or memo should then include one alternatives paragraph 2 below.

(2) Mission here should be withdrawn completely or I and part of staff recalled, leaving Fultz in charge reduced Mission. Suggestions as to staff and property will be submitted if second alternative decided upon.

(3) As Department has in past kept London and Moscow and sometimes Paris advised may wish confer with or advise Foreign Office those capitals its intentions. British Foreign Office now waiting Department's decision before instructing British Minister proceed and head French Military Mission here advises new French Minister scheduled arrive Tirana next week.

(5) [*sic*] Before taking any other action Department may wish make representations Moscow suggested mytel 95 February 8.

(6) In view fact Albania's history since last war to present time reveals one unscrupulous group after another has got control and sold out some foreign power, am beginning come round view Albanian people may not be qualified for independence. On other hand Albanians are sufficiently large and virile minority to preclude their inclusion in or division between Yugo and Greece without creating grave minority problem those countries and aggravating Balkan unrest. It begins look therefore that solution might be trusteeship under UNO but Russia and Yugo are now so strongly entrenched fear they can not be got out except by force or on *quid pro quo* basis.

(7) In view these developments need seems greater than ever reconsider UNRRA Albania program suggested A5 February 16 and telegrams 119 February 20 and 121 February 21.<sup>26</sup>

JACOBS

875.00/3-2246 : Telegram

*Mr. Homer M. Byington, Jr., Acting United States Political Adviser to the Supreme Allied Commander, Mediterranean Theater, to the Secretary of State*

TOP SECRET

CASERTA, March 22, 1946—7 p. m.

US URGENT

[Received March 22—5 p. m.]

350. Reference our 329 of March 18, noon.<sup>27</sup> COS<sup>28</sup> requested me

<sup>26</sup> None printed.

<sup>27</sup> Not printed; it reported that the Supreme Allied Commander, Mediterranean Theater, General Morgan, was waiting to see what action would be taken in the case of the American Mission in Albania before reaching a final decision entirely to withdraw the British Military Mission from Albania (875.00/3-1846).

<sup>28</sup> Maj. Gen. M. W. M. Macleod, Chief of Staff, Allied Force Headquarters.

to see him this a. m. together with my British colleague<sup>29</sup> concerning withdrawal of BMM from Albania. General McLeod said that messages which he had received from Arnot<sup>30</sup> had become increasingly alarming in re to personal safety of Mission and Brigadier Hodgson had also strongly recommended that BMM be removed without further delay.

General McLeod said that Broad recommended AFHQ action be correlated with US action in Albania and that he himself did not like to take prior action but he felt that this may be necessary.

I said that Jacobs had already explained to Dept that situation BMM was different from his own (see Juranat's) [*Tirana's?*] 85 of March 13, 3 p. m.) and I was sure that Dept would in no way wish safety of BMM to be jeopardized merely in order to obtain joint action vis-à-vis Albania. I said this, of course, was my personal opinion but that I would telegraph immediately requesting Dept's views in this matter.

General McLeod has telegraphed WarOff that BMM situation has become most uncomfortable and it is possible hostile demonstrations may occur against it. Arnot has also received a report confirming his fear that an attempt may be made to implicate BMM in the political trials now proceeding this report is that interrogation of accused "has revealed that the British General not only supported these traitors but organized their movements".

In conclusion General McLeod is urging that WarOff consult urgently with Foreign Office and authorize immediate withdrawal of BMM. He is including my views as expressed above, and adding that I am requesting urgent instructions.

Please advise me as soon as possible in order that I may communicate Dept's views to AFHQ.<sup>31</sup>

Sent Dept, repeated Tirana via pouch as 38.

BYINGTON

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<sup>29</sup> Philip Broad, British Political Adviser on the Staff of the Supreme Allied Commander, Mediterranean Theater.

<sup>30</sup> Maj. E. Maxwell Arnot.

<sup>31</sup> In telegram 97, March 23, 1946, to Caserta, repeated to Tirana as 49, Byington was authorized to confirm to General McLeod "that while we appreciate desire to coordinate removal of BMM from Albania with possible US action we do not wish Brit to jeopardize safety of BMM personnel by delaying order for withdrawal . . ." (875.00/3-2246) Telegram 200, April 1, from Tirana, reported that the British Military Mission would depart from Albania on April 3, leaving no British official in the country and no known British nationals (875.00/4-146).

765.75/4-1246: Telegram

*The Representative in Albania (Jacobs) to the Secretary of State*

CONFIDENTIAL

TIRANA, April 12, 1946—4 p. m.

OPERATIONAL PRIORITY

[Received 2:20 p. m.]

213. No information has appeared press or otherwise available concerning alleged new wave terror in northern Epirus and arrest persons mentioned Dept's 60 April 9.<sup>32</sup> If I approach authorities am certain they will deny as Hoxha did 2 months ago when I approached him subject persecution Greek minority.

As indicated various telegrams wave of terror has been sweeping Albania since Communist group threw off mask in Jan and inaugurated Sovietization process. People are spied on, thrown out of their homes (in Tirana to provide quarters for Russians), have their stocks sequestered, are sent to prison and concentration camps and discharged from Govt positions without respect race or creed. Some evidence also that population in northern [*southern?*] Albania beginning to look to Greece as salvation from communism. Not surprising, therefore, that seven persons mentioned may be under arrest not necessarily because they are Greeks or belong to Greek minority but because in some way they are under suspicion as non-conformists or even oppositionists.

In view Sen. Pepper's resolution<sup>33</sup> and present status our Mission I believe it inadvisable approach authorities in specific case this kind raised by Greek Govt. Preferable course would seem to be when question recognizing is raised again we make more favorable treatment minority and nonconformist groups in [*as?*] another condition precedent to recognition or suggest Greece bring such recurring problems before UNO which may after all be best agency to solve various problems of international concern existing here.

JACOBS

875.00/4-2046: Telegram

*The Representative in Albania (Jacobs) to the Secretary of State*

SECRET

TIRANA, April 20, 1946—3 p. m.

PRIORITY

[Received April 22—7:32 a. m.]

228. Fr Min Picot disappointed with his status here, plans return Paris in few weeks and states he may not return if Brit and US do not recognize regime. Am moved therefore to raise again status our

<sup>32</sup> See vol. VII, p. 132.<sup>33</sup> For text of the Pepper resolution of February 19, 1945, see telegram 76, May 8, 1946, to Tirana, p. 20.



Mission as no reply recd my tel 202 April 2<sup>34</sup> and as no danger seems imminent to warrant closing office under authority contained Deptel 48, March 23.<sup>35</sup>

Having heard nothing further from Hoxha can only assume present regime still remains adamant on question validity treaties and agreements. Aside from that question does not seem desirable now to recognize regime with [*without*] clear and specific assurances with respect regime's conception meaning usual rights immunities and facilities accorded diplomatic representatives under international custom, diplomatic courier service, unhampered use tel radio facilities, greater freedom to travel about, right continue our present plane and radio service until other facilities are available and with respect alien employees right to employ Albs without interference before and after employment and insistence upon continued employment Rudolph Marinschak and permission his wife to join him.

In addition there are other matters concerning which Dept may wish to require assurances before recognition. First, as present regime has now gone all out for one party system which ruthlessly crushes all opposition, strong guarantees are necessary if non-govt party groups are to enjoy freedom of speech and have equal access to press with Govt party. Second, in view present widespread distribution Sov lit and drastic restrictions on ours we should have equality and administrative formalities should not be applied to nullify that equality. Third, in view surveillance now maintained over members our Mission and persons who visit it, guarantees are necessary that our Mission and staff shall be permitted establish normal friendly relationships with Albs without such relationships being subjected to police supervision.

Finally as record discloses it was never intended when we collaborated with Britain and Soviet Union with respect Albania [*that*] Soviet authorities would step in and practically take over country. I still feel as suggested once before that some representations without publicity should be made at Moscow. If there is any occupied country where in accordance Crimea Declaration on Liberated Europe three Great Powers might collaborate on equal footing that country is Albania. However, with no excuse whatsoever Soviet has stepped in and through small group local Communists has manipulated machinery

<sup>34</sup> Not printed; it requested instructions from the Department regarding future steps to be taken with respect to the Mission in Albania in view of the departure of the British Military Mission on April 3, 1946 (124.75/4-246).

<sup>35</sup> Not printed; it authorized Jacobs to send to Italy such members of the Mission as he deemed advisable. The Department added that it wished Jacobs and such male personnel as necessary to remain in Tirana as long as it was possible to report on military developments in Albania without jeopardizing the safety of American personnel. (875.00/3-2246)

of government to give Soviet complete control to exclusion US and Britain or for that matter any other power. We should not continue without protest to allow Soviet make itself appear champion little Albania at UNO and other international gatherings and US and British unreasonable in our attitude when that attitude has resulted from underhand Soviet action.

As highly unlikely for time being, present regime will give assurances with respect all matters mentioned above. I should like to be instructed if Dept does not have other imminent instructions for me to proceed to Paris during conference FonMins<sup>36</sup> to discuss problems with officers of Dept and from other Balkan countries who may be there. As our activities here are so curtailed there is little I can do anyway and Fultz can take charge in my absence. Next plane from Tirana scheduled April 26.<sup>37</sup>

JACOBS

740.00119 Council/4-2646 : Telegram

*The Representative in Albania (Jacobs) to the United States  
Delegation to the Council of Foreign Ministers in Paris*

SECRET

TIRANA, April 26, 1946—2 p. m.

URGENT

[Received April 26—12: 16 p. m.]

9. For Dunn. You already have my telegram 8, April 23 (repeated to Dept as 234)<sup>38</sup> commenting on Albanian Greek frontier problem.

After study this problem feel Greek claim not only unwarranted but approval that claim would make it impossible for Albania to exist economically as independent state to which US committed itself in Secretary Hull's statement in December 1942.<sup>39</sup>

Satisfactory solution might be given [*give?*] Dodecanese Islands to Greece who would drop claim for northern Epirus. This was one solution proposed after last world war but Italy seized Dodecanese so

<sup>36</sup> The Council of Foreign Ministers met in Paris, April 25–May 15, 1946, and June 15–July 12, 1946. For documentation on the meetings, see vol. II, pp. 88 ff.

<sup>37</sup> In telegram 2008, Delsec 440, April 27, 1946, from Paris, the Secretary stated it would be inadvisable for Jacobs to leave his post at that time (740.00119-Council/4-2746).

<sup>38</sup> In telegram 234, April 23, 1946, from Tirana, repeated to Paris as No. 8, Jacobs urged that the Council of Foreign Ministers find some way to resolve the Albanian-Greek frontier problem and made the following appraisal of that problem: ". . . continual rattling this old claim by Greece seriously affects peace of Balkans and gives Albania excellent excuse to keep army fully mobilized and Soviet to pose as protector little Albania and to supply arms and military advisers. There is nothing that makes Albanians of all political and racial complexions . . . see red more quickly than proposal to give southern Albania to Greece." (740.00119 Council/4-2346)

<sup>39</sup> For text of Secretary of State Cordell Hull's statement of December 10, 1942, see Department of State *Bulletin*, December 12, 1942, p. 998.

that Greece lost both northern Epirus and those islands. This arrangement would be just to both parties and at same time make difficult for Soviet to press its claim for Dodecanese as by so doing she would prejudice Albania's claim to its present frontiers.

As corollary to foregoing, provision should be made for minorities on either side of border to those [*choose?*] whether they wish remain or be repatriated with further provision that repatriation arrangements be carried out under UNO auspices.

If we could take lead in being first to suggest foregoing solution, it would help restore some our lost prestige here because even our friends are aroused over Pepper resolution.<sup>40</sup>

Repeated to Department as 239.

JACOBS

711.75/4-1546: Telegram

*The Acting Secretary of State to the Representative in Albania*  
(Jacobs)<sup>41</sup>

RESTRICTED

WASHINGTON, May 8, 1946—8 p. m.

US URGENT

76. Urtel 216 Apr 15 and despatch 190 Apr 15.<sup>42</sup> Reply to Gen Hoxha's communication of April 12, 1946, requesting clarification of radio and press reports concerning Senate Foreign Committee resolution on Northern Epirus should be made in sense of following memorandum:

*Begin Memorandum:* Govt of US refers to communication of April 12, 1946, in which Gen Hoxha asserts desire of Albanian regime to remove misunderstandings that might prejudice relations between US and Albania and requests clarification of reports by Radio London, Reuters, and American press regarding resolution presented in US Senate Foreign Relations Committee concerning "Northern Epirus" (Southern Albania). US Govt, motivated by equal desire to eliminate any misapprehensions which might stand in way of early resumption of normal relations between US and Albania, invites General Hoxha's attention to the following facts in this connection:

1. On February 19, 1945, Senator Pepper submitted following resolution which was referred to Senate Committee on Foreign Relations:

"Resolved, That it is the sense of the Senate that Northern Epirus (including Corytsa) and the twelve islands of the Aegean Sea, known as the Dodecanese

<sup>40</sup> For text of the Pepper resolution, see telegram 76, May 8, to Tirana, *infra*.

<sup>41</sup> This telegram was repeated to United States delegation to the Council of Foreign Ministers at Paris as 2188, Secdel 212, and to Caserta as 133.

<sup>42</sup> Telegram 216, April 15, 1946, from Tirana, reported receipt of a note dated April 12 from Hoxha requesting clarification of reports regarding a resolution passed by the Senate Foreign Relations Committee expressing sympathy for Greek claims to Northern Epirus (711.75/4-1546). The text of Hoxha's note was transmitted to the Department with despatch 190, April 15, from Tirana, neither printed (711.75/4-1546).

Islands, where a strong Greek population predominates, should be awarded by the peace conference to Greece and become incorporated in the territory of Greece."

2. Foregoing resolution was reported out of committee, without amendment, on March 27, 1946. Senate has to date taken no action on resolution.

3. It is prerogative of US Senate to express its views on any matter it so desires.

4. However, action taken by Senate in such an instance is not to be construed as indicating attitude of Executive Branch of US Govt as to merits, pro or con, of substance of proposals in question. *End Memorandum.*<sup>43</sup>

ACHESON

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740.00119 Council/7-2746 : Telegram

*The Deputy Director, Office of European Affairs (Hickerson), to the Director, Office of European Affairs (Matthews), in Paris*

SECRET

WASHINGTON, July 27, 1946—4 p. m.

US URGENT

3697. Secdel 529. For Matthews<sup>44</sup> from Hickerson. I have been unhappy for some time about situation of Jacobs' Mission in Albania. We have repeatedly told Albanians we expect them to reaffirm their continued adherence to treaties and agreements enforced [*in force?*] between us in 1939 and our Mission has remained in Albania without satisfactory response to this request or any further action on our part since February. Jacobs and his staff have, as you know, received scant consideration from Albanians. Jacobs has complained on numerous occasions about his treatment.

You will recall that we have discussed this situation in EUR and in the past it was your feeling that it was advisable for us to maintain some representation in Albania for purpose of reporting, chiefly military information. Jacobs' sources of information seem to be progressively drying up.

It seems to me that Jacobs' remaining in Albania is both futile and undignified and I do not believe that the present small trickle of information which he is able to report to us justifies keeping him there.

The foregoing paragraphs are the summary of an airmail letter which had been prepared for my signature to consult you before making a recommendation to the Secretary about withdrawing Jacobs.

<sup>43</sup> Telegram 275, May 15, 1946, from Tirana, reported that this memorandum had been sent to Hoxha on May 11 (711.75/5-1546).

<sup>44</sup> Matthews was serving as a political adviser on the United States delegation to the Paris Peace Conference.

In the last 24 hours there have been two developments which caused me to telegraph rather than write you :

1. FE and Hilldring<sup>45</sup> have just told me that they would like to propose Jacobs' name to the President as U.S. Political Adviser in Korea with the personal rank of Minister. They need urgently a top-flight Officer with extensive Far Eastern experience and experience in dealing with the Russians and Jacobs is their first choice.

2. We received yesterday an airgram and personal letter from Jacobs asking for home leave this summer or early autumn.

I favor our telling Hilldring that EUR has no objection to his sending a telegram to Jacobs offering him Korea assignment. Do you agree?

We could withdraw the entire Mission if Jacobs leaves or withdraw only Jacobs leaving Fultz in charge if he is willing to stay; if Fultz is not willing to remain as we understand may be the case we could use Henderson who is going from Rome to Tirana. My own inclination would be to withdraw the whole Mission but I do not have strong views on this. What are your views?<sup>46</sup>

[HICKERSON]

711.75/8-1546 : Telegram

*The Representative in Albania (Jacobs) to the Secretary of State*

CONFIDENTIAL

TIRANA, August 15, 1946—9 p. m.

US URGENT

[Received August 16—11:45 p. m.]

428. In response request I call, saw Hoxha afternoon August 13, when he recited difficulties over treaties and tried to blame United States for not having made counterproposals. I protested, reminding him that at close last interview on subject he had said his Government's position was same as stated his two notes last November and I had said my government expected something more closely approximating recognition Albania's treaty obligations than expressed in those notes.<sup>47</sup>

He then went on to say that after further study his Government was prepared to accept continued validity of 11 multilateral treaties,<sup>48</sup>

<sup>45</sup> John H. Hilldring, Assistant Secretary of State for Occupied Areas.

<sup>46</sup> In telegram 3688, Delsec 750, July 28, 1946, from Paris, Matthews replied as follows: "I agree to Jacobs' reassignment to Korea, reference your Secdel 529. I believe it better for time being to keep foot in the door with either Fultz or Henderson." (740.00119 Council/7-2846) Harry T. Fultz and George D. Henderson were members of the United States Informal Mission in Albania.

<sup>47</sup> For Jacobs' report on his conversation with Hoxha on February 27, see telegram 135, February 28, from Tirana, p. 12.

<sup>48</sup> Multilateral treaties to which both the United States and Albania were parties are as follows: Convention for the Formation of an International Union for the Publication of Customs Tariffs, Regulations and Final Declarations, July 5, 1890; International Labor Organization; Convention and Protocol for Limiting the Manufacture and Distribution of Narcotic Drugs, July 13, 1931;

copies of which we submitted in January. Concerning four bilateral treaties<sup>49</sup> he said his government was prepared immediately after recognition and arrival American Minister to take these treaties under consideration for purpose of making certain "corrections" to bring them into line with new kind of international relationship created by anti-Fascist war. He cited as example that under our extradition treaty political offenders could not be extradited, which might prevent handing over Albanian war criminals seeking refuge in United States. Concerning naturalization treaty said his Government did not object to past cases but for future some corrections would be necessary. Regarding passport fees agreement, said there was no objection.

He then handed a letter on Albania, contents of which wishes me study, communicate to my Government and talk with him again if necessary to avoid misunderstanding. Letter reiterates substance what Hoxha said, mentioning eleven multilateral and four bilateral treaties, but contained no reference to nature desired corrections and does not mention passport fees agreement, money order convention and, what is far more important, most-favored-nation treatment, exchange of notes beginning 1922 and completed 1925 which Hoxha did not mention orally.<sup>50</sup>

As Albanian Regime accepts only multilateral treaties and agreements, believe this development merely for effect in connection with Albania's United Nations membership application now under consideration in New York. Deptel 140, August 12, which I shall comment on separately shortly.<sup>51</sup>

Albania's position with reference our bilateral treaties and agreements therefore remains same except we now know from Hoxha's oral remarks something nature of revisions which Albanian authorities are seeking. Hardly know what to suggest as I question wisdom ac-

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Treaty for the Limitation and Reduction of Naval Armament, London, April 22, 1930; Arrangement relative to the Repression of the Circulation of Obscene Publications, May 4, 1910; Convention and Protocols for the Suppression of the Abuse of Opium and other Drugs, January 23, 1912 and July 9, 1913; Universal Postal Union of Cairo and Final Protocol, March 20, 1934; Treaty for the Renunciation of War (Pact of Paris), August 27, 1928; Treaty Recognizing the Sovereignty of Norway over Spitzbergen, February 9, 1920; Telecommunication Convention, December 9, 1932; Convention for the Amelioration of the Condition of the Wounded of Armies in the Field (International Red Cross Convention), July 6, 1906.

<sup>49</sup> For list of the bilateral treaties and agreements between the United States and Albania, see Department of State *Bulletin*, November 17, 1946, p. 914.

<sup>50</sup> For text of Hoxha's letter of August 13, see telegram 433, August 18, from Tirana, *infra*.

<sup>51</sup> Telegram 140, August 12, 1946, to Tirana, summarized consideration by the Membership Committee of the United Nations General Assembly of Albania's application for membership in the United Nations Organization (800.00 Summaries/8-1246). Jacobs' comment on the Department's telegram was contained in telegram 435, August 19, from Tirana (711.75/8-1946). For documentation on United States policy towards Albanian application for U.N. membership, see vol. 1.

cepting promises with respect to action to be taken after accorded recognition and exchange diplomatic representatives.

One course action would be stand firm and reply where we take note of Albania's acceptance multilateral treaties, we must have assurances already requested with respect other treaties and agreements. Another course reply in foregoing sense but add either we are prepared to study list revision which Albanian authorities may wish to submit for purpose of determining whether some agreement cannot be reached press recognition or that I am authorized to discuss proposed revision with Foreign Office with same purpose in mind.

In addition treaty question something must be said regarding treatment to be accorded this Mission in interim and to our future Legation and diplomatic representatives. Imperative both because of ignorance present regime of puppets concerning international courtesies and sadistic tendency to be deliberately nasty. If this point not cleared up satisfactorily will be most difficult if not impossible for Department to keep staff here. First we should insist on general commitment our Mission and future Legation and staff be accorded usual privileges and courtesies extended as matter international practice all over world, not in one section thereof. Second we must mention certain matters growing out of above and insist they be attended to immediately:

- (1) Prompt action upon requests for entry and exit permits for American staff (in three recent cases 5 weeks were required)
- (2) Definite approval for engineer Marinschak remain here on Mission premises long as we want him and entry permit be granted at once for his wife to join him (this loyal employee is indispensable and attitude authorities toward his wife inexcusable: we cannot back down)
- (3) Right to employ local help without interference before or after employment. Our continued permission operate radio station and send in weekly planes.

If firm on these points even to extent threatening to close, believe we shall force them capitulate as doubt they now want us leave, and if they do, we may as well close anyway.

Copy of note and translation follow by mail.

JACOBS

711.75/8-1846: Telegram

*The Representative in Albania (Jacobs) to the Secretary of State*<sup>52</sup>

TIRANA, August 18, 1946.

[Received August 19—9:55 a. m.]

433. Following is translation with articles omitted for brevity of

<sup>52</sup> The text of this telegram was sent to Paris by the Department as telegram 4690, Secdel 851, September 9 (740.00119 Council/9-946).

Hoxha's letter dated August 13 text of which Department has requested.

"Always having in mind desire to reinforce and strengthen relationships between United States and Peoples Republic of Albania, in response to desires and aspiration of Albanian people and in keeping with new international spirit growing out of common war against German and Italian Fascists who attacked and enslaved our country, as they did to so many other countries of world and destroyed freedom, independence and sovereignty of country, Peoples Republic of Albania has taken under consideration and studied treaties which existed between United States and Albania before April 7, 1939.

Many of treaties signed during period before April 7, 1939 especially in case of Albania were signed by anti-popular governments created and brought into power through force backed by foreign bayonets and against will of Albanian people. Such treaties are directly or indirectly detrimental to interests and sovereignty of our country. The spirit and application of many of these treaties, reflecting entirely non-existent interests and aspirations of our people, dealt with them as colonial or semi-colonial people.

We cannot say that treaties between United States and Albania were created in spirit mentioned about [*above?*], but with respect to some of them especially treaties of a bilateral character between our two countries which were negotiated during period following last world war, some corrections are necessary.

This is due to new international relationships created by anti-Fascist war which, in interest of our two countries as well as in collective interest of all countries require new relationships based upon sincerity among progressive democratic states of world in order to harmonize principles for which our people fought heroically and continuously for years against those who caused great bloodshed and destroyed such relationships.

Government of the Republic of Albania having always in mind friendship based on mutual respect for international and national rights as link between our two countries, as well as similar relationships with all other democratic and progressive countries, most sincerely and patiently accepts validity of treaties of international character which existed between our two countries as listed below: (here Department should insert titles of eleven multilateral treaties copies of which Department submitted to Albanian authorities through this Mission in January).

With respect to other treaties bilateral character as listed below: treaties of arbitration, conciliation, naturalization and extradition the Albanian Government is ready to take them under consideration immediately with American Minister who will come to Tirana after our government is recognized. After necessary corrections have been made by two parties these treaties will enter into force at once.

The Government of Peoples Republic of Albania expresses once more its readiness to continue most friendly relations with United States of America and with all progressive nations of world. This is tradition of the Albanian people who have shed their blood without hesitation to gain their undeniable rights, to assure merited place and



necessary respect in international field as well as to gain sincere support of Allied anti-Fascist nations, especially that of American people. Our people fought heroically throughout 6-year period without taking into consideration either loss of men or materials.

Hoping that diplomatic relations between our two countries may be reestablished as soon as possible as factor in reenforcing more than ever the friendship existing between the American and Albanian peoples please accept my highest esteem, Prime Minister of Foreign Affairs of the Government of the Peoples Republic of Albania General Colonel Enver Hoxha”.

JACOBS

740.00119 Council/9-946 : Telegram

*The Acting Secretary of State to the United States Delegation at the Paris Peace Conference*

SECRET

WASHINGTON, September 9, 1946—7 p. m.

4689. Secdel 850. For ur further info re Tirana's 466 Sep 6 (rptd Paris 54 for Secdel).<sup>58</sup> Min without Portfolio Tuk Jakova recently visited Dept own initiative discuss treaties. Conversations unofficial character since Jakova without authority speak behalf Albanian Govt and Hickerson made clear he was not speaking officially for Dept.

Jakova indicated personal belief Albanian Govt might now be prepared recognize in principle validity treaties and agreements between US and Albania. He agreed Hickerson's suggestion it would be useful draft some language re status treaties which might, with approval Sec and Gen Hoxha, serve as basis official discussions between Albanian authorities and Amrep Tirana. Statement drafted substantially as follows:

*Begin* Albanian Govt accepts in principle all treaties and agreements between Albania and US in force Apr 7, 1939, date Italian invasion Albania.

Albanian Govt reserves right propose changes or termination aforesaid treaties and agreements on basis mutual interest. In this regard, any discussion treaties and agreements which are subject such proposals would begin after recognition Albanian Govt by US Govt and establishment diplomatic relations between US and Albania.

Pending possible changes or termination particular treaties and agreements accordance with their terms, both Albanian Govt and US Govt will carry out provisions existing instruments. *End.*

<sup>58</sup> Telegram 466, September 6, 1946, from Tirana, suggested that it might be helpful if someone on the United States delegation at the Paris Peace Conference discussed with Hoxha or one of the Albanian Foreign Ministry representatives then at Paris the Albanian note of August 13 on treaties. Jacobs added that "since multilateral treaties have been accepted, remaining questions of bilateral treaties and agreements and status this mission might be resolved or *modus vivendi* reached which would improve situation". (711.75/9-646) Telegram 4512, Delsec 918, September 10, from Matthews in Paris, stated that the question of Albania's position on treaties should be handled by the Department and not in Paris (740.00119 Council/9-1046).

Jakova stated he would communicate Hoxha and thereafter inform Dept PriMin's reaction. It was made clear to Jakova that Dept would understand above as differing only in language and not in effect from our originally requested assurance. Hickerson again emphasized unofficial character this interchange, stated that Dept would wish consult Jacobs before taking definite position, and pointed out necessity, in event US and Albanian authorities wish seek agreement along lines foregoing draft, for Gen Hoxha take matter up officially with Amrep Tirana. Thus far, Dept has recd no further word from Jakova re matter.

Dept does not propose reply Hoxha's unsatisfactory letter Aug 13 (Tirana's 433 Aug 18, being rptd Paris) just now in view possibility that Hoxha in light of foregoing may wish withdraw it and substitute letter giving assurances we desire. Should treaty question be resolved to US satisfaction, we believe inadvisable to specify formally new and additional conditions recognition (Tirana's 428, Aug 15 rptd Paris Sep 7) but would be inclined as alternative to notify Albanian authorities at time acceptance satisfactory treaty assurance that with establishment diplomatic relations US expects Legation staff will be accorded privileges and courtesies consistent international practice.

Sent Paris, rptd Tirana.<sup>54</sup>

CLAYTON

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740.00119 Council/9-2046: Telegram

*The Secretary of State to the Acting Secretary of State*<sup>55</sup>

SECRET

PARIS, September 20, 1946—5 p. m.  
[Received September 20—7:30 p. m.]

4725. DelSec 968. From the Secretary for Clayton. I wish that no steps be taken toward recognition of the regime in Albania at this time. Regardless of what Albania may do to accept the validity of our treaties, any recognition extended at this time would be widely misinterpreted.

[BYRNES]

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775.00/10-1046: Telegram

*The Representative in Albania (Jacobs) to the Secretary of State*

SECRET

TIRANA, October 10, 1946—5 p. m.  
[Received October 11—2:25 p. m.]

PRIORITY

517. October 8 Hoxha in talk before National Front conference out-

<sup>54</sup> As No. 159.

<sup>55</sup> The text of this telegram was transmitted in telegram 167, September 24, 1946, to Tirana, not printed.

lined Albania's foreign policy. Accused Great Britain using Saranda incident<sup>56</sup> which he described as regrettable pretext for not resuming diplomatic relations. With respect US, he stated what Department already knows to effect Albania has agreed recognize multilateral treaties and is prepared consider in friendly spirit bilateral treaties after recognition accorded, adding Albania was awaiting reply on this question from American Government.

October 9 paid farewell call on Hoxha accompanied by Henderson and spent 2 hours going over our problems. In substance he repeated what is said above with respect treaties stressing fact he was expecting reply from US.

Also discussed with him outstanding matters as employment alien interpreter and case Marinschak's wife concerning both of which he finally agreed that something would be done.

During course conversation, he advanced his usual lengthy specious arguments about everything especially alleged mistreatment Albania by US at Paris and New York.

Most of our time taken up trying to get across to him other factors which he seems to wish to ignore.

Henderson will submit mail report with details and I shall take up matter upon arrival in Washington.<sup>57</sup>

JACOBS

711.75/10-1646 : Airgram

*The Acting Representative in Albania (Henderson) to the Secretary of State*

SECRET

TIRANA, October 16, 1946.

[Received October 29.]

A-79. Reference Mission's telegram 517, October 10. Pursuant final paragraph telegram cited, submit following summary of 2-hour talk between Hoxha, Jacobs and myself October 9:

Jacobs stated I would assume charge of Mission in his absence and I was career officer. He then expressed thanks for courtesies and cooperation extended by Hoxha and Foreign Office during his stay in Albania, adding that, although some difficulties had arisen between Mission and Alb government, nearly all had been resolved (with exception of two he would mention later), and he therefore hoped to devote his undivided attention in Washington to major outstanding problem between U.S. and Albania, viz. bilateral treaties. However,

<sup>56</sup> On the morning of May 15, 1946, two British cruisers passing through the channel between the Island of Corfu and Albania were fired upon by shore batteries located near Saranda in Albania.

<sup>57</sup> Jacobs departed from Tirana on October 10, 1946, and Henderson assumed charge of the Mission.

he hoped that two pending problems of Mission caretaker's wife and imprisoned Mission translator could be solved prior to his arrival in Washington because, although issues were very minor from official international standpoint, they loomed large from his personal viewpoint which included smooth functioning of Mission. He then outlined background of efforts to bring Marinschak's wife from Italy to join husband here, and renewed earnest plea that her entry be approved; and pointed out serious handicap being sustained by Mission through lack of translator who has been arrested several weeks ago and not heard from since.

Hoxha thanked Jacobs for his kind words, on occasion of terminating his mission, regarding himself and Foreign Office, reciprocated compliments, ignored two pending problems, and began to discuss treaty question. He emphasized great concession made by recognizing multilateral treaties, and stated he was waiting for U.S. to extend recognition so that bilateral treaties could be discussed after diplomatic relations had been reestablished and U.S. Minister arrived.

At this point Jacobs called attention to fact that we were awaiting word from Alb government as to outcome of talks recently sustained between Tuk Jakova and officials of State Department, to which Hoxha replied that Jakova's visit to Department was purely courtesy call during course of which major outstanding problem of treaties had naturally been discussed, but inconclusively since Jakova had no authorization to speak officially or make any decisions.

Jacobs stated reasonableness of U.S. expectations that Albania would recognize validity of bilateral treaties prior to recognition, since he and U.S. Government had shown willingness to recognize Albania nearly a year ago. He mentioned that he had fully expected diplomatic relations to be resumed late in 1945, and was amazed that treaty question had hit unexpected snag at turn of year about same time that attitude of Albanian government had apparently undergone an unfavorable change toward U.S.

Hoxha then skipped treaty question, stated any change in government's attitude toward U.S. had been imaginary and provoked by unfriendly elements, since Albanian government felt from beginning and continued to feel nothing but friendliness toward U.S., to which Albania was bound by numerous important ties. But, he continued, the U.S. had certainly shown unfriendliness toward Albania by supporting Greek claims to Albanian territory at the Paris Conference, a circumstance which was incomprehensible to the new Albania in view of quantities of blood Albanian partisans had shed fighting for same cause as U.S.

At this point I begged to disagree with Hoxha by stating that U.S. had at no time supported Greek claims to Northern Epirus, to which

he countered by saying that according to his sources the developments of the Paris Conference showed conclusively that U.S. had openly supported Greek claims. I replied that we did not know his sources but that I could assure him that I had followed developments at Paris Conference particularly with regard to Albania, with closest scrutiny, and reiterated statement that U.S. had not supported Greek claims. He then said that I must be misinformed because it was a matter of record that U.S. had voted for Greece and against Albania at Paris. I asked him to explain what he meant by this statement; he replied that U.S. had voted in favor of placing Greek claims on agenda of Conference, which was naturally tantamount to voting against Albania.

Next 45 minutes consumed in apparently futile attempt to convince Hoxha that in voting to place Greek claims on agenda we were simply fulfilling our repeatedly announced policy to maintain independence of Albania and to give consideration to any claims for border rectification only at eventual Peace Conference, and voting to place this border question on Conference agenda in no way implied U.S. support for claim. Department may be interested in Hoxha's reaction to two analogies I drew to illustrate point: 1) I said that in U.S., for instance, concept of justice implied right of anyone to bring charges against anyone else and duty of courts to hear charges regardless of justness of charges; if charges were unfounded, court would quickly discover fact and throw them out without further ado; e.g. if Hoxha wanted to accuse me of being a thief, he would have the right to take the matter to court, where his accusation would be considered regardless of whether I actually was a thief or not. Hoxha's comment was that the analogy did not apply because I was obviously not a thief, anyway. 2) Trying a closer attack I said: "General, what would your reaction be if Albania sought to have placed on the agenda of the Peace Conference a claim for some region, such as, for the sake of argument, the Kossovo region; and if the U.S. delegation voted against giving Albania the right to air its claim at the Conference? Would you not feel that you should at least have the right to have your claim discussed and studied?" Hoxha's sole comment on this was "That is not an analogous case because we are not claiming the Kossovo region from our ally Yugoslavia." Unwilling to give up quite so easily, I stated that as far as allies went Greece had fought just as valiantly with the Allies and against the Axis as Yugoslavia, Albania or any other country, to which he replied that that was very true, and that every true Albanian had cooperated with Greece in its noble fight against the Axis, but that the present Greek government had forgotten this fact and was now denouncing Albania as an Axis satellite and attempting to rob it of half of its already reduced territory.

At this point, Jacobs made sound observation that to think that U.S. supported Greek claims to Southern Albania would be a contradiction in terms since U.S. had consistently maintained that Albania should remain independent, and if southern half of Albania were to go to Greece Albania could not remain independent.

Jacobs then said that, speaking personally and frankly, he felt that mistakes had been made by both Albania and United States during past year and a half. Albania, preoccupied with urgent problems of establishing stable, secure government, had perhaps overlooked international aspects of its efforts to achieve this; and U.S., preoccupied during same period with numerous international conferences of major import to world peace, had perhaps overlooked importance of small, though strategic, Albania.

In any case, he said, he hoped that treaty question would soon be ironed out so that diplomatic relations could be reestablished. He then reverted to question of Marinschak's wife and Mission translator, asking that as personal favor to him Hoxha solve these two problems.

Re translator Hoxha said he was unaware of details of case, but that his arrest certainly had no connection with fact he was translator for U.S. Mission; he understood handicap to Mission of lack of translator and promised to see that competent replacement be made available as soon as possible. Re Mrs. Marinschak, he said that difficulty lay in her not being U.S. citizen but instead a national of some satellite Axis state, that she would have to be investigated, and that Marinschak should not feel too badly over separation from his wife since many Albanians in U.S. had not seen their families in Albania for many years. In any case, he said, he would look into both matters and see if they could be arranged shortly.

Interview, whose tone was friendly throughout, ended on optimistic note.

HENDERSON

711.75/10-1946 : Telegram

*The Acting Representative in Albania (Henderson) to the Secretary of State*

SECRET

TIRANA, October 19, 1946—8 p.m.

US URGENT

[Received October 20—6:48 p. m.]

526. Dept will have noted from my press telegram 525, October 19<sup>58</sup> Hoxha in public speech 116 [*October 16?*] stated he did not understand what kind of work this mission does here and implied since its work is done it has no reason to remain. In formal talk two days ago

<sup>58</sup> Not printed; it transmitted the approximate text of Hoxha's speech of October 16, 1946, at the opening of the Albanian Youth Congress as printed in the newspaper *Bashkimi* on October 17 (711.75/10-1946).

with Acting [Secretary?] General of Foreign Ministry elicited admission he had not known of Hoxha's idea on subject before they were publicly expressed: only interpretation he vouchsafed was possibly Hoxha was preparing ground for request to send similar mission to US. Although this explanation not to be discounted there is wealth evidence pointing to fact regime is trying force issue of US recognition and emotional language Hoxha on this subject in Youth Congress, speech was simply latest strongest manifestation of resentment over snubbing by UNRRA, UN and Paris Conferences, aggravated by continued delay in progress on obtaining US recognition. Reference Jacobs' telegram 517, October 10; my telegram 521, October 14,<sup>59</sup> A-79, October 16 and my press telegram 524, October 18.<sup>60</sup> Two most likely major factors are increasing domestic pressure (even in GCP and government councils) over nonrecognition; and regime's natural resentment over international treatment cited especially dual grievance at Paris Conference veto of reparations from Italy and Anglo-American vote to hear Greek claim to southern Albania.

Sequence events leading up to Youth Congress speech:

(1) Oct 7 at opening Democratic Front Conference Hoxha mouthed usual Communist line for Balkans then launched into nub of address which was declaration on foreign policy devoting 10 minutes on discussion treaty issue with US; his reasoning so warped that when Jacobs paid him farewell visit following day we tried largely in vain to set him straight on real issues involved.

(2) Oct 9 during this visit Jacobs (A-79) did mention he had completed his main task year ago when he recommended recognition but prefaced remarks by stating I would be in charge Mission during his absence and would act as local liaison for Dept and himself in efforts iron out differences over bilateral treaties in relation recognition. After visit Jacobs reproached himself to me over failure bring up vital question exit visas Albanians and asked me write firm note after his departure to Foreign Minister on subject emphasizing latter's failure answer two previous notes on question and urge need for favorable action.

(3) Oct 12 pursuant Jacobs' request (underscored by fact Vice Consul Hoffman on eve his departure previous week sent word number turned away by him to call at Mission to obtain passports) I made last-minute attempt break deadlock on exit visas before midnight Oct 13 (my telegram 521 cited) by sending sincere and friendly, but forthright, letter Hoxha pointing out hardship to US citizens exposed loss of citizenship if prevented longer leaving Albania; inclosing Dept's press release No. 66, Sept 20;<sup>61</sup> explaining grounds for same;

<sup>59</sup> Not printed.

<sup>60</sup> Not printed; it transmitted an excerpt from Hoxha's October 7 speech at the opening of the Albanian Democratic Front convention (711.75/10-1946).

<sup>61</sup> On September 20, the Department of State issued to the press a statement regarding the action by the Albanian authorities in declining to issue to American citizens, who were also considered to be citizens of Albania, permits to leave Albania for the purpose of returning to the United States. For text of statement, see Department of State *Bulletin*, September 29, 1946, p. 581.

drawing relationship between Albanian Government's attitude this matter and reluctance US establish diplomatic relations with Albania prior acceptance by same of "treaties which constituted an outward expression of the close ties both governments recognize as having existed for many years between Albania and US"; suggesting reasonableness of his instructing appropriate authorities facilitate issuance exit permits to these citizens; thereby offsetting unfavorable impression created by negative attitude mentioned reassuring US of "your sincere intention to arrive at a mutually acceptable basis for resumption diplomatic relations and righting unintentional wrong that will otherwise be done to those citizens".

(Jacobs Naples has full text letter sent out on special plane take out his effects. Have wired him forward Dept soonest).

(4) October 16—Hoxha postponed for 2 days inauguration Youth Congress to allow him to prepare speech dealing in part with status this Mission (mytel 525 cited). If, as suspected, he also consulted Russians and Yugoslavia, it would lend support to thesis that present move may be another thrust to test how far we will go in support of our position, namely, that we played major role in liberation of this, and so many other countries, that we have definite interest in all that occurs here, and have legitimate right to have representation here in support of these interests. Russians and Yugoslavs would prefer that we have no representation here, or at most representation of purely formal kind while their representatives, advisors, and technicians run wild over country as they are doing. Still another factor behind Hoxha's blunt query as to what kind of work this Mission has been performing may have been his knowledge that Mission has recently been issuing passports to Albanian Americans possibly leading him to believe that US only indifferently interested in changing status of Mission and willing to continue its anomalous position indefinitely so long as it could go ahead performing certain diplomatic and consular functions without undue hindrance. As Department knows, until recently Mission was not authorized to extend recognition or protection to US citizens, and it is even not attempting to do so in precarious circumstance.

Present situation therefore seems to call for clarification status Mission pending recognition (telegram 428, August 15, Jacobs therefore advised this step). Since no action taken yet answer Hoxha's note August 13 (despatch (?) 7[307] August 16)<sup>62</sup> suggest Department instruct me reply that note possibly in following sense: offer of recognition November 19, 1946 [1945] came about through effort Mission and Jacobs who made one trip Washington for consultation, Hoxha has been assisted in study treaties through being provided with true copies treaties and through such verbal interpretation is [as?] he permitted to facilitate his understanding; Mission continues facilitate clarification and exchange views between Hoxha and Dept and keeps latter informed events having bearing question recognition which through no fault US has not been consummated; after supplying Hoxha with true copies treaties early this year neither Mission nor Dept responsible for

<sup>62</sup> Despatch 307, August 16, 1946, from Tirana, not printed. Hoxha's letter was also transmitted to the Department in telegram 433, August 18, from Tirana, p. 24.



delay while Hoxha and associates studied treaties to determine what if any provisions might be detrimental interests Albania, Hoxha's letter August 13 neither fulfills adequately conditions recognition set forth in November 1945 US note nor suggestions practicable alternative, since there appears be required further exchange views and information pertinent to entire problem recognition and essential a final adjustment question, Mission prepared provide necessary liaison and other assistance Hoxha and Department in working out acceptable procedures which there is every hope will lead to full recognition and to exchange of representatives on more formal basis.

It might also be pointed out that until this summer Albanian Govt refused even discuss treaty question and has now resorted to one-sided public presentation its case instead discussing it with Jacobs or myself.

If Dept agrees it would seem desirable give publicity such communication both here and in Washington after delivery.

Please instruct urgently.

HENDERSON

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711.75/10-2946 : Telegram

*The Acting Representative in Albania (Henderson) to the Secretary of State*

SECRET

TIRANA, October 29, 1946—3 p. m.  
[Received October 29—2:50 p. m.]

538. Although communiqué transmitted press telegram 536 October 28 (sent Caserta 218)<sup>63</sup> may be subject ambiguous interpretation actual text rebuts Dept's press release by denying that any official requests have been made to appropriate authorities by persons claiming US citizenship and possessing documents to prove it. Moreover, communiqué openly states such preliminary requests by interested persons would if made, assist such persons to regulate their status once diplomatic relations resumed.

Basic statement communiqué denies facts. At least 30 US citizens this category have applied for exit permits from Korcha police chief and/or Ministry of Interior Tirana. At Korcha they have been refused exit permits but their US passports have been retained by police chief with promise to return them if and when exit permits accorded. Each such person is in possession valid recently-issued Albanian document of identification giving "American" as nationality.

Those who have applied Ministry Interior have simply been refused exit permit with vague explanation or none at all.

These facts alone (which we re-pointed out to Hoxha in my letter October 12 remytel 526, October 19 and in two previous notes cited in the letter) give lie to communiqué.

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<sup>63</sup> Not printed; it transmitted the text of an Albanian communiqué on the United States protests against the efforts by Albanian authorities to prevent the return to the United States of Albanians who had acquired American nationality (711.75/10-2846).

Do not wish approach Govt this subject without Dept's specific instructions which, however, I will welcome.

Although communiqué probably responds in part US accusation Albania discriminating against American citizens over exit permits (heard here in BBC broadcast linking this with US "slave labor" note to Yugoslavia <sup>64</sup>) it is believed basic motivating factor was Dept's press release September 20 sent Hoxha as enclosure my letter cited. If so, Hoxha apparently wishes ignore letter and arguments therein while indirectly replying to it through communiqué. Regime thus makes one more move in maneuver force recognition issue.

In this connection notwithstanding, Hoxha's Youth Congress speech insinuating Mission should depart since it has no reason for being here, Mission continues function as it has in past and cordial notes continue to be exchanged with Foreign Office which has not ceased to take official cognizance Mission's presence.

Awaiting Dept's instructions re this telegram and my 526 cited.

Sent Department 538, repeated Caserta 220.

HENDERSON

711.75/10-1946 : Telegram

*The Acting Secretary of State to the Acting Representative in Albania  
(Henderson)*<sup>65</sup>

SECRET

WASHINGTON, November 2, 1946—2 p. m.

US URGENT

199. After careful consideration all aspects situation (urtels 526 Oct 19 and previous), Dept has decided on immediate withdrawal US Mission from Albania. You are therefore instructed address informal letter PriMin Hoxha as follows:

"Since arriving in Tirana on May 8, 1945 to survey conditions in Albania in connection with the question of US recognition of the existing Albanian regime, the informal US Mission has sought to bring about mutual understanding and the establishment of diplomatic relations between the Govts of the US and Albania. Despite US endeavors in this regard, and in the absence of a satisfactory response from the Albanian Govt to the offer of recognition which was tendered by the US Govt in Nov 1945, the Mission has been unable to achieve the purposes for which it was originally sent to Albania.

In the circumstances, although my Government retains its sentiment of warm friendship for the Albanian people, it does not feel that there

<sup>64</sup> Reference presumably is to the United States note delivered to the Yugoslav Foreign Ministry on October 18 protesting the use by Yugoslav authorities of American citizens for slave labor. For text of note, see Department of State *Bulletin*, October 27, 1946, p. 761.

<sup>65</sup> This telegram was repeated to Caserta as 235, to London as 7517, and to Moscow as 1928.

is any further reason for the Mission to remain in Albania. The US Mission is accordingly being withdrawn.”

You should proceed at once with preparations to close Mission. Administrative instructions will follow in separate tel.<sup>66</sup>

Dept will announce press withdrawal Mission upon receipt your urgent tel reporting delivery above letter.

ACHESON

711.75/11-746: Telegram

*The Acting Representative in Albania (Henderson) to the Secretary of State*

SECRET  
US URGENT

TIRANA, November 7, 1946—5 p. m.  
[Received November 8—6:10 a. m.]

551. Following text Hoxha letter received 10 a. m. today in reply to mine November 5:

“I have the honor to advise you that I have received your letter of November 5, 1946 in which you state: ‘There is not any further reason for the Mission to remain in Albania. The US Mission is accordingly being withdrawn’.<sup>67</sup>

More than 18 months ago the US Government asked Albanian Government for permission to send an official American Mission to Albania, headed by Mr. Jacobs who would report to American Government on conditions in Albania with respect to question of recognition of Albanian Government by US Government. This American Mission was well received by us and it was given all possible opportunities and facilities to accomplish its purpose. For 18 successive months your Mission moved about (se promenade) freely to the four corners of Albania, in villages and cities without at any time finding any hindrance to its work which was to be solely informative in connection with recognition of our government. In spite of the fact that the nature of the American Mission was specifically limited as outlined above and that its work was, in effect, completed as of the date of delivery of American note of November 12, 1945,<sup>68</sup> wherein were stated the conditions for recognition of our Government, the American Mission had not only continued to remain in Tirana but our government, with the greatest generosity and kindness, has permitted the entry and transfer of many employees and various friends of Mission which repeatedly requested clearances for them. Our Government with greatest generosity, has given the American Mission numerous opportunities even better to observe conditions in Albania and important developments in Albania, as for example, the elections of November '45<sup>69</sup> and many others.

<sup>66</sup> Further instructions for the withdrawal of the Mission were contained in telegram 203, November 7, 1946, to Tirana (124.75/11-546).

<sup>67</sup> For text of the letter delivered by Henderson to Hoxha on November 5, 1946, see telegram 199, November 2, to Tirana, *supra*.

<sup>68</sup> See footnote 22, p. 10.

<sup>69</sup> For report on the Albanian elections of November 1945, see telegram 224, December 11, 1945, from Tirana, *Foreign Relations*, vol. iv, p. 77.

Chief Commissioner Jacobs has expressed to me many times his enthusiasm for the constructive work being carried out in our country, for the heroic ways of Albanian people, for our stable democracy and for the fine sentiments of peace and generosity of Albanian people and their government. Chief of American Mission himself has told me many times that his reports to American Government with respect to recognition of our government have been very favorable and even that for him it was astonishing American Government had placed conditions on recognition our government. Mr. Jacobs characterized this condition to me after his first return from Washington as a 'last minute question' that he knew nothing about and which had been added by some technician of State Department.

The last minute condition which was added by some technicians of State Department and which Mr. Jacobs told me about was nothing but acceptance by us of some treaties which existed between US and some previous governments of Albania. The condition put to us for recognition was not a simply technical matter the way Mr. Jacobs tried to represent it, for the results demonstrate that it was purely a question of principle and the American Government raised it and used it as an obstacle of the first rate to the reestablishment of diplomatic relations between our two countries. With regret we have also noticed that during all this time the question of treaties has been employed as an argument by American Government to oppose all our legitimate demands in international field earned with blood and sacrifices. But just as for American Government treaty question is matter of principle and this principle is defended insistently by American Government in the same way, this question is for matter of principle that we too have every right to defend in the interest of our people.

On part of our government it has always been endeavored to find solution to this question which impeded establishment diplomatic relations between our two peoples which are united by close friendship in past and in recent common war. Albanian people have nourished and have a great sympathy for friendly American people and regret much to see that pretexs and questions are being created to impede the best development of this friendship. Throughout period of negotiations on question treaties American Mission at Tirana not only did not show any warm interest in adjustment of differences but also its long and unjustified stay was used to create even greater difficulties in way of attainment satisfactory results. Fact is American State Department has time and again issued alarming and false communiqes in relation to treatment received by American Mission from Albanian authorities.

Convincing proof that Albanian Government has always been ready solve question treaties and recognition our government in the most amicable manner and without threat to interests of two countries, is our note of August 13 this year through which we agreed recognize all treaties of internal [*multilateral?*] character which existed between US and Albania and as to other two or three bilateral treaties they would be taken under examination immediately upon arrival American Ambassador Tirana. This was great concession that we were making for sake of friendship which ties us to American people because circumstances under which history of our people has developed, cir-

cumstances and people who have signed these prewar treaties on behalf of Albania and conditions and spirit created by anti-Fascist war have also brought with them indispensable examination of all prewar agreements which existed between our country and other states. Albanian people who have fought for and won their liberty, independence and sovereignty had a full right to correct that which in their bitter past had been done in open contradiction with their vital interests. Great democratic American people will be the first to approve our just point of view.

But unfortunately, American State Department and its Mission at Tirana has not even deigned to give an answer to our note which contained a sound basis for resolving the matter and for establishment of friendly relations between our two countries. Under these circumstances and in view of complete silence which met our favorable and friendly propositions expressed in our note August 13, 1946, we do not wish to believe that American State Department does not take with due seriousness question of diplomatic relations with Albania and the continuation and reenforcement of friendship between our two peoples.

Albanian people and their government have confidence in the American people and will conserve friendship which they bear them and are always seeking friendly spirit to reenforce on just and sound bases this friendship which many persons in American State Department and the American Mission at Tirana have undervalued. With distinguished salutations signed Enver Hoxha."

HENDERSON

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[On November 8, 1946, the Department of State released to the press a statement respecting the withdrawal from Albania of the American Mission; for text, see Department of State *Bulletin*, November 17, 1946, page 913.]

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124.756/11-1746 : Telegram

*The Acting Representative to Albania (Henderson) to the Secretary of State*<sup>70</sup>

SECRET US URGENT  
 NIACT

CASERTA, November 17, 1946—6 p. m.  
 [Received November 17—7:27 p. m.]

811. From Henderson. ReDeptel 251, November 16.<sup>71</sup> In retrospect a number of Hoxha's veiled allusions to Mission and certain members of it in speeches during month of October now take on addi-

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<sup>70</sup> Henderson and members of the American Mission departed from Albania and arrived in Italy on November 16, 1946.

<sup>71</sup> Not printed; it requested information and comment on the trumped-up charges against Fultz and the United States made in the course of a trial in Tirana of Albanians accused of sabotage (124.756/11-946). Fultz and other employees of the American Mission in Albania were alleged to have instigated and subsidized sabotage activities at a drainage project on Lake Maliq, near Korçë.

tional significance: (a) In Front speech of October 7, Hoxha took pains to outline specific duties for which Mission sent to Albania; (b) In Youth speech October 16, he pursued this tack to point of asking bluntly what Mission was doing in Tirana since its legitimate function had been completed months before; (c) In his reply to letter announcing Mission's withdrawal, he made several references to unfriendliness of certain members of Mission and drew distinction between great American people on one hand and on the other the State Department and certain members of the State Department Mission in Albania. These moves by Hoxha are unexplainable on the basis of actual facts and the normal and legitimate activities of the Mission. Secretary General of the Foreign Office himself admitted to me that he was at a loss to explain meaning behind Hoxha's statements in Youth Congress speech. Therefore it can only be assumed that Hoxha, by taking above steps, had begun build-up for saboteurs' trial which he had already planned for purpose of providing dramatic answers to his questions and innuendos. Department will recall that my 531<sup>72</sup> reported that secret preparations for trial, including torture of five Albanians, had already begun as early as October 23.

Ultimate objectives of trial may be summarized as follows: (a) To discredit US-UK role in UNRRA by fantastic charges re Maliq Lake alleged sabotage; (b) to justify to Albanians departure US mission; (c) to discredit Fultz and his many friends in Albania (including high placed Albanian Government officials); (d) to "explain" Albanian Government's failure to complete highly-touted project for drainage Maliq swamp by November 28.

It would seem that US decision withdraw mission caught Hoxha with his stage half set, that he therefore kept news of mission's withdrawal secret as long as possible, began trial 2 days after he learned of US decision and then revealed one-sided version of mission's departure, only after trial had attempted smear Fultz and Mission. Following facts bear out this conclusion: (a) News of mission's withdrawal was kept secret in Albania for 4 days, i.e., until Department's press release November 8 announced withdrawal, but first passing reference to mission's departure appeared in *Bashkimi* only on November 10 and full text of Hoxha's reply to my letter was not published until several days later (text of my November 5 letter was, of course, never published).

In connection with emphasis in trial on large sums of gold Fultz alleged to have passed on to saboteurs through UNRRA's Woodward as well as directly to one of trial defendants, Department should bear in mind that Albanians know mission ceased selling gold to Albanian

<sup>72</sup> Not printed.

State Bank in August. . . . The following are facts re Fultz' "acquaintance with persons being tried".

(1) (Known) Abdyl Sharra, chief engineer of project, graduate of technical school. Met twice since Fultz' return Albania, once early summer 1945, conversation less than 5 minutes each occasion, no other communication of any kind.

(2) (Unknown) Vasil Mano, engineer Sharra's staff, purportedly one of three chief conspirators with Sharra and Mano's wife, name unknown to Fultz up to first day of trial.

(3) (Unknown) Zyrika Mano, wife of Vasil, name unknown to Fultz up to first day trial.

(4) (Known) Kujtim Beqiri, engineer graduate of technical school, met twice since return, brief call May 1945 and once autumn 1945 at bridge ceremony, no other communication of any kind.

(5) (Known) Pande Zografi, technician known as student at technical school, not met since Fultz return Albania. Plays minor role in trial.

(6) (Unknown) Other witnesses and minor defendants in trial unknown to Fultz, including two Italians and Aleks Vasili, Albanian.

Fultz' casual meeting with Sharra and Beqiri took place months before Maliq project was started and had no connection therewith; Fultz did not know Sharra was director of project until fact brought out in trial.

Albanian Government over year ago began discouraging Albanian citizens from associating with Mission and since the beginning of year this policy has been enforced to point of terrorization. For this reason, all former students of technical school have avoided meeting Fultz or communicating with him in any way.

On basis of its experience in Albania during past year, Mission can reliably state that following methods of torture are used by Hoxha regime for purpose of obtaining false confessions: Gashing leg, filling with salt, victims are known to have actually exhibited such wounds; electric current through decayed teeth or through bone in rear of ear; prolonged immersion in cold water up to neck; beating; splinters under fingernails; going through all preparations for execution even to firing blanks.

With regard to present trial, (1) above methods so well known that prisoners out of sheer terror may have made false confessions in hope of being spared or promise of being spared; (2) photograph of defendant Sharra during trial shows drawn emaciated features as evidence of torture and pressure.

Another aspect of case that should be noted is that Kujtim Beqiri on witness stand denied receiving any gold from Fultz or anyone else or of having received any instructions to delay work on project. Beqiri's denial was not only heard in court room but also over public

address system transmitting verbatim trial proceedings public in street outside court room. Official government organ *Bashkimi*, on other hand, published alleged confession that he had received 250 gold naps [*bars*] at one time, 200 at another.

[HENDERSON]

124.75/11-1846: Telegram

*The Acting Representative to Albania (Henderson) to the Secretary of State*

SECRET US URGENT  
 NIACT

CASERTA, November 18, 1946—6 p. m.  
 [Received November 19—12:45 a. m.]

813. From Henderson. Reference Department's telegram 251, November 16.<sup>73</sup> Systematic account principal incidents in connection withdrawal Mission follows:

(1) November 5. On Department's instructions deliver letter immediately to Hoxha if necessary to his residence I managed bring French text of letter to Hoxha's attention at his residence at about 1 p. m. despite his refusal to receive me (my telegram 549, November 5).<sup>73</sup>

(2) November 6. Received an Albanian text Hoxha's reply which was simultaneously translated from Albanian to French to English with help French Legation translator and telegraphed urgently to Department.<sup>74</sup>

(3) November 7 *Bashkimi* dramatically prepares public for opening of saboteur trial November 8.

(4) November 8 Trial of alleged saboteurs began for purpose discrediting Mission and preparing for Albanian consumption false justification Mission's departure.

Department press release announces instructions for Mission's withdrawal.

(5) November 9 simultaneous notes 10 a. m. to Foreign Office requesting exit visa entire staff, clearance for Navy ships to enter Albanian waters and use of cargo lighter for transferring freight from dock to cruiser outside port.

2 p. m. Receive *note verbale* in which Foreign Office informs American Mission that its Mr. Fultz considered undesirable by Albanian authorities and Mission requested take measures his departure Albania briefest delay possible.

2:30 p. m. Send *note verbale* stating Fultz will depart November 14 as already indicated in Mission's prior note requesting exit visas for entire staff.

<sup>73</sup> Not printed.

<sup>74</sup> For the text of Hoxha's reply, see telegram 551, November 7, from Tirana, p. 36.



(6) November 10 *Bashkimi* carries passing reference to impending departure of Mission America. Receive *note verbale* refusing "with astonishment" request for ships clearance.

Send second *note verbale* explaining sole reasons for original request and requesting reconsideration in light thereof.

P. M. Oral refusal exit permit for Marinschak; oral insistence that I will not depart without him.

(7) November 11 second *note verbale* in a. m. refusing reconsider ships clearance. Another Foreign Office *note verbale* transmitting passports with exit visas for all.

(8) November 12 at noon see Konomi (Foreign Office Secretary General) who agrees orally to grant my request for lighter and tug to transport personnel and effects from dock to destroyers at 3-mile limit. Express to him my fears re alien personnel; he replies they have nothing to fear providing they support Albania's "new democracy" but that if they have opposed or criticized government they will of course be imprisoned.

P. M. Send *note verbale* confirming oral request which I am assured will be approved in writing immediately. My staff waits until midnight to transmit approval to Navy through Caserta but reply not forthcoming.

Radio operator reports intensified Albanian jamming has reached point where contact with Caserta impossible, spends until 1 a. m. trying transmit message informing Caserta that no reply yet received from Foreign Office.

(9) November 13 in a. m. finally receive *note verbale* approving lighter request, etc., and stating Albanian pilot will show ships where to anchor 10 kms off shore.

Noon UNRRA Chief Floud finally constrained adopt firm stand re false charges against UNRRA officer Woodward and delivers ultimatum to Hoxha (my telegram 572, November 13, point 3).<sup>75</sup>

P. M. Protest to Konomi by phone that Albanian station within five mile radius our transmitter jamming our radio channels so thoroughly we cannot relay to Navy Albania's instructions re ships; Konomi pretends not understand but then promises look into it. Jamming stops soon afterward.

<sup>75</sup> Telegram 572 was an omnibus message reporting on the week's events in Albania. Point 3 of the telegram reported on the efforts of Peter Floud, Chief of the UNRRA Mission in Albania, to have the Albanian Government withdraw its demand for the expulsion from Albania of UNRRA employee Frank Woodward and to obtain an official Albanian Government statement exonerating UNRRA of any complicity in alleged sabotage at Lake Maliq. (124.75/11-1346) The crisis between the Albanian Government and UNRRA at the end of 1946 over the allegations made against UNRRA employees during the trial in November 1946 of alleged Albanian saboteurs is described in George Woodbridge, *UNRRA: The History of the United Nations Relief and Rehabilitation Administration* (New York: Columbia University Press, 1950), vol. II, pp. 175-177.

4 p. m. French Minister <sup>76</sup> finally gets word from Paris to assume custody United States premises; none of Department's instructions on this point could be complied with prior to this date and hour.

6 p. m. Epstein (UNRRA port officer at Durazzo) phones me Albanian authorities there have no word re our ships. Only person I can raise at Palace is Prifti Secretary General of Prime Ministry who knows nothing about matter but promises contact Konomi when I point out dangers inherent in situation where Foreign Office gives me assurances re ships (which I pass on to ships) but fails advise port officials Durazzo. Three minutes later Konomi phones me to state he will look into matter. Five minutes after this Konomi calls again to state instructions have now been given at Durazzo and asks what time I will leave Tirana because Chief of Protocol will represent Foreign Office and escort me to Durazzo. When I call Konomi back 10 minutes later to point out we have no passes to get by road blocks en route Durazzo he assures me Albanian Government will see that absolutely no difficulties or obstacles are put in my path in departing from Tirana via Durazzo.

(10) November 14 staff works through previous night in effort comply Department's administrative instructions, etc.; am in Durazzo when ships arrive off limit Albanian territorial waters, no pilot in evidence to assist ships find proper anchorage in narrow mine-swept channel so they anchor nearly 10 miles off Durazzo. UNRRA owned but Albanian operated tug approaches ships after they are anchored but no one aboard speaks English; tug therefore returns to port. Long-boat from USS *Noa* enters port to contact Epstein re cargo loading details then returns to destroyer.

Am in Tirana burn codes and confidential records; prepare inventory transfer documents for French to sign also receipts and accounts for cash as well as credits for gas, oil, etc., sold to French. Write notes to Foreign Office re French assumption custody our premises, re list of United States citizens and passport data left with French in case exit visas should be authorized for such persons, etc.; notes to other Legations informing departure Mission and French custody of premises; letters to post office re future mail and to newspapers re delivery unused subscriptions to French Legation.

P. M. Three minute flag lowering ceremony attended by French Minister, painful farewells native staff.

Drive to Durazzo in convoy of three Jeeps and Hudson carrying United States and Albanian flags. No stops at any of road blocks en route (as Konomi had predicted). Flat tire on Hudson 3 miles from Durazzo; half hour delay. One hour delay in Durazzo for passport

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<sup>76</sup> Guy Menant.

and visa inspection attended by usual inquiries into family history each person.

While Security Police checking passports Protocol Chief Zoto (whose office had issued note requesting expulsion of Fultz and who had confirmed "official" condemnation of Fultz same day of note by pointedly refusing recognize me at formal Soviet Legation reception) to our amazement included Fultz personally in ceremonious greetings of Foreign Office on occasion Mission's departure.

Another hour delay to drive Jeeps onto lighter on precarious beams in lieu of ramp. Epstein having informed me on arrival Durazzo that Albanians insisted all cargo and personnel go out on single trip of lighter and two tugs we were obliged to begin trip to *Noa* at 7 p. m. in storm which had sprung up after our arrival Durazzo. All personnel with few bags removed from Hudson on dock obliged to board one tug with assurance second tug towing lighter with all cargo and effects would follow first tug out to *Noa*. (Just before boarding tug at dock Zoto again extended to Fultz as well as myself ceremonious farewell and good wishes of Foreign Office, immediately after which I handed him letter to Hoxha re Fultz; see Caserta's 810, November 16.<sup>77</sup>)

Fifteen minutes out of port I inquired from tug captain why other tug with lighter not following; was informed to my amazement that tug and lighter would not come out until seas calmer. Too late to turn back and perhaps leave women on shore; I had to go on out anyway at least to request destroyers remain till morrow.

Two hour tug ride to ships 10 miles out completed in heavy seas which had even Albanian crew concerned over danger capsizing. Most of men, all women, violently sick (my wife in seventh month pregnancy).

Heavy seas where ships anchored rendered impossible making tug fast to *Noa*. I relayed Captain Whitehurst's orders through megaphone to tug captain via Albanian sailor in Italian which he translated into Albanian. Ten foot waves frightened tug captain to point where he wanted return without transferring passengers. However we managed secure single hawser from ship to bow capstan of tug, each time Albanians tried to throw it off destroyer winch tightened up to foil such attempts. Then with tug bouncing like cork on destroyer's beam we transferred staff to *Noa*. Each person stood on one foot deck of tug (secured by Marinschak and myself against being washed overboard), donned life jacket with safety rope attached and held by men on destroyer, waited for precise second when tug deck about level with destroyer deck and not more than 3 feet of water between hulls at

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<sup>77</sup> Not printed.

which point we threw person toward waiting hands of destroyer crew who grabbed outstretched arms and pulled person to safety. Each detail directed by Whitehurst without whose specific orders I refused allow anyone be lifted from tug. Unknown to me one woman was passed over to destroyer by anxious to depart Albanians toward stern of tug without benefit of life jacket, rope or Naval officers calm instructions; all staff rescued safely however.

(11) November 15. Ships waited 'till noon following day in fairly heavy seas with one mine sighted 200 yards off beam one ship and with anchors dragging in late forenoon. No signs of any craft from shore. In view peril of ships in such conditions no prospects improved weather in p. m. and need for ships return Naples soonest I reluctantly told Whitehurst at 12:20 he could weigh anchors since nothing on shore was worth risking men and ships any longer. We accordingly departed at once leaving everything, including hand luggage, at Durazzo and without any means advising Epstein our decision. Sent wire from *Noa* to Caserta asking UNRRA and French Embassy Rome contact their Missions Tirana to explain situation and arrange for things to be shipped out soonest by plane and UNRRA boats.

(12) November 16 arrived Naples 1400 hours.

Ironic sidelight: Epstein informed me at Durazzo that Albanian Government would charge nearly \$1,000 for "loan" of UNRRA owned tug and lighter.

[HENDERSON]

## BULGARIA

### INTEREST OF THE UNITED STATES IN THE ESTABLISHMENT OF DEMOCRATIC GOVERNMENT IN BULGARIA; THE QUESTION OF THE EXTENSION OF DIPLOMATIC RECOGNITION TO THE BULGARIAN GOVERNMENT

874.00/1-446 : Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

SECRET

SOFIA, January 4, 1946—6 p. m.

[Received January 8—2:47 a. m.]

13. Remytel 12, January 4.<sup>1</sup> Petkov<sup>2</sup> told me last night that he was pessimistic as to possibility of any real broadening of Government at present time but that he was optimistic with respect to future of real democracy in Bulgaria. He said that events of July and August last year had given opponents of Communist domination opportunity necessary to mobilize public opinion against one-party system of FF<sup>3</sup> and that neither Bulgarian Communists nor Russia could ever regain ground lost by them during those two vital months in Bulgaria's post war history. He said that he was not depressed by Moscow decision, although it might serve to delay somewhat further time when free elections will appear imperative to all, even FF and Russians. He said that by agreement to advise Government to broaden basis Russia has publicly acknowledged existence of important opposition and nonrepresentative character of present Government. This is a fact that cannot easily be erased from record.

Petkov expressed understanding of need to bring Russia into United Nations Organization so that ultimately collective opinion of all peace-

<sup>1</sup> Not printed; it reported that on January 3, 1946, in accordance with the "friendly advice" given by the Soviet Government in connection with the decision of the Moscow Conference of Foreign Ministers, the Bulgarian Government had authorized the opening of negotiations with Bulgarian democratic opposition parties on the question of broadening the Bulgarian Government (874.00/1-446). The Tripartite Conference of Foreign Ministers at Moscow, December 16-26, 1945, had decided that the Soviet Government would assume the responsibility of advising the Bulgarian Government regarding the inclusion of opposition party representatives in its membership. For text of the decision, see item VI of the Report of the Conference, December 27, 1945, telegram 4284, December 27, 1945, from Moscow, *Foreign Relations*, 1945, vol. II, p. 822. For additional documentation on the Conference, see *ibid.*, pp. 560 ff.

<sup>2</sup> Nikola Petkov, Secretary General of the Bulgarian National Agrarian Union.

<sup>3</sup> Fatherland Front, a coalition of Bulgarian political parties dominated by the Bulgarian Workers' Party (Communist). The current Bulgarian Government was formed from the Fatherland Front.

loving nations may be brought to bear on Russian policy wherever it disregards will of world as whole to cooperate in interest of peace. He said that in this respect he was of opinion that Mr. Byrnes had attained considerable success at Moscow and that if Bulgaria could aid in exploitation of this success by further patience, he and his supporters were quite prepared to "take matters as they come" and not to insist upon immediate solution of Bulgarian problem. However, he made it clear that opposition is unanimous in opinion that it should not enter FF Govt unless Ministry of Interior is relinquished by Communists and agreement is reached for early dissolution of Parliament and holding of free elections on basis of separate lists.<sup>4</sup>

Sent Department; repeated to Moscow as 7.

BARNES

874.00/1-346 : Telegram

*The Acting Secretary of State to the Representative in Bulgaria  
(Barnes)*

SECRET

WASHINGTON, January 12, 1946—10 a. m.

10. For Barnes. Reurtel 9 Jan. 3<sup>5</sup> and related messages. For your own background information during the discussions at Moscow Molotov<sup>6</sup> and Stalin took the line that the Soviet Govt would agree to no proposal in regard to Bulgaria which would not accept the results of the Bulgarian elections and that there could be no question of a reorganization of the Govt which is responsible to the National Assembly. However, Stalin subsequently suggested that perhaps the Assembly could be advised to include some members of a loyal opposition in the Govt. Accordingly, after considerable discussion and serious consideration by the US Delegation as to whether it would be preferable to reach agreement in this manner or to make no agreement in regard to Bulgaria, and considering the larger issues involved and overall relationships the text as given in the Conference communiqué was finally agreed. In course of these discussions question of neutralization of Ministry of Interior was raised but the Soviets were intransigent in that connection.

<sup>4</sup> In telegram 50, January 14, 1946, from Sofia, Barnes reported having been told by Petkov that "the opposition would not feel 'let down' with respect to Yalta if all limiting conditions in the matter of recognizing the Govt were dropped, except that general elections for a new ordinary assembly be held in the spring or early summer under the Govt's guarantee of freedom such as now had been given by the Rumanian Govt and as was previously given by the Hungarian, Austrian and even the Albanian Govts". (874.00/1-1446)

<sup>5</sup> Not printed; in it Barnes expressed his chagrin at not having been informed by the Department regarding the discussions on Bulgaria at the Moscow Conference of Foreign Ministers (874.00/1-346).

<sup>6</sup> Vyacheslav Mikhailovich Molotov, People's Commissar for Foreign Affairs of the Soviet Union; after March 15, 1946, Minister for Foreign Affairs.

It should be noted that it was understood that the Brit and US Govts reserve to themselves the right to determine at what point they shall become convinced that the advice of the Soviet Govt has been accepted by the Bulgarian Govt and recognition shall consequently take place. Thus recognition is not to be automatic upon the inclusion of any two additional members in the Govt and will not follow unless the individuals selected, in our opinion, meet the two conditions specified. The determination that the conditions have been met to our satisfaction will, as indicated by the President,<sup>7</sup> be for us to decide. On the other hand, it is anticipated that the opposition will on their part make a sincere effort to assist in good faith in the implementation of the agreement as concluded.

ACHESON

874.00/1-1246: Telegram

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*The Representative in Bulgaria (Barnes) to the Secretary of State*

SECRET

SOFIA, January 12, 1946—11 a. m.

US URGENT

[Received January 13—5:07 p. m.]

47. Early this morning Vyshinski left for Moscow.<sup>8</sup> I had brief talk with him at reception given by PriMin<sup>9</sup> last night. He said that he had had no success whatever with Opposition. When I expressed regret that he was leaving so soon and said I felt that compromise could be worked out in time he replied that no such indications were apparent to him. He thought that to remain longer would be pure waste of time.

Later in evening PriMin said to me that Vyshinski had waited during whole day in hopes of some sign from opposition following talks of day before but that as Petkov and Lulchev<sup>10</sup> had made no gesture Vyshinski had concluded that it was futile to stay longer. The rub of course, is that Opposition, in words of Govt itself, insists on Cabinet reconstruction and dissolution of National Assembly, whereas

<sup>7</sup> At his press conference on January 8, 1946, President Truman said that the Bulgarian Government would not be recognized without guarantees of free and unfettered elections; see *Public Papers of the Presidents of the United States: Harry S. Truman, 1946* (Washington: U.S. Government Printing Office, 1962), p. 10.

<sup>8</sup> Andrey Yanuaryevich Vyshinsky, Assistant People's Commissar for Foreign Affairs of the Soviet Union had arrived in Sofia on January 9, 1946, and on the following day met with leaders of the Bulgarian political Opposition, urging them to participate in the Bulgarian Government, but on the Government's conditions. Leaders of the National Agrarian Union and the Social Democratic Party refused to participate in the Bulgarian Government unless the Cabinet were reorganized, the National Assembly were dissolved, and new elections were held. Barnes reported on the negotiations between the Bulgarian Government and the Opposition parties and Vyshinsky's role in those negotiations in telegrams 19, 20, 22, and 38, January 7, 7, 8, and 10, respectively, from Sofia (874.00/1-746, 1-746, 1-846, and 1-1046).

<sup>9</sup> Kimon Georgiev, Bulgarian Prime Minister.

<sup>10</sup> Kosta Lulchev, leader of the Bulgarian Social Democratic Party.

Moscow and Govt are determined to maintain position that Nov 18 elections were free and unfettered and that democratic and representative Govt exists.

I asked PriMin whether he did not feel that under circumstances it would be course of wisdom to hold general elections for new ordinary Assembly around first of May rather than elections for Constituent Assembly as now planned. I suggested that such a decision would go far to liquidate present impasse between Govt and opposition and thereby greatly facilitate regularization of Bulgaria's relations with all three Great Powers. He replied at once that such course would be interpreted as admission by Govt of much that Opposition contends against it. I asked him if it was not important to give more weight to views of US Govt as expressed in note of Nov 16<sup>10</sup> and be less pre-occupied with domestic political effects of a few concessions in favor of opposition. He did not deny that perhaps present impasse had developed partially because Govt had thought too much about advantages that opposition might derive from concessions and too little about views expressed by US and UK. He said that he would think matter over and after few days we might have another talk.

Sent Dept as 47; repeated Moscow as 23 and London as 15.

BARNES

761.74/1-1346: Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

SECRET

SOPIA, January 13, 1946—9 a. m.

US URGENT

[Received January 16—9:35 p. m.]

48. I was called to Foreign Office yesterday afternoon by Stainov to listen to an hour and a half's "song and dance" by him on subject of visit of Bulgarian Ministers to Moscow and Vyshinski's activities here.<sup>11</sup> I was followed by my British colleague<sup>12</sup> for whose benefit same "ballet" was performed.

It was apparent from what Minister had to say, from way in which he said it and from his bearing of exuberance and elation in contrast to his somewhat deflated demeanor last time I talked with him at any length several weeks ago that Moscow had been quite as successful in impressing current crop of Bulgarian Ministers by mixture of flattery and display of pomp and circumstances as Hitler and his cohorts were with an earlier Bulgarian regime.

<sup>10</sup> For the text of the communication from Barnes to the Bulgarian Government, released to the press on November 16, 1945, see telegram 373, November 14, 1945, to Sofia, *Foreign Relations*, 1945, vol. iv, p. 376.

<sup>11</sup> Prime Minister Georgiev, Foreign Minister Petko Stainov, and Interior Minister Anton Yugov visited Moscow from January 7 to January 10, 1946.

<sup>12</sup> William Evelyn Houstoun-Boswall, British Political Representative in Bulgaria.



Purpose of talks with me and my British colleague was obviously twofold, namely to dispel such clouds of doubt as may have gathered in our minds about political purpose of visit and to minimize in our estimate failure of Vyshinski's mission to Sofia. Minister said that Georgiev, Yugov and he had not gone to Moscow because of Russia's undertaking to advise broadening of Bulgarian Government; that when Bulgarian Ministers had gone to Moscow in 1944 seeking armistice they had been there as suppliants;<sup>13</sup> that clandestine visit of PriMin and Yugov in January of last year (first official admission of this) had not really counted as mark of rehabilitation of Bulgarian Government by Russia as there had been nothing public about it, no fanfare, no display. Hence that visit just terminated had been on books as an official and above board gesture of Russia's friendship for and support of Bulgaria ever since reestablishment of diplomatic relations between two countries.

He said that as visit had coincided with Russia's fulfillment of obligation "to give friendly advice" PriMin had seized opportunity to tell Stalin of stalemated negotiations with Opposition. This was at first meeting with Generalissimo on night of Ministers' arrival. Stalin is supposed to have observed that Bulgarian Government seemed to have gotten into deeper water than was intended by Moscow accord; that this agreement imposed only one obligation on Bulgarian Government, namely, addition of two Ministers to Cabinet from democratic parties not yet within Fatherland Front, and that at same time Russia had exacted a right for Bulgarian Government that is, complete freedom to decide who might be loyal and who would not be.

At this point according to Stainov Stalin picked up telephone, asked to be put through immediately to Vyshinski, then in Bucharest, and within 2 minutes was talking with him. He told Vyshinski to go at once to Sofia to tell the leaders of opposition what Moscow's orders were. In other words to repeat to them what he, Stalin, had just said to Bulgarian Ministers in Moscow about the agreement to give friendly advice. Hence, said Stainov to me, Vyshinski was not here to act as broker between Government and opposition nor as he again put it later in talk "to mix up batter in Bulgarian political kitchen composed of opposition and FF ingredients".

Stainov said that while in Moscow Minister had discussed with Stalin and his collaborators fulfillment of Bulgarian armistice terms, Bulgaro-Russian economic relations and general international politi-

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<sup>13</sup> The armistice between the United States, the Soviet Union, and the United Kingdom and Bulgaria was signed in Moscow October 28, 1944. For text, see Executive Agreement Series No. 437; for documentation regarding the negotiations leading to the signing of the armistice, see *Foreign Relations, 1944*, vol. III, pp. 300 ff.

cal situation. He quoted Stalin as stating that Bulgarian Ministers need not be unduly alarmed by state of Russia's relations with her allies, that Russia would not be at war with her present allies in the foreseeable future. He said that Stalin had then treated visitors to "tour d' horizon" from which Ministers had gained impression that several "sensitive spots" exist in Europe and Asia but that Stalin was sure that Russian liniment would soon cure soreness. I judged that this was Stainov's way of glossing over whatever may have been agreed to by Bulgarian Ministers with respect to problem of Russia's relations with Turkey. I shall deal in separate tel with Stainov's views on domestic political situation now that Vyshinski has left without success in implementation of Moscow's undertaking to broaden Government.

Repeated Moscow as 24 and London as 16; sent Department as 48.

BARNES

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874.00/1-1446: Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

TOP SECRET

SOFIA, January 14, 1946—3 p. m.

URGENT

[Received January 18—3:02 a. m.]

49. At outset of the conversation with MinFonAff reported in mytel 48, January 13, I showed the Minister mytel 47 of January 12 reporting briefly what Vyshinski had said to me and summarizing my subsequent conversation with the PriMin. Stainov said that he had already received a memo on conversation from PriMin and observed that mytel seemed to be an accurate and objective account of what had been said. After the talk reported in my 47 we discussed what the next step should be now that it is clear that Moscow formula for broadening Bulgarian Government cannot be given effect.

The Minister said that it was true formula for Bulgaria did not meet circumstances existing here to degree that Rumanian formula met circumstances obtaining in Rumania. He agreed that this was a principal reason for failure in Bulgarian case; that in Rumania<sup>14</sup> there was an advantage to be gained by Opposition in being represented in Government during period of preparations for elections, whereas here elections had already been held and Opposition has no voice in Parliament. Nevertheless, as the formula had been presented he felt Opposition should have given way "to advice of three Allies". I did not point out here that it is my understanding that Russia alone, not the three Allies together, had assumed the obligation of "friendly advice". Minister agreed that in politics either domestic or international it is

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<sup>14</sup> For documentation regarding the efforts by the United States to assist in the establishment and maintenance of democratic government in Rumania, see pp. 555 ff.

impossible to stand still or merely to mark time; therefore, that all who are concerned with problem of shaping relations to meet the requirements of a peace must now renew search for effective formula.

I asked whether he did not think that holding general elections for new Assembly after termination on March 28 of present session of 26th Ordinary Assembly would prove best way out. His reply was significant, I think, and should, I believe, cause Department to act with greatest caution with respect to any impulse that might exist to judge opposition harshly in its present refusal to enter Government except on terms set forth in its message of January 6 (mytel 20, January 7<sup>15</sup>). Stainov said that under constitution the present Assembly should normally continue for 4 years, that the constitutional precedents for continuance of Ordinary Assembly to the normal end of its mandate, even though the Constituent Assembly is convoked in meantime, are quite as good as the precedents suggesting necessity to dissolve Ordinary Assembly upon convocation of Constituent body.

This explanation, coming as it does now after visit of Bulgarian Ministers to Moscow and the refusal of opposition to be trapped into silence by Moscow formula, leads me to believe that government and Moscow plan not to dissolve the 26th Ordinary Assembly upon calling Constituent Assembly late this spring or early in summer, but to have the Ordinary Assembly form part of Constituent body and then continue for its normal duration after the Constituent Assembly has revised the Constitution. Such action would be the holding of only partial elections for the Grand National Assembly effectively forestall any real change in complexion of Constituent body over present Assembly and at same time would assure present absolute control of the Assembly by the government after termination of work of the Constituent body.

If such is plan, what is explanation of this extraordinary determination of Government not to allow opposition to have any voice in Assembly? One possible explanation lies in fact that world attention has so converged on situation here as to preclude from now on use of widespread terror to shape political views as government and Moscow may wish. But there is another and, I think, more disturbing factor. At any rate, it is my conviction and a conviction shared by many other observers here that the controlling reason may well be the state of relations now obtaining between Russia and Turkey.<sup>16</sup>

<sup>15</sup> Not printed. The terms demanded by the opposition included the following: Transfer of the Ministries of Interior and Justice to another political party; adherence to the Fatherland Front political program of September 9, 1944; cessation of police terror and disbandment of concentration camps; placing the State radio at the disposal of the opposition; dissolution of the Parliament and the holding of new elections under a new electoral law. (847.00/1-746)

<sup>16</sup> For documentation regarding the interests of the United States in the relations between the Soviet Union and Turkey, see vol. VII, pp. 801 ff.

But to return to the conversation. The Minister was undoubtedly seeking to pour the sweet oil of innocence and reasonableness on my chafing doubts as to the *bona fides* of the Moscow and Bulgarian Governments' efforts really to broaden government. Had he sought to deal with the phrase in Moscow agreement "FF Government now being formed" his efforts might have been more convincing. But he avoided this obvious incongruity. I say incongruity because of the facts as we have known them since the vote of confidence reported in mytel 785, December 29.<sup>17</sup> In a subsequent conversation with my British colleague the Minister tried to brush aside this point by maintaining that the language of communiqué in Russian did not mean what we, my British colleague and I, apparently thought from English text was intended, namely, that a new cabinet was in formation.

The result of all this, at any rate so far as I am concerned, is the deep conviction that I must now submit for the Department's serious consideration the view that long-range US and UK interests require at least a minimum of resistance by us here that may not be so essential in the case of other states in eastern Europe bordering on Russia. I believe that this minimum of resistance should be incorporated into a formula of nonrecognition until general elections for a new Ordinary Assembly have been held accompanied by an expression of opinion on our part that we perceive nothing either in local political situation or in international political situation that would render unfeasible the holding of such elections by late spring or early summer. I believe if Russia or Bulgarian Government prove unwilling to accept such a formula which imposes no obligation to broaden Government in intervening period, which contains nothing that seeks to lessen Communist hold on Ministers of Interior and Justice, and which in no way limits legislative program of present session of 26th Ordinary Assembly, then it should be clear beyond a shadow of doubt to most credulous and inexperienced observer that there is enough smoke in situation to prove that danger does exist of real conflagration in Russo-Turkish relations.

Sent Department as 49; repeated Moscow as 25; London as 17 and Ankara as 2.

BARNES

874.00/1-1546 : Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

TOP SECRET

SOPIA, January 15, 1946—2 p. m.

US URGENT

[Received January 18—1:17 a. m.]

55. Receipt of Department's telegram 10, January 12 providing me with background information on Moscow discussions prompts me im-

<sup>17</sup> *Foreign Relations*, 1945, vol. IV, p. 418.

mediately to elaborate somewhat further on subject matter mytel 49, January 14.

It is only natural that we should expect Opposition to do its part to assist in good faith in implementation of Moscow agreement with respect to Bulgaria. It is quite as natural that Moscow should expect to exploit this honesty on our part to the fullest. I therefore anticipate that in London (or by other Moscow efforts) Vyshinski will do his best to convince US and Brit that Bulgarian opposition bears full responsibility for the failure and therefore is no longer worthy of consideration by the three Allies.

I believe any such contention to be without solid foundation; in fact that just the contrary is the case—that developments here as they have been currently reported by this Mission since November 1944 conclusively prove that responsibility unsatisfactory situation that now exists rests solely on Russia and Russian abetted Bulgarian Communists. And I am quite as fully convinced that further compromise on our part with respect to present day Balkan problem will prove as futile as efforts once made by Lord Runciman to solve a problem that similarly had been created by an outside influence, an outside influence as determined and amoral as that foreign influence that has given the century old Balkan or Near Eastern problem its present day shape. What is this shape? I am of opinion that there is not an alert observer in the whole of the Balkan peninsula who would disagree with following statement of the problem and I assume this holds for Department as well. Russia is determined to fashion a South Slav Union dominated by it and to be used by it to emasculate Turkey and Greece and to place Russia squarely on eastern Mediterranean and Adriatic. This can be the only meaning of the presence of Georgi Dimitrov in Sofia. No such precious instrument of Russian and Communist policy would have been sent to Sofia merely to chink up Bulgarian wall.

If these are the facts they cannot be made to disappear by Russia's refusal to agree to any proposal which would not accept the results of Bulgarian elections of November 18. Consideration of the larger issues and of overall relationships might of course reduce importance of the nature of these elections to a minor factor but I submit that Balkan problem as it presents itself today is part and parcel of larger issues and of overall relationships. I also submit that there is nothing in proposed formula of non-recognition until new elections for an Ordinary Assembly are held that would render impossible elaboration in London of a peace treaty for Bulgaria while awaiting developments in Bulgaria that would permit the US Government to recognize Bulgarian Government.

Sent Department as 55; repeated to London as 19; Moscow as 27 and Ankara as 4.

BARNES

761.74/1-1546: Telegram

*The Chargé in the Soviet Union (Kennan) to the Secretary of State*

CONFIDENTIAL

Moscow, January 15, 1946—9 a. m.

[Received 7:12 p. m.]

132. No detailed information is available here about recent visit to Moscow of heads of Bulgarian Government. Nor is it likely that any such details will become known, since talks plainly take place in tightly sealed compartment of Soviet Foreign Affairs reserved exclusively for family relationships. Such discussions differ from ordinary diplomatic discussions in nature, in tone and probably in identity and official capacity of those who participate on Soviet side and there are applied to them as far as this is possible same drastic and effective security rules which envelop and conceal all internal political matters in this country. Nevertheless there are certain features and connotations of this visit which are clearly apparent to anyone in this city and which might be worth recounting here.

1. Bulgaria unquestionably occupies unique place in thoughts and plans of Soviet leaders. They are acutely aware of their position as heirs to diplomatic problems and responsibilities of Tsardom. They will not forget it was Russia which first delivered Bulgaria from Turkish rule. They will also not forget that aspirations which Russia was pursuing in effecting such deliverance included creation of a greater Bulgaria under Russian influence stretching from Black and Aegean Seas to Adriatic as a means of isolating Turkey and of extending Russian power to Straits, Aegean, and eventually Mediterranean Area. Finally, they will recall that these aspirations, as embodied in the treaty of St. Stephano <sup>18</sup> (which incidentally led to cession of Kars and Ardahan) were frustrated by western diplomacy at Congress of Berlin. Responsibility for Russian diplomacy has since passed through many hands but sting of this reverse has never ceased to plague those responsible for Russian state.

There is little doubt that when Soviet leaders concluded non-aggression pact with Hitler in 1939 they saw in this policy means of achieving the powers of Tsarist diplomacy with [without] sacrifice to USSR. None of the disappointments of that phase of war could have been more bitter to Moscow than ensuing steady loss of Russian influence in Sofia and final rebuff given by Hitler to Molotov when he demanded on occasion of his Berlin visit in fall 1940 that Bulgaria be made special

<sup>18</sup> March 3, 1878.

“security sphere” of Russia and that Russia be given bases on Straits.<sup>20</sup> It will be noted that even then these two questions were intimately connected and that final German attack on Russia was immediately preceded not only by complete German penetration and effective subjugation of Bulgaria but also by German-Turkish treaty of friendship.<sup>21</sup>

Kalinin<sup>22</sup> recently boasted that Soviet diplomacy was superior to that of Tsardom by virtue of its ability to exploit military victories politically. I personally believe that Soviet leaders embittered by having been forced through trend of war to accept role therein far different from what they had planned in 1939, have made it matter of pride to obtain no less out of their war against Hitler in alliance with Western Powers than they had hoped to obtain by exploiting war between Hitler and West. For them, therefore, Bulgaria is still keynote in pattern of treaty of St. Stephano and they are determined that not only this pattern including greater Bulgaria under Russian tutelage and cessions of Turkey’s eastern territories, but also final objective it was designed to serve, namely, Russian domination of Turkey, the Straits and the Aegean, shall be realized in current aftermath of recent war.

There is no doubt that recent visit of Bulgarian public figures stood primarily in connection with realization of this scheme. Kremlin did not need to summon to Moscow for discussion of Russian advice arising out of Foreign Ministers Conference acquiescence to this advice. Situation really required discussion from Moscow’s standpoint only with Bulgarian opposition and that discussion has now ended in manner which clearly shows nature of Soviet demands for Bulgarian internal life. Moscow would have preferred an arrangement whereby present Bulgarian Government could have presented itself to world with greater plausibility as representative of general sentiments of Bulgarian people but it was not willing to compromise any of realities of Russian influence to obtain this end.

In summary, therefore, following conclusions must be drawn from recent events in Soviet-Bulgarian relations.

(1) Soviet Union is unrelenting in its insistence that Bulgaria be “security sphere” of Russia. In Russian terms this means that power in Bulgaria must be exercised by elements which recognize themselves to be in relationship of disciplinary subordination to Moscow. In

<sup>20</sup> See record of conversation between Hitler and Molotov in Berlin on November 1, 1940. *Documents on German Foreign Policy, 1918-1945*, series D, vol. XI, p. 550.

<sup>21</sup> For text of the German-Turkish Treaty, signed at Ankara, June 18, 1941, see *ibid.*, vol. XII, p. 1051.

<sup>22</sup> Nikolai Ivanovich Kalinin, President (Chairman) of the Presidium of the Supreme Soviet of the Soviet Union.

existing circumstances this means domination of Bulgarian internal affairs by a foreign-controlled minority employing totalitarian methods.

(2) Maintenance and cultivation of this Russian "security sphere" in Bulgaria is only part of Russian aspirations of 70 years' standing to create Russian-controlled greater Bulgaria as means of dominating Balkans, of isolating Turkey, of reducing and neutralizing Turkish political strategic potential, of facilitating establishment of Russian bases on Straits and of carrying Russian power to Adriatic and Aegean. It is difficult at this moment to predict form of future Russian action to achieve this program since that will depend primarily on character of resistance encountered but that program exists and will be seriously pursued is hardly open to doubt.

(3) Bulgarian Communist leaders are now being coached to play their part in promulgation of this program and their visit to Moscow was in all likelihood designed to facilitate this coaching.

(4) It must be recognized that Russian participation in armistice controls will continue to serve primarily these same aims and that Russians will object to any proposed peace settlement with Bulgaria which does not leave road open for developments along these lines.

Sent Department as 132, repeated Sofia 9, Belgrade 1, Athens 3, Budapest 2, Bucharest 9, Ankara 2.

KENNAN

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*Memorandum by the Ambassador to the Soviet Union (Harriman)  
to the Secretary of State*<sup>23</sup>

LONDON, January 16, 1946.

It is reported by the press that Vyshinski's mission to Sofia failed because the representatives of the National Agrarian Party and the Social Democratic Party advanced terms for their participation in the Government which exceeded the program contemplated by the decisions of the Moscow Conference.

Although no reports have been received as to the nature of these terms, it would seem that the opposition groups in Bulgaria refused to put forward candidates for inclusion in the Bulgarian Government because the Bulgarian Government would not agree to make certain adjustments, in all probability relating to the formation of a more representative type of government, the ending of the persecution of the opposition and the neutralization of certain ministries. The Moscow Decision on Bulgaria has therefore not been fulfilled. The

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<sup>23</sup> The source text is located in the Moscow Embassy Files for 1946, Lot F-96, Acc. No. 59 A 543, Part 6, Box 369, File 710 Bulgaria.

Ambassador Harriman, following his participation in the work of the Tripartite Commission on Rumania in Bucharest during the first 10 days of 1946, traveled to London where he conferred with the Secretary of State who was in London for the meetings of the First Part of the First Session of the United Nations General Assembly.



question thus arises as to the position of the United States Government with regard to Bulgaria.

In consideration of this question the following points should be borne in mind:

1. Recognition of Bulgaria would constitute approval of the Bulgarian Government in its present form and would strengthen that government within and without the country. We do not wish to do this. We have made it plain on a number of occasions that we do not consider this Government as truly representative of the Bulgarian people.

2. Recognition might well be considered contrary to the Moscow Decision which states that the United States and United Kingdom Governments would recognize Bulgaria when they were satisfied that the friendly advice of the Soviet Government had been accepted by the Bulgarian Government and when the additional representatives had been included in the government.

3. The Soviet and Bulgarian Governments undoubtedly desire that normal relations be established between the United States and Bulgarian Governments in order that the peace treaty might be concluded. As a matter of tactics it would be better to delay recognition and let the next move come from the Russians or the Bulgarians. Following the recognition of Rumania,<sup>24</sup> Bulgaria will be the last satellite county with which the United States and the United Kingdom do not maintain normal relations. In order to adjust this situation it is possible that the Bulgarian Government might eventually be willing to make certain concessions, especially with respect to the granting of civil liberties, which would enable the opposition to enter the Government or which would permit future elections to be held on a freer basis. And it is precisely these concessions that we are striving for.

4. It is feared that recognition of the Bulgarian Government would be an indication that we do not intend strongly to adhere to the principles we stand for. This might have a disastrous effect in Rumania and might result in the Groza Government flaunting all the assurances it has made with respect to free and unfettered elections, the grant of the required freedoms, etc.

5. It is not believed that the failure to recognize Bulgaria would delay the preliminary drafting of the peace treaties and there appears to be no reason why work should not go forward on them. The Russians would have no valid reason to oppose this on grounds that we are not yet ready to recognize Bulgaria.

6. It is understood that the British favor withholding recognition because of the aforementioned reasons.

In view of the above it is recommended that we let matters rest as they stand, i.e. withhold recognition of the Bulgarian Government for the time being, and get on with the drafting of the treaties. The

<sup>24</sup>The United States recognized the Rumanian Government on February 5, 1946: for documentation regarding the decision to recognize Rumania, see pp. 555 ff.

situation can be reexamined at a later date in the light of developments. In any event, the reaction in Bulgaria to the recognition of Rumania or some move by the Russians should be awaited before any action is taken. Some new formula for adjustment might then be found.

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874.00/1-1846 : Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

SECRET

SOFIA, January 18, 1946—3 p. m.

US URGENT

[Received January 19—10:10 a.m.]

66. There can be no question that Moscow formula for broadening basis of Bulgarian Government has worsened conflict between Government and Opposition and has greatly increased tension throughout country. Formula was not based on honest appraisal of situation. Therefore not surprising that Government was encouraged to believe even more than ever that nothing counts in Bulgaria either internally or externally but Russia's will and hence to be confident recognition by Western Powers would be almost automatic. Same indications deepen opposition's conviction that they were confronted with "resist or die" situation.

Petkov and Lulchev have now addressed written statement to Generals Biryusov,<sup>25</sup> Crane<sup>26</sup> and Oxley<sup>27</sup> as President and members respectively of Allied Control Commission setting forth their views as to deplorable conditions politically, economically and socially that now obtain in country.<sup>28</sup> They have attached reports of alleged typical incidents of physical mistreatment even murder of opposition by Communists and agencies of Government. At same time Central Committee of Fatherland Front has issued open "explanation" to Bulgarian people giving government's interpretation of Moscow formula and charging opposition with deliberate misrepresentation, black reaction, sabotage and provocation. Charge of provocation is used in futile effort to place responsibility on opposition for rapidly increasing instances of terror throughout country, it being argued that an unarmed opposition is going about countryside beating and murdering armed supporters of Government.

<sup>25</sup> Col. Gen. Sergey Semenovich Biryuzov, (Soviet) Deputy Chairman, Allied Control Commission for Bulgaria.

<sup>26</sup> Maj. Gen. John A. Crane, Chief of the United States Representation on the Allied Control Commission for Bulgaria.

<sup>27</sup> Maj. Gen. W. H. Oxley, Commissioner, British Military Mission in Bulgaria and British Representative on the Allied Control Commission for Bulgaria.

<sup>28</sup> Telegram 76, January 22, 1946, from Sofia, reported that the leaders of the Bulgarian opposition were called to the Soviet offices of the Allied Control Commission where they were informed by Soviet authorities that no further relations would be had with them and that their communication of January 17 was therefore being returned to them (874.00/1-2246).

Frankly I think atmosphere is becoming menacing that if placating influences from outside are not soon brought to bear much blood will be spilled throughout country.

Texts of Opposition's communication to ACC contained in my next following telegram No. 67.<sup>29</sup>

Sent Department as 66, repeated Moscow as 30 and London as 22.

BARNES

740.00119 Council/1-2346

*Memorandum of Conversation*<sup>30</sup>

[Extract]<sup>31</sup>

[LONDON,] January 23, 1946.

Participants: The Secretary  
Mr. Vyshinsky  
Mr. Bohlen  
Soviet Interpreter

Mr. Vyshinsky then said that in regard to Bulgaria the results had not been so satisfactory and that the Soviet Government had tendered the advice as stipulated in the Moscow agreement, but that the leaders of the Bulgarian opposition, Petkov and Lulchev, had refused to name any candidates unless certain conditions which were not envisaged in the Moscow agreement were met by the Bulgarian Government. The Soviet Government had sent him to Bulgaria to talk to these opposition leaders who had confirmed to him that they would not agree to name any candidate unless new elections were held. He had felt it impossible to accept these conditions which were not envisaged in the Moscow declaration. Mr. Vyshinsky added that he must tell the Secretary that the U.S. representative there, Mr. Barnes, according to his information, was advising the opposition leaders not to accept the Moscow decision, and was publicly stating that the agreement was worthless. He went on to say that the Soviet Government had expected the same free cooperation in carrying out this decision that they had encountered in the case of Rumania, but speaking frankly, the activities of Mr. Barnes could not be received in this light. He said that the Soviet Government found it difficult to un-

<sup>29</sup> Not printed.

<sup>30</sup> Authorship of this memorandum is not indicated, but it was presumably prepared by Charles E. Bohlen, Assistant to the Secretary of State.

<sup>31</sup> The sections here omitted cover the conversation concerned with the situation in Rumania, and the Iranian complaint against the Soviet Union before the United Nations Security Council. The portion of the memorandum dealing with Rumania is printed on p. 572. The portion of the memorandum relating to Iranian matters is not printed.

derstand why a U.S. representative should endeavor to sabotage an agreement which had been reached by the Secretary of State in Moscow, yet this was what he understood was happening in Bulgaria. He said further that he hoped the Secretary would give instructions to Mr. Barnes to cease advising the opposition leaders not to enter the Government except on conditions which were not contemplated in Moscow. The Secretary inquired whether Mr. Vyshinsky's information might not be incorrect and whether he had personally talked with Mr. Barnes in Sofia. He said he found it difficult to believe that these charges were true, but he would, in any case, look into the matter. Mr. Vyshinsky replied that he had not seen Mr. Barnes, but he said his information was reliable since it came from a variety of sources within Bulgaria, and furthermore the opposition leaders had indicated to him that they understood that the U.S. Government, in fact, did not really desire to see the Moscow agreement carried out. The Secretary replied that he would look into the matter, of course, and if it were found that Mr. Barnes was acting in a manner contrary to the agreement reached by his Government, the situation would be corrected.

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740.00119 Control (Bulgaria)/1-2646: Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

RESTRICTED

SOFIA, January 26, 1946—noon.

[Received January 27—7:26 a. m.]

92. General Oxley received telephone call early this morning requesting that he confer with General Biryusov at 2:15 p. m. He replied that hour was inconvenient but that he would call at 3:30 p. m. Subsequently he received following letter from General Biryusov:

“In reply to your letter No. ACC (B) line 330 line 2-1282 of 22 January 1946 <sup>32</sup> I inform you that on 22 of January leaders of opposition were invited to ACC for purpose of returning to them the known letter which I considered impossible to accept.

“You must know Mr. General that ACC in Bulgaria is not empowered to occupy itself with questions raised in this letter of leaders of Bulgarian opposition questions which were subject of discussion and decision at last Moscow Conference of three MinsFonAff.

“As it is seen in the above there was not and is no necessity to call meeting of ACC in connection with letter of leaders of Bulgarian opposition.”

<sup>32</sup> Not printed; it was similar to letter from Crane quoted in the following footnote.

General Crane has received no communications on subject from Biryusov. Doubtless this is due to fact that yesterday afternoon General Oxley sent curt reminder to Biryusov that no reply had yet been received to his communication of January 22 (see mytel 79, January 22<sup>84</sup>).

At meeting of Generals Oxley and Crane, Houstoun-Boswall and myself following reply was drafted by General Oxley and has since been communicated by him to Biryusov :

"I have received your letter No. 200 of 25 January 1946 which conveys to me information I sought in my letter to which you refer.

"In these circumstances I propose to report to my Government; meanwhile it appears to me that no discussion between us would be likely to produce any useful result until I am in possession of my Government's views. You will agree I think that this is best course since Opposition's letter referred to deals primarily with development of state of affairs which might well impair fulfillment of the armistice."

The final sentence of General Oxley's letter related to fact that [apparent omission] largely with domestic developments that may well lead to widespread civil strife.

Sent Dept as 92; repeated to London as 38 and Moscow as 46.

BARNES

874.00/1-3046 : Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

SECRET

SOPIA, January 30, 1946—5 p. m.

US URGENT

[Received February 1—3 : 08 a. m.]

104. I learned this morning from my British colleague that Department is today deciding what shall be US position with respect to nonfulfillment of Moscow accord in Bulgarian case and Vyshinski's insistence that US and UK now join with Moscow in bringing pressure on Bulgarian Opposition to enter Government. Mr. Bevin has asked my British colleague to supply him with last-moment analysis

<sup>84</sup> Not printed; it transmitted the text of Crane's letter to Biryuzov which reads as follows :

"A few days ago a letter was received from the leaders of the opposition which was addressed to you as President and to General Oxley and myself as members of the Allied Control Commission.

"I have been informed that the opposition leaders were summoned to appear today before the Allied Control Commission in connection with the letter referred to above.

"I am quite surprised that neither General Oxley nor I was invited to attend this meeting in view of the fact that the Allied Control Commission as a whole is concerned.

"Therefore, I would greatly appreciate, my dear General, if you would advise me of what transpired at the meeting in order that I may determine if I should request a full meeting to discuss this most important matter." (740.00119-control (Bulgaria)/1-2246)

of Bulgarian situation to aid in formulation of British reply to Vyshinski.

Since seeing my British colleague this morning, I have reread my political telegrams beginning with 759, December 13<sup>35</sup> in which I tried to portray for benefit of Mr. Byrnes in Moscow considerations of principle involved in Bulgarian case as seen by democratic opinion in this part of world. Fact that basic decision in US policy toward Bulgaria is being taken in Washington today without this Mission having received any reaction from Department to its political telegrams sent since December 13 and that no request for last-minute appreciation of local situation has been received have led me to reexamine my telegrams of past month and half with greatest of care to make sure that I have not failed to point out any factors or developments of importance to accurate appreciation of what is involved in decision that I understand is about to be taken.

[Here follows a brief review of political telegrams sent by Barnes from Sofia since December 13, 1945.]

Foregoing review leads me to conclude that I have left nothing unsaid that is necessary to correct appreciation of situation that actually exists in Bulgaria and on which intelligent and responsive decision could be taken with respect to Mr. Vyshinski's contention that US and UK should now join with Russia in browbeating Opposition into posture of moral dishonesty and acquiescence. However, even though it may already be too late for this telegram to have any influence on decision of policy, I should like to suggest that there is no half measure or further compromise left for US and UK to adopt in Bulgarian case. Moscow accordingly went beyond half-way mark. Any further concessions by us would in my opinion constitute complete capitulation. Either we stand firm now and fight out issue of free elections for Bulgaria to bitter end with Russia or we assent to consolidation of Communist power here that will assure Russia for long time to come utilization of Bulgaria's territory for strategic purposes outlined in my telegram 55, January 15 and Moscow's 132 of January 15; also that we should be mindful of over-all and ultimate effect of Russia's tactics of persistent nibbling and now see each concession as separate and isolated case of cajoling Russia into better humor. In addition, there are the moral considerations of such documents as Atlantic Charter<sup>36</sup> and Yalta Declaration<sup>37</sup> that weigh against giving in to Mr. Vyshinski this time.

<sup>35</sup> *Foreign Relations*, 1945, vol. iv, p. 410.

<sup>36</sup> Joint statement by President Roosevelt and British Prime Minister Churchill, August 14, 1941, *Foreign Relations*, 1941, vol. i, p. 367.

<sup>37</sup> Reference is to the Declaration on Liberated Europe, Part V of the Report of the Crimea Conference, February 4-11, 1945, by President Roosevelt, Prime Minister Churchill, and Marshal Stalin, *Foreign Relations*, The Conferences at Malta and Yalta, 1945, p. 971.

Sent Dept as 104; repeated to London as 44 and Moscow as 53.

BARNES

874.00/1-3146: Telegram

*The Secretary of State to the Counselor of the Department of State (Cohen), at London*

SECRET

WASHINGTON, January 31, 1946—6 p. m.

U.S. URGENT

1080. For Cohen.<sup>38</sup> Since I discussed Bulgaria with Vyshinski,<sup>39</sup> reports have continued to indicate a deterioration of the situation there. Particularly disturbing is a "warning" issued by the Minister of Interior that "reaction" will be punished, an announcement interpreted as presaging further Government campaign to crush the democratic opposition. Meanwhile, I am informed that Vyshinski told Bevin on Jan. 26 that Soviets had fulfilled Moscow obligation in regard to Bulgaria and that "all that remains is for U.S. and British to instruct opposition to join the Government" on latter's terms.

I am not prepared to urge the opposition entirely to abandon its principles in order to obtain *pro forma* implementation of the Moscow Agreement, a course which was not contemplated in that agreement, and I believe Bevin will feel similarly. On the other hand, if Vyshinski considers that he has carried out his obligations and the next move is up to us, failure on our part to take some action might possibly be used by the Soviets as an excuse to delay further peace treaty deliberations by Deputies of CFM.<sup>40</sup> In the circumstances I think it advisable that we take advantage of Vyshinski's presence in London to explore with him possible further steps at this time.

In making such an approach it might be recalled that at Moscow Marshal Stalin suggested the inclusion in the Bulgarian Government of two members of the opposition as a compromise arrangement for the purpose of achieving our mutual desire to find a basis for the recognition of the Bulgarian Government. Vyshinski might then be told that as he has indicated that his efforts to implement the Moscow Agreement have so far been unsuccessful, it is our conviction that consideration should, as a consequence of this situation, be given to alternative measures to accomplish the objectives desired.

<sup>38</sup> Mr. Cohen was serving as Senior Adviser to the United States delegation to the First part of the First Session of the United Nations General Assembly meeting in London.

<sup>39</sup> Reference is presumably to the Secretary's conversation with Vyshinsky in London on January 23, 1946; see the memorandum of conversation, p. 60. The Secretary returned to Washington on January 26.

<sup>40</sup> The Deputies of the British, Soviet, French, and Chinese Foreign Ministers and the Secretary of State were meeting in London to prepare draft peace treaties with Italy, Bulgaria, Hungary, Rumania, and Finland.

It is provided in the Bulgarian Constitution of 1879 that the National Assembly on the recommendation of the Government may call for elections for a new National Assembly at any time during the four years of its normal tenure. There are a number of historical precedents for calling such elections well in advance of the four year period. We might suggest, therefore, that as an alternative to the specific provisions of the Moscow Agreement but as a measure which would provide a realistic hope of achieving the substantive purposes of that agreement the Soviet Government on behalf of the three Allied powers now advise the Bulgarian Government to propose to the present National Assembly that it make provision for the calling, immediately following the conclusion of the current session, of elections for a new National Assembly and that the Government give assurances that these elections will be held under conditions guaranteeing full civil liberties. It would be understood that the United States Government would be prepared to recognize the Bulgarian Government without delay upon the calling of such elections and receipt of assurances in that sense.

We feel that it could be pointed out that this proposal has the merit of being based on action under traditional Bulgarian constitutional practice taken by the present National Assembly and by a Government responsible to it, thus preserving the form of our recognition of the validity of the November 18 elections on which Stalin insisted at Moscow. We also believe that, if no public announcement of U.S. or U.K. participation in this suggestion were made, to which we are prepared to agree, and the Bulgarian Government should proclaim new elections apparently on its own initiative or as a result of friendly advice from Russia, such a development would redound to Soviet credit and receive wide approbation.

Unless you perceive objection please consult with Dunn <sup>41</sup> and, if he concurs, discuss the matter with Vyshinski and Bevin along the foregoing lines.

BYRNES

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874.00/2-246 : Telegram

*The Secretary of State to the Representative in Bulgaria (Barnes)*

SECRET

WASHINGTON, February 2, 1946—4 p. m.

29. Personal from the Secretary for Barnes. Vyshinsky has told Mr. Bevin that Soviets have fulfilled Moscow obligation in regard to Bulgaria and that "all that remains is for Brit and US Govts to in-

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<sup>41</sup> James C. Dunn, Assistant Secretary of State, serving in London as Deputy to the Secretary of State at Meeting of the Council of Foreign Ministers.



struct opposition to join the Bulgarian Gov't." We do not regard the decisions at Moscow as requiring us to urge the abandonment of the opposition's principles. Consequently, believing the Brit. will feel similarly, we are exploring the possibility of reaching agreement with Vyshinski on alternative steps along the lines you have suggested which might be taken to achieve some solution of the problem.

The foregoing is for your own information only.

We made a formal agreement at Moscow in regard to Bulgaria. In some quarters there is now a belief that since then we have been sabotaging that agreement by encouraging the opposition not to enter the Government. It is of primary importance that we avoid any appearance of bad faith toward our allies and we must be meticulous in all dealings with the various contending elements in Bulgaria to make it clear that we intend to abide scrupulously by our agreement in regard to Bulgaria and to give no grounds for the belief that we would openly or covertly support any faction in a course inconsistent with the letter or spirit of our commitments. I hope you will carefully avoid any action or remarks which might give a contrary impression of our attitude.

BYRNES

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874.00/2-246 : Telegram

*The Counselor of the Department of State (Cohen) to the  
Secretary of State*

SECRET

LONDON, February 2, 1946—4 p. m.

US URGENT

[Received 5 : 50 p. m.]

1299. For the Secretary from Cohen. We are somewhat dubious as to the advisability of presenting the suggestion in your 1080, January 31, 6 p. m. concerning the calling of new elections in Bulgaria to Vyshinski for the following reasons:

(1) Vyshinski in view of his comments to you and Mr. Bevin concerning the reasons for the failure of the Soviet approach in Bulgaria, would undoubtedly regard such a suggestion on our part as open support of the position of the Opposition and confirmation of the suspicions he voiced that the U.S. secretly was encouraging the Opposition in its attitude.

(2) Even if we were successful in persuading the Soviet Government to advise the Bulgarian Government to hold new elections there is real danger that since the elections are to be held by the present Government that despite assurances to the contrary they would be conducted along the same lines as the previous election with somewhat the same result. Should we make this suggestion and it be accepted we would then be committed to recognition irrespective of the results of the new election.

Bohlen has this morning discussed this subject with Hayter of the Foreign Office.<sup>42</sup> Hayter states without direct reference to Bevin that he is convinced that the latter will not wish to take up Bulgaria with Vyshinski until he had had an opportunity to consult with Houstoun-Boswall<sup>42a</sup> who is expected in London from Sofia early next week. Furthermore the Foreign Office also feels quite strongly that it would be a mistake to take the initiative in proposing concrete measures in regard to Bulgaria to Vyshinski and that there is every advantage in letting the next suggestion come from the Soviet Government. Bevin has already made it plain to Vyshinski that the British Government could not agree to bring pressure to bear on the Opposition to enter the Government at the sacrifice of their principles.<sup>43</sup> Hayter's first reaction to the suggestion concerning new elections was that such a suggestion coming from US would be tactically undesirable for the reasons given above, but in addition quite apart from this consideration he was dubious as to the advisability of the proposal itself, pointing out that there was no ground for believing that new elections would be any different in the manner carried out or in the result from those held last November.

In the circumstances, we are of the opinion that it would be inadvisable to approach Vyshinski before Bevin has an opportunity to confer with Houstoun-Boswall. In the event that Bevin after consulting with Houstoun-Boswall still does not wish to take up the matter with Vyshinski, I could see Vyshinski for a conversation in order to clarify our position. In that case if you approve I suggest that I tell Vyshinski that our interpretation of the Moscow decision was that the Government and Opposition should be urged to find a mutually acceptable basis for the participation in the present Government of two truly representative members of the Opposition parties and that it was never the understanding of the US Government that pressure was to be exerted on the Opposition to nominate two candidates for *pro forma* inclusion into the Government without regard to the conditions of their participation. It could be made clear to Vyshinski that although it is true as he stated to you the Moscow agreement did not set forth any specific conditions for the inclusion of the two representatives of the Opposition, on the other hand it did not preclude and instead, in our view, did anticipate that the participation of these representatives would be on the basis of conditions

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<sup>42</sup> William G. Hayter, Head of the Southern Department of the British Foreign Office.

<sup>42a</sup> William Evelyn Houstoun-Boswall was the British political representative in Bulgaria since 1945.

<sup>43</sup> Telegram 1659, February 9, from London, reported that Bevin had definitely decided not to take the initiative in raising again with Vyshinsky the Bulgarian question (874.00/2-946).

mutually agreeable to both the Bulgarian Government and the opposition.

After making our understanding on this point clear to Vyshinski, I am of the opinion that the best method at the present time would be to ask the Soviet Government what suggestions if any it had as to the next step in the Bulgarian matter. We all feel here that to approach the Russians with concrete suggestions of our own might be interpreted by the Soviet Government as an indication of our willingness to accept any *pro forma* solution in order to dispose of the question. It would be more advisable in our opinion to take the position that since the Soviet Government had assumed the responsibility of giving advice to the Bulgarian Government we wish to have their suggestions as to further steps.

I have discussed this matter fully with Dunn and others here and they are in entire agreement. I would appreciate urgently your instruction in the light of the foregoing observations.

[COHEN]

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740.00119 Control (Bulgaria)/2-446 : Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

SECRET

SOFIA, February 4, 1946—6 p. m.

US URGENT

[Received February 9—3:44 a. m.]

117. See mytel No. 116 today's date.<sup>44</sup> Following message was signed by Gen. Crane before his departure for dispatch direct to JCS through military channels.

1. Since Mr. Byrnes' last visit Moscow,<sup>45</sup> I have sensed definite change in attitude both Russians and Bulgarians dealing with this Mission. Attitude of arrogance and hostility. I do not intend to speak of political conditions which under my instructions are Barnes' sphere.

2. I must give a certain amount of background to this report. I have been here 14 months and I have not yet seen Marshal Tolbukhin, Chairman ACC, although I know he has been Sofia several occasions. This little incident itself gives very clear idea of Russian tactics and our difficulty in dealing with them. On any question that is taken up with them either in person or by letter to which they do not desire to answer they stall. Biryusov, Tolbukhin's Deputy will be out of town. Cherapanov,<sup>46</sup> his assistant, cannot decide question and must wait to communicate with Biryusov who in turn must get decision

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<sup>44</sup> Not printed; it reported that General Crane had left for Caserta for a medical examination which it was certain would result in his retirement for physical disability (740.00119 Control (Bulgaria)/2-446).

<sup>45</sup> Reference presumably is to Secretary Byrnes' attendance at the Moscow Conference of Foreign Ministers, December 16-26, 1945.

<sup>46</sup> Lt. Gen. Aleksander Ivanovich Cherepanov.

from Tolbukhin. To any further inquiry answer is always we have received no decision from Tolbukhin.

3. Ever since our arrival here we have been in most humiliating position. Any number arbitrary restrictions placed on us. How many people I could have in the Mission. Each one had to be approved individually before he could enter. This took weeks and months. Every plane before it arrives must have approval Russians. To obtain this approval we must list number and kind of plane, names of crew members and full description by weight and quantity of all articles that are brought in. It should be remembered that every ounce of supply and equipment, etc., has to be brought here by plane. There is constant friction at airport. Other day some signal equipment which was a consolidated shipment that had not arrived on previous planes was seized by Russians. For three days we wrestled with Russians to obtain these supplies without success and only got them by allowing Russian officer to open certain number of boxes in order to satisfy himself that they actually contained signal supplies and equipment in accordance with our statement. This is clear indication of their suspicions as to our veracity, implying thereby complete lack of confidence in us as their Allies and intimating that we are attempting to introduce contraband articles into Bulgaria.

4. Restrictions put on our movement in Bulgaria had been unreasonable and dictatorial and have made us and America laughing stock not only of Russians but of Bulgarians and of many other nationalities that are here. Remark is frequently made to effect that it was thought that we and not Bulgarians are Allies of Russians. For first time in my life I have had to hang my head with shame that my country should permit such treatment of her representatives.

5. I am really deeply depressed and concerned over possibility any cooperation and understanding between Americans and Russians. Whole difficulty is well illustrated in question our freedom of movement in Bulgaria. Mr. Truman and Mr. Stalin agreed in Potsdam that we should have right "to be allowed free movement in the country with the condition that ACC be previously informed of time and march route of trips".<sup>47</sup> This appears clear and definite but interpretation put on it by Russians is entirely different. We must give written notification as required, then we must wait until they tell us that we can go. This may take from 2 hours to 2 weeks. But also we have been notified that Russians here reserve to themselves right to deny us entry into any place where there are Russian troops and there are Russian troops almost everywhere. Of course if this is taken up again in Moscow answer will be "this question was settled at Potsdam". Just at present during London conference they are acting quite reasonably in this matter but will revert as soon as conference finishes.

6. During time of actual hostilities I realized that everything must be sacrificed to keeping Russia in war and I bore indignities of which we are constantly subjected with thought that after war we could

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<sup>47</sup> Quotation is a paraphrase of paragraph 3 of the annex to section XI of the Protocol of Proceedings of the Berlin Conference, August 1, 1945, *Foreign Relations*, The Conference of Berlin (The Potsdam Conference), 1945, vol. II, p. 1495.

hold up our heads and defend our rights. It infuriates me to have to go with my hat in hand and beg Russians "Please Sir, may I bring a plane next week, may I bring Private Jones to my detachment. Please Sir, can I bring ten bags of coffee, two field telephones. Please Sir, may I go to London day after tomorrow." And so on ad infinitum.

7. This is a small town and everybody knows everything that goes on. I am frequently asked by good kind of Bulgarians and by representatives of other countries what is the matter with America. Is she afraid of Russia.

8. Our pay scale and general living conditions are much higher than British and are unbelievable to Russians. Therefore, when I ask for money under protocol article 15 of armistice terms which has to be done through Russians, they refuse to give me amount I have asked for. I therefore, have to use American money on black market to raise necessary funds.

9. Biryusov on one occasion when demanding that I tell him what I wanted money for had impertinence to tell me that he had to know and limit amount so that US did not rob Bulgarian Govt. I am afraid my comment on this was neither diplomatic nor calm.

10. Every movement of any American here is checked on by militia. Bulgarian soldier chauffeurs we have are frequently arrested by militia and questioned as to where we have been, to whom we have talked and what was said. This, of course, is done under guise of questioning them about something they have done. In a couple of cases soldier chauffeurs who have been demobilized, are no longer working for us, have been arrested, beaten and tortured in various ways and questioned about our movements, conversations and acquaintances. Several of these men at considerable risk to themselves have communicated with us. Frequently Bulgarian girls who have been to dances or other parties with American soldiers are arrested and cross examined and ordered to report any information they can obtain about us.

11. We have a number of Bulgarian employees, some of them employed by us direct, some of them obtained through Bulgarian Ministry of War. Militia openly tells these people that their accounts will be settled when Americans leave. This is no idle threat. Example of Dr. Dimitrov's secretary too recent to forget.<sup>48</sup> Unless conditions are changed before we leave, changed to an extent beyond our wildest hope, US Govt is honor bound to protect these people and their families and arrange for their departure from Bulgaria if they so desire.

12. Recently Mr. Stainoff<sup>49</sup> made a written memo directing that Americans be given as little as can be done and to stall on everything we ask for. I cannot quote this to Mr. Stainoff as it would mean death for a young Bulgarian officer.

13. Orders are issued by ACC unknown to us yet we share responsibility for such orders. Is not our country of sufficient strength to

<sup>48</sup> On May 24, 1945, when Georgy M. Dimitrov, then leader of the Bulgarian National Agrarian Union, found asylum in the United States Mission in Sofia, his secretary, Mara Racheva, was arrested. She died of torture on May 28, 1945.

<sup>49</sup> Bulgarian Foreign Minister.

demand and enforce its demand for reasonable treatment of such Mission as this? To my mind we should demand right to bring in and despatch such planes as we desire without reference to Russians.

These planes should be loaded with such matter as we desire and not subject to inspection by Russians. We should have free circulation for ourselves and such Americans as we decide have legitimate business in Bulgaria, this circulation not to be restricted by Russians except in such actual limited places as they may desire to notify us are being used for some secret work.

15. These peoples, both Russian and Bulgarian, have respect but for one thing and that is force. Every time we compromise with them and give them anything, we lose. I am afraid we are following policy of appeasement of late Mr. Chamberlain.<sup>50</sup>

16. If there is to be no more cooperation and respect to be shown America as represented in Bulgaria, our representation on ACC should be withdrawn. Signed Crane.

Sent Dept as 117; repeated Moscow as 62 and London as 54.

BARNES

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874.00/2-246: Telegram

*The Secretary of State to the Counselor of the Department of State (Cohen), at London*

SECRET

WASHINGTON, February 5, 1946—3 p. m.

1210. For Cohen. Urtel 1299, Feb. 2. I agree with your suggestion that approach to Vyshinski be postponed until Bevin has an opportunity to confer with Houstoun-Boswall.

We appreciate the possibility that any initiative by us at this time might be interpreted by the Soviet Government as an indication of our willingness to accept a *pro forma* solution in order to dispose of the question. However, we have had the definite impression from recent reports that the situation is deteriorating in Bulgaria, a condition apparently confirmed by Foreign Minister Stainov as reported in Sofia's tel. 113, Feb. 2.<sup>51</sup> We have felt that if matters are allowed to drift it will be even more difficult at a later date to achieve a satisfactory basis for recognition than it is now. As regards the British view that new elections would not differ in method or in result from those held last November, it seems to us that some progress has been made toward the achievement of freedom of expression for the opposition since that date and that, if elections under some sort of guarantee could be held before any marked retrogression in that respect takes place, such elections would go as far toward the implementation of Yalta as does the Moscow Agreement.

<sup>50</sup> Neville Chamberlain, British Prime Minister, May 1937–May 1940.

<sup>51</sup> Not printed.

In the event Bevin is not prepared after consultation with Houstoun-Boswall to take matter up with Vyshinski, your suggestion that we inform Vyshinski of our position along lines you indicate and ask him what steps, if any, he would propose in circumstances may well be best course. I would like to consider this suggestion further in light of any comments Brit. may have to make at that time.<sup>52</sup>

BYRNES

740.00119 E.W./2-746: Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

RESTRICTED

SOFIA, February 7, 1946—6 p. m.

PRIORITY

[Received February 9—12: 04 a. m.]

129. For first time Gen. Biryusov has put into writing what we and British have long suspected, namely that Russia intends to protect Bulgaria from full brunt of armistice rather than to impose armistice terms as they were agreed to between three Great Allies on one hand and Bulgaria on the other. Replying to a letter from Gen. Crane embodying contents of Deptel 18, Jan 18,<sup>53</sup> Gen. Biryusov has written as follows:

"It is known that on Oct 28, 1944, Bulgarian Govt signed not an act of unconditional capitulation but an armistice agreement which was offered by Govts of USSR, UK and US. Therefore it is not quite correct to state as you have done that Bulgaria capitulated unconditionally to Three Powers and must execute everything that it is ordered to do, etc. etc. etc.

As to fulfillment by Bulgaria of article I of protocol to armistice agreement I am forced to remind you again of its contents: 'The quantity of each product which must be furnished will be determined between the Three Govts and will be considered as part reparations by Bulgaria for losses and damages suffered by Greece and Yugoslavia.'

"In addition there is no basis for considering question of immediate supply of foodstuffs by Bulgaria because of extremely limited state of the food resources of country. With respect to this you have received

<sup>52</sup> In telegram 1416, February 12, 1946, to Cohen in London, the Secretary approved Cohen's suggestion of informing Vyshinsky of the U.S. position along the lines set forth in London's telegram 1299, February 2, p. 66. The Secretary also suggested to Cohen that he "might also add that we too regard the failure of the Bulgarian Government to take steps in the matter of reparations to Greece as a non-fulfillment of the armistice conditions." (874.00/2-946)

<sup>53</sup> Not printed; it set forth the Department's view that article 9 of the Bulgarian Armistice obligated the Bulgarian Government to make reparations to the United Nations including Greece and, as the surrender was unconditional, the provision contained therein that the nature and amount of such reparation was to be determined later obviously was left for implementation by the Allied signatories and was not subject to Bulgarian concurrence. The telegram asked that General Crane bring these views before the Allied Control Commission which should entertain no further representations by the Bulgarian Government on the reparations protocol of the armistice. (740.00119 EW/12-1845)

information reflecting food supplies of country and which clearly establishes inability of Bulgarian Govt to furnish any foodstuffs."

In other words, insofar as Gen. Biryusov is concerned, Greece cannot hope to receive any help at this time in form of Bulgarian foodstuffs delivered against reparations. This is no doubt sense of his report to Moscow in reply to earlier instructions that he, assisted by his US and UK colleagues, should seek to determine locally what supplies could be sent to Greece under article I of protocol. I therefore assume that subject is back on govt to govt level. Certainly Biryusov's statement that Bulgaria did not capitulate unconditionally is question that can be dealt with only on govt to govt level.

Repeated Moscow as 65 and London as 56.

BARNES

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740.00119 Control (Bulgaria)/2-446

*Memorandum by the Deputy Director of the Office of European Affairs (Matthews) to the Secretary of State*

[WASHINGTON,] February 14, 1946.

MR. SECRETARY: The attached telegram to Moscow in regard to the treatment of our Delegation on the ACC Bulgaria in particular and on the ACCs in Rumania and Hungary in general is submitted for your signature, if you approve.<sup>54</sup> It should serve as a basis for any practical retaliatory measures in areas controlled by us that we may consider advisable as concrete implementation of our determination, set forth in this telegram, to obtain effective execution of the Potsdam agreements in regard to the ACC procedures.

It may be noted that we have not felt it advisable to protest the Soviet demand for justification of requests for Bulgarian funds, mentioned by Gen. Crane, as we have instituted similar requirements of the Russians in Italy. We have also refrained from raising the matter of clearances of personnel into Bulgaria as our reports from Barnes indicate that little difficulty has been experienced recently in this regard in so far as official personnel has been concerned. Our principal trouble has been in connection with American business representatives whose right to enter was not specifically covered at Potsdam.

I believe you asked that a telegram along the lines of the attached be drafted.<sup>55</sup>

H. FREEMAN MATTHEWS

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<sup>54</sup> Telegram 295, February 15, to Moscow, *infra*. No changes were made in the draft.

<sup>55</sup> This final sentence was written by Matthews in longhand.



740.00119 Control (Bulgaria)/2-446: Telegram

*The Secretary of State to the Chargé in the Soviet Union (Kennan)*

SECRET

WASHINGTON, February 15, 1946—8 p. m.

295. Sofia's tel. 117, Feb. 4. In view of report by Gen. Crane and indications in similar vein from other sources, we feel representations should be made to Soviet authorities in regard to execution of Potsdam Agreement on ACC procedure with particular reference to current treatment of US Delegation ACC Bulgaria. Consequently, unless you perceive objection, please transmit to Fonoff note along following lines:<sup>56</sup>

"The Soviet Government is, of course, fully aware of the difficulties encountered in the operation of the Allied Control Commissions in Bulgaria, Rumania and Hungary during the period preceding the cessation of hostilities and the agreements reached at the Tripartite Conference of Berlin which were intended to establish a workable procedure for the continued discharge of the Allied responsibilities of those bodies in the second period beginning with the end of hostilities. It is regretted that the provisions of that revised procedure, which envisaged the effective participation of the US Delegation on the ACC Bulgaria in the work of that Commission have not received practical implementation in the day to day conduct of the affairs of the ACC Bulgaria as contemplated at Berlin.

The US Delegate has not been consulted on principal questions handled by the ACC, with the exception of the matter of the postponement of the elections originally scheduled for August 26, 1945. Moreover, despite occasional meetings held by the ACC and with the exception just noted, the US Delegate has not even been informed of major decisions and on frequent occasions information requested as to the activities of the Bulgarian Government under armistice control has not been forthcoming. The US Delegation has thus in fact been circumvented in its efforts to participate effectively in the work of the ACC. Nevertheless, decisions of the ACC have constantly been communicated to the Bulgarian Government and in some instances announced publicly as Allied determinations without the US Delegate having had knowledge of their formulation.

In addition, the rights and privileges of the US Delegation foreseen in the Berlin agreements and implicit in the cordial relationship, the existence of which the U.S. Gov't. would like to see made the cornerstone of cooperative endeavor toward Allied objectives, have been abridged by arbitrary action of the Soviet representation on the Com-

<sup>56</sup> Telegram 524, February 23, 1946, from Moscow, reported that a note had been transmitted to Molotov on February 21, setting forth the American representations. Kennan added in this telegram that he assumed that the Department agreed that such representations were unlikely alone to produce satisfactory changes in the procedures of the Allied Control Commissions and served only to place the American position on record with a view to taking further and more tangible steps in case the Soviet Government persisted in failing to execute the provisions of the Berlin Agreement. (740.00119 Control (Bulgaria)/2-2346)

mission. It has been particularly noted that unduly cumbersome procedures instituted with regard to the clearance of aircraft into Bulgaria operate to restrict the free entry and exit of US planes for the U.S. Delegation. Such planes constitute the only means of transportation between the US Delegation and the Government it represents. Furthermore, supplies brought in by air by the US Delegation for its own use have been made subject to inspection by Soviet officials upon arrival despite the fact that manifests describing the cargoes have been submitted in advance. As regards freedom of movement within Bulgaria, members of the US Delegation have had not only to notify the Soviet authorities of their proposed itineraries as provided in the agreement at Berlin but also to make application for permission to undertake travel within the country and to await approval of such application before departure, a clear extension of the arrangement agreed upon and a derogation of that arrangement.

It is the opinion of the US Government that this situation, which also exists to a greater or less degree in Rumania and Hungary, is in direct violation of the specific agreements of the US and Soviet Governments as set forth above with regard to the present basis for operation of the ACCs in the ex-satellite countries. It is further believed that the unwillingness of the Soviet authorities in Bulgaria to abide by those agreements, indicated by their failure wholeheartedly to foster effective participation of the US Delegation in the work of the Allied Control Commission there and by their imposition of restrictions on the personal and official activities of the US Delegation, is not conducive to the full development of the cordial relationships which the US Government on its part desires to see maintained at all points of contact with the Soviet Government. The US Government expects that the Soviet Government will take prompt measures to insure future compliance with the agreements it has undertaken in this regard and will instruct its representatives on the ACCs accordingly without delay.[<sup>57</sup>]

Sent to Moscow, repeated to London, Sofia, Bucharest and Budapest.

BYRNES

874.00/2-1646: Telegram

*The Counselor of the Department of State (Cohen) to the Secretary of State*

SECRET

LONDON, February 16, 1946—noon.

[Received 6:16 p. m.]

1968. Personal for the Secretary from Cohen. Deptel 1416, Feb. 12, noon.<sup>57</sup> I saw Vyshinsky today and outlined to him our position on Bulgarian question along the lines of our telegram 1299, Feb. 2. I made it plain that we felt that the Moscow decision envisaged an agreement between the Bulgarian Government and the Opposition

<sup>57</sup> Not printed, but see footnote 52, p. 72.

parties regarding the participation of two members of those parties in the Government and not a mere *pro forma* addition of such members. For these reasons we did not feel we could put any pressure on the Opposition parties to enter the government on terms which they regard as violating their political principles. I added that, since the Soviet Govt had taken the initiative in this matter, our Govt would like to know what the Soviet Govt had in mind as the next step. I concluded by saying that I was sure we still had the same objective, even though the Moscow decision had not justified our hopes. Vyshinsky stated that the Soviet Govt had fulfilled its task and with some difficulty had prevailed upon the Bulgarian Government to accept the Moscow decision, but the "impossible and insulting" demands of the Opposition parties for the dissolution of the National Assembly and the installation of a new govt had made the execution of the Moscow decision impossible. No such conditions were in the Moscow decision and could not be entertained. In this connection, Vyshinsky repeated his accusations of Barnes' attitude and activities. He said that there was nothing more for the Soviet or Bulgarian Governments to do but that we might use our "moral influence" with the opposition to accept the Moscow decision. If, however, the Moscow decision could not be accepted by the Opposition, the situation would remain as it had been before. Elections to the Constituent Assembly would take place in March and the Opposition parties would have an opportunity to participate and put forward their candidates. Vyshinsky concluded that as for the freedoms, he himself had read the Opposition press in Bulgaria which was very outspoken.

I again made it clear that we could not undertake pressure on the Opposition which would be interference in Bulgarian internal affairs. As far as Barnes was concerned, I said we had no reason to believe that he had interfered in an internal situation as Mr. Vyshinsky thought. I concluded by saying that we still hoped that the Bulgarian Government and the opposition could find a mutually satisfactory basis for the inclusion of the two representatives in the Govt. Until that time we hoped that nothing would be done by either side to acerbate the tension in Bulgaria.

Vyshinsky expressed doubt as to the possibilities of the Bulgarian Govt and the Opposition agreeing or that the situation would quiet down. When I brought up the Greek reparations, Vyshinsky said he was not up to date on that question, but he knew that the Greek demands had been "fantastic" with no relation to reality. He promised to look into the matter.

I feel our position is clear to Vyshinsky, but he made it plain that the Soviet Government is not prepared to put forward any new suggestions but let events in Bulgaria take their course.

[COHEN]

711.61/2-1846: Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

SECRET  
PRIORITY

SOFIA, February 18, 1946—5 p. m.  
[Received February 19—10: 56 a. m.]

150. All of us in Mission and on US Delegation ACC are delighted with contents of Department's telegram No. 45, February 15<sup>58</sup> calling for representations Moscow re failure local Russian representatives to abide by Potsdam agreement on ACC procedure. I can assure Department that no member US delegation or Mission staffs has ever arrived at this post disposed not to get on with Russians. I may even go so far as to say that all have arrived convinced way could be found to establish effective and satisfactory relations with them. I can report with equal assurance that not one has retained original faith in fundamental decency of Russians after experience of direct contact with them; that in fact there is today not single member of staffs, delegation and Mission who retains shred of belief in Russian objectivity or good faith.

As I have said above we are all delighted that failure of local Russians to deal with US in manner that would foster rather than dissipate our desire to get on with them is again to be brought officially to attention of Moscow Government. However, we have no illusions: our experience to date leads us to anticipate no improvement as result of representations couched in language of one gentleman to another. It is our experience that Russian authorities are responsive only to same brutal tactics they themselves employ. As I once said (my telegram 257, May 19, 1945<sup>59</sup>) theirs are methods of gas house gang; including brass knuckles and all other paraphernalia of such hooligans. They deeply resent such conclusions about themselves but this does not cause them to correct their ways. They are instruments of implacable system that makes no allowances for human decency.

Sent Department as 150; repeated to Moscow as No. 75 and London as 66.

BARNES

<sup>58</sup> Same as telegram 295, February 15, to Moscow, p. 74.

<sup>59</sup> *Foreign Relations*, 1945, vol. IV, p. 217.

761.74/2-2246

*Memorandum of Conversation, by the Acting Chief of the Division of Southern European Affairs (Barbour)*

[WASHINGTON,] February 22, 1946.

Participants: Lt. Gen. Vladimir Stoichev, Informal Bulgarian Political Representative in the United States;  
 Mr. Cohen, Counselor,  
 Mr. Barbour, Acting Chief, SE

Mr. Cohen today received General Stoichev, informal Bulgarian Political Representative in this country, and after summarizing orally to him the views of this Government in regard to the execution of the Moscow decision concerning Bulgaria, handed General Stoichev an *aide-mémoire* in that conversation.<sup>60</sup> Mr. Cohen emphasized that it was and is the attitude of this Government that, if both the Bulgarian Government and opposition endeavor in a spirit of conciliation to find a mutually agreeable basis for the inclusion of two truly representative members of the opposition into the government, it will be possible to carry out the arrangement agreed on at Moscow. In answer to General Stoichev's inquiry as to what conditions the U.S. Government would consider as forming a reasonable basis for the participation of opposition representatives, Mr. Cohen indicated that we did not wish to specify particular conditions and reiterated that the matter is one which should be capable of solution by the Government and the opposition themselves if a sincere spirit of conciliation exists on both sides. Mr. Cohen added that we hope that no action will be taken by either side to acerbate the situation in the meantime and said that we would regret it if any recriminations should be made by either side against the other which could not fail to make ultimate agreement more difficult.

740.00119 EW/2-746: Telegram

*The Secretary of State to the Chargé in the Soviet Union (Kennan)*

RESTRICTED

WASHINGTON, February 25, 1946—6 p. m.

324. We are unable to accept position taken by Gen. Biryusov in his communication quoted in Sofia's Tel. 129, Feb. 7. Regardless of

<sup>60</sup> For text of the *aide-mémoire* of February 22, 1946, from Cohen to Stoichev, see Department of State *Bulletin*, March 17, 1946, p. 447. The text of the *aide-mémoire* was also delivered to the Bulgarian Foreign Ministry on February 25 and to the Soviet Foreign Commissariat on February 27. On March 5, the British Political Representative in Bulgaria informed the Bulgarian Foreign Minister that the British Government shared the views set forth in the *aide-mémoire* of February 22.

nature of capitulation of Bulgaria, which we consider to have been unconditional, it is clear that the stipulations of the armistice and protocol are binding on Bulgaria and are not subject to further discussion with the Bulgarian Gov't. It is also impossible for us to reconcile his view of Bulgaria's inability at present to furnish foodstuffs to Greece with the fact that large quantities of such supplies are now known to be going to the U.S.S.R. from Bulgaria. As for further consideration of matter on governmental level it would appear that Gen. Biryusov is unaware of the exchange of correspondence which has taken place between your Embassy and FonOff (urtel 350, Feb. 5)<sup>61</sup> in the course of which the Soviet Gov't. stated it agreed to immediate consideration by governmental representatives on ACC and had sent instructions accordingly to Sofia.

Unless you perceive objection please inform FonOff along foregoing lines and add that this Gov't. which has on several occasions in the past indicated the importance it attaches to this matter and has within the last few days again apprised Mr. Vyshinski of its attitude (info tel., Feb. 19, 8 a. m.),<sup>62</sup> feels that the Soviet Gov't. should take immediate steps to instruct Gen. Biryusov to come to agreement with his U.S. and Brit. colleagues and to see that Bulgarian deliveries of foodstuffs to Greece begin without further delay.<sup>63</sup>

Brit. Embassy should be informed your action.

Sent to Moscow, repeated to London, Sofia and Athens.

BYRNES

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<sup>61</sup> Not printed; it transmitted the text of a January 30, 1946, communication from the Soviet Foreign Commissariat which referred to the fact that the Allied Control Commission for Bulgaria, at its meeting on December 18, 1945, discussed Greek claims for deliveries of foodstuffs from Bulgaria (740.00119 EW/2-546).

<sup>62</sup> Not printed; for the report on the Cohen-Vyshinsky conversation in London on February 16, 1946, see telegram 1968, February 16, from London, p. 75.

<sup>63</sup> Telegram 582, February 28, 1946, and airgram 94, March 2, from Moscow, reported that the British had made strong representations to the Soviet Government regarding Bulgaria's failure to fulfill the armistice terms in respect to reparations (740.00119 EW/2-2846 and 740.00119 EW/3-246). In telegram 690, March 7, from Moscow, it was reported that Vyshinsky had informed the British Chargé in Moscow on March 1 that there was no foundation to the Bulgarian Government's allegation that it was not bound by the protocol annexed to the armistice. Vyshinsky further stated that the Soviet representative on the Allied Control Commission for Bulgaria was being instructed to discuss with his British and American colleagues the question of Greek claims for the delivery of foodstuffs from Bulgaria. In view of Vyshinsky's statements, Kennan expressed the view that it would be preferable to await the outcome of the discussions in the Control Commission before approaching the Soviet Government in accordance with the Department's instructions. (740.00119 EW/3-746)

611.7431/2-2646 : Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

SECRET

SOFIA, February 26, 1946—3 p. m.

US URGENT

[Received 5:10 p. m.]

179. Mission informed that by invitation of Secretary of Commerce,<sup>64</sup> Gen. Stoichev has had discussion with Director Bureau Foreign [and] Domestic Commerce<sup>65</sup> re resumption U.S. Bulgarian trade relations. A desire to resume trade was expressed and attitude of Bulgarian Government requested. Stoichev is today instructed by cable to inform Dept that Bulgaria has great and varied need for goods only procurable in US but that until Bulgarian agriculture can be reorganized, great difficulty lies in payment. Stoichev instructed to offer 3,500 tons of tobacco and 500 kilos of rose oil (remytel 170, February 25<sup>66</sup>) and to request line of credit \$10,000,000 to be repaid within 5 years. Immediate shipment of above tobacco and rose oil amounting to roughly \$5,000,000 would reduce indebtedness by half. Mission will attempt to check origin of tobacco which may be Greek tobaccos for which US license refused to Coleman.

Foregoing if true so far as US initiative is concerned, seems to be somewhat at variance with our policy toward present Bulgarian Government which stubbornly refuses to make any effort in political field to facilitate US recognition. Reported US initiative in conversations with Stoichev may explain to some extent persistence of Bulgarian Minister of Foreign Affairs in believing US recognition imminent. Only 2 days ago, he assured Regents again that recognition would be forthcoming shortly. I strongly recommend coordination all US activity toward Bulgaria and that any serious conversations about credit be related to our political views about present Government despite general US policy of not tying political strings to credits.<sup>67</sup>

Repeated Moscow as 87.

BARNES

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<sup>64</sup> Henry A. Wallace.

<sup>65</sup> Amos E. Taylor.

<sup>66</sup> Not printed.

<sup>67</sup> In telegram 77, March 8, to Sofia, the Department replied: "While this Govt approves trade with Bulgaria on cash or barter basis, we do not encourage private credit transactions and no Exim Bank credit will be granted in present circumstances." (611.7431/2-2646)

874.01/2-2746 : Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

SECRET

SOPIA, February 27, 1946—6 p. m.

US URGENT

[Received February 28—4: 55 p. m.]

186. Knowing Foreign Minister Stainov as I do, I always fear when US views on matters relating to Bulgaria are communicated to him that he will deal with these views very much as the squirrel does with a nut or at least will do no more about the matter than consult secretly with his Zveno<sup>68</sup> superior, Prime Minister Georgiev, who also has inclinations of squirrel when it comes to subjects that might prove embarrassing if known to general public.

Therefore when I sent Stainov note communicating *aide-mémoire* Mr. Cohen handed General Stoichev (Department's 58 February 22<sup>69</sup>) I took precaution of letting Senior Regent Ganev know that US views with respect to Moscow decision had finally been expressed to Bulgarian Government. I was the more convinced of necessity for this course because several days earlier Bulgarian official press had carried news reports allegedly from Paris and Bucharest that Stoichev had seen Secretary Byrnes and had presented to him Bulgarian Government's views with respect to Opposition's "refusal to carry out Moscow decision".

Ganev has now tried on three occasions to learn from Stainov and Prime Minister whether Bulgarian Government has received any communication from US Government setting forth latter's views on meaning of Moscow decision. Each effort has been met with denial.

I also felt it necessary in view of wily character of both Minister for Foreign Affairs and Prime Minister to let Russian Minister Kirsanov know that US views on subject had been communicated to Bulgarian Government. I told him that what had been said to government was identical with what had been said to his own government so that he might be forewarned not to accept any distorted version put forth by Stainov and Georgiev. This was on occasion of conversation with Marshal Tolbukhin briefly reported my telegram 180, February 26.<sup>70</sup>

In connection with foregoing I have noted Vyshinski's comment to Mr. Cohen that "we might use our 'moral influence' with Opposition

<sup>68</sup> Both Prime Minister Georgiev and Foreign Minister Stainov were leaders in the Peoples Union Zveno, one of the Bulgarian political parties forming the Fatherland Front.

<sup>69</sup> The telegram under reference transmitted the text of the *aide-mémoire* of February 22, from Cohen to Stoichev; see footnote 60, p. 78.

<sup>70</sup> Not printed; in it Barnes reported that he urged Marshal Tolbukhin to utilize his presence in Sofia to bring about a spirit of cooperation between the Bulgarian Government and the Opposition (875.00/2-2646). Tolbukhin visited Sofia to participate in Red Army Day celebrations.



to accept Moscow decision" reported in infotel February 19, 8 a. m.<sup>71</sup> which was received here in decipherable form only yesterday. I hope Department will agree with me that Stainov and Georgiev should not be allowed to conceal from opposition precise nature of our views on Moscow decision.

I have also noted Department's view (infotel February 6, 3 p. m. and European Affairs Weekly Political Review February 13<sup>72</sup>) that if matters in Bulgaria are allowed to drift it will become increasingly difficult to find satisfactory solution to Bulgarian impasse and that any long delay is bound to lead to reign of terror against Opposition leaders.

In this connection, especially now that our views on Moscow decision have been expressed, I should like to repeat what I said at end my telegram 50, February 2,<sup>73</sup> namely, that "we have already bought this Bulgarian 'pig in a poke' too many times. Rather let's have Russia do a bit of bidding or stand firm on position that what is bought in Moscow at least for a third time shall be paid for only on delivery and that problem of delivery is Russia's alone. In this event Opposition will look after itself, knowing that we have neither abandoned it nor Yalta".

I repeat foregoing not merely to give point to argument that we should not allow Stainov and Georgiev to withhold our views on Moscow decision but also because I am strongly of opinion that fear of "drift" in Bulgarian case can only cause us to cede further and further to Russia which means gradually abandoning our moral position here and failure to receive anything in return. In my opinion there is not one iota of evidence to be adduced in support of view that Russian policy in Bulgaria is shaped primarily by exaggerated feelings of insecurity and not by age-old Russian concepts of way to reach warm water and to cut British communications through eastern Mediterranean.

Hence it is my view that until Russia is made to feel through US, UK and United Nations support of Turkey that no "soft spots" exist on Dardanelles or Aegean we cannot hope for any real amelioration of Bulgarian situation. If Russia is not made to feel this then we cannot hope to do anything concrete about dictatorship and presence of Red Army in Bulgaria for years to come. But if we maintain our moral position while awaiting and participating in events that will make Russia understand that she cannot cut vital British communication lines and alter balance of world power by ultimately destroying

<sup>71</sup> Not printed; for the report on the Cohen-Vyshinsky conversation of February 16, see telegram 1968, February 16, from London, p. 75.

<sup>72</sup> Neither printed.

<sup>73</sup> Telegram 113, February 2, 1946, from Sofia, repeated to London as 50, not printed.

British Empire, then we will not have sacrificed a situation in Bulgaria and should help greatly in the end to keep Russia behind lower reaches of Danube River beyond which she certainly has no legitimate right to be.

In other words, I am strongly of opinion that while it would be foolhardy to expect to solve problem of restricting Russian activity in southeastern Europe to furtherance of legitimate Russian interests merely by seeking to protect rights of Bulgarian Opposition under Yalta Declaration, nevertheless not to do everything possible to assure these rights would afford Russia and local Communists such an immediate advantage as to complicate problem beyond measure. Hence it would seem better to let matters "drift" and retain our position of non-recognition than to hope that by reversal of policy we could influence Russians and Georgiev government for the better. Everyone concerned would interpret this as weakness and situation here from our point of view could only become worse. As matters now stand our views are in line with vast majority of Bulgarian people and with only true democratic mass party of country, the Agrarian Party. All admire us greatly for stand we have taken to date and confidently hope that if we quietly persist in views we now hold political liberties and prospects for peace in this part of world will increase; otherwise that the future is black for freedom and peace-loving peoples in Balkan Peninsula.

Sent Department as 186; repeated to London as 80 and Moscow as 92.

BARNES

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740.00119 Council/3-746

*The Soviet Chargé (Novikov) to the Secretary of State*

[Translation]

WASHINGTON, March 7, 1946.

SIR: In connection with the *aide-mémoire* presented by the Department of State of the United States of America to the Political Representative of Bulgaria in the United States on February 22, 1946<sup>74</sup> I have been instructed by the Soviet Government to communicate to you the following:

In the above mentioned *aide-mémoire* it is said that in the Moscow agreement it is provided for that the participation in the Bulgarian Government of two representatives of the opposition "must be based on the conditions mutually acceptable both to the Bulgarian Government and to the opposition".

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<sup>74</sup> For text of the *aide-mémoire* of February 22, 1946, a copy of which was transmitted to the Soviet Foreign Commissariat on February 27, see Department of State *Bulletin*, March 17, 1946, p. 447.

In fact in the decision of the Conference of the three Ministers in Moscow in December 1945 only two conditions are provided for. These conditions are to the effect that the two representatives of other democratic groups who are to be included in the Bulgarian Government:

- (a) be truly representative of the groups of the parties not participating in the Government and
- (b) be really suitable and work loyally together with the Government.

No other conditions in the decision on Bulgaria were adopted at the Moscow Conference.

In view of the foregoing the Soviet Government deems necessary to state the following:

Firstly, the statement of the United States Government made to the Bulgarian Government on February 22 does not correspond with the taken in Moscow decision concerning Bulgaria, since nothing is said in the decision of the Moscow Conference that the representatives of the opposition have to enter the Bulgarian Government on the basis of some mutually acceptable conditions.

Secondly, the said statement of the United States Government is the violation of the Moscow decision of the three Ministers since a new condition for the participation in the Bulgarian Government of the representatives of the opposition, not provided for in this decision, is set forth in this statement.

Thirdly, the Soviet Government had already drawn the attention of the United States Government to the fact that Mr. Barnes, the representative of the United States in Bulgaria, systematically incited Bulgarian opposition leaders to act not on the basis of the decision of the three Ministers, but to set forth new conditions for entering the Bulgarian Government not provided for by the Moscow Conference. The statement of the United States Government made to the Bulgarian Government on February 22 is inspired by the same tendency as the actions of Mr. Barnes and it may only encourage the representatives of the Bulgarian opposition to resist the decision of the Conference of the Three Ministers.

Thus the Government of the United States not only did not take any measures to contribute to the fulfillment of the decision of the Moscow Conference of the Three Ministers, but, on the contrary, by its statement of February 22 moves the opposition to a breach of the decision taken with the participation of the representatives of the United States at the Moscow Conference.

It is necessary to note the fact, that the said statement of the United States Government was made unilaterally, and without any attempt

at preliminary coordination of this step with other interested Governments which participated in taking the decision on Bulgaria.

The Soviet Government notifies the Government of the United States that it deemed necessary to inform the Bulgarian Government of its present statement since the statement of the United States Government of February 22 was brought to the attention of the Bulgarian Government.

Accept [etc.]

N. NOVIKOV

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[On March 10, 1946, the Secretary of State sent to Soviet Chargé Novikov a note responding to the latter's communication of March 7, *supra*. For text of the Secretary's note, which was released to the press on March 11, see Department of State *Bulletin*, March 24, 1946, page 485. In a memorandum to the Department of State dated March 27, 1946, not printed, the British Embassy stated that Foreign Secretary Bevin had received a copy of the Soviet note of March 7 to Secretary Byrnes and had replied to the Soviet Embassy in a note on March 22 along lines which were in general agreement with those of the United States Government (874.01/3-2746).]

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874.00/3-1346: Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

SECRET

SOFIA, March 13, 1946—5 p. m.

[Received March 16—9:38 p. m.]

236. Newspaper *Izgrevev* is not only party organ of Zveno of which political group Stainov is one rep in FF Govt but it is also mouth-piece of FF Govt Foreign Office. Yesterday *Izgrevev* published long article analyzing respective views of western democracies and USSR on implementation of Moscow decision. This article concludes with following paragraph: "Hence it is clear that disagreement exists between three Great Powers re this question. Until disagreement is settled among them authoritative interpretation of Moscow decision remains so far as Bulgarian Govt is concerned that which was transmitted to it in form of friendly advice by rep of Soviet Union in name of three Great Powers."

I suggest that if we were to accept this as final word from Bulgaria and Russia on Moscow decision and at same time were to maintain our position of nonrecognition because decision has not been implemented we would be following course of wisdom. Thus at long last would be laid to rest formula conceived by Russia alone and one that could have no merit for anyone concerned but Russia. As I have sought to explain many times in my telegrams, since announcement of decision,

enlargement of Govt by including reps of Opposition who at same time had no voice in Parliament did not make sense politically. Let us [apparent garble] Russian and Bulgarian obstinacy to date about literal interpretation of formula, bury it forever and free us from incubus of what has turned to be unsound compromise and when once again question of recognizing Bulgarian Govt comes up actively let us return to sound and firm ground that we stood upon before Moscow meeting, namely that only free and unfettered elections can produce free and democratic govt that US is prepared to recognize in harmony with Yalta Agreement. In meantime Bulgarian problem should cease seriously to plague US relations with Russia except as part of much graver problem of Russia's threat to Straits, Aegean and communications thru eastern Mediterranean. In this connection I cannot refrain from urging Dept to give serious consideration to contents mytel 186 Feb 27.

Repeated Moscow 119 and London 103.

BARNES

874.00/3-1346

*The Deputy Director of the Office of European Affairs (Matthews)  
to the Secretary of State*

[WASHINGTON,] March 22, 1946.

MR. SECRETARY: In connection with Don Russell's attached memorandum <sup>75</sup> I should like to ask that you reconsider the suggestion to call Barnes back from Sofia for consultation at this time. I agree that at some future date it would be useful both to the Department and for Barnes to have him brought back. I think his departure from his post just now would be subject to serious misinterpretation.

As you have read, the Bulgarian Government has just resigned <sup>76</sup> and a new one which may or may not be an improvement on the last is in process of formation. We will want Barnes' interpretation of future developments. In the second place, in view of the public spanking which the Soviet note gave him, it would look to everyone in Bulgaria and probably in this country too as though we were bringing Barnes back because of Soviet criticism. Also, intelligence re-

<sup>75</sup> The memorandum under reference, dated March 22, from Assistant Secretary of State for Administration Donald Russell to Matthews, reads as follows: "The Secretary has instructed that Mr. Maynard Barnes be recalled for consultation. Will you take the necessary action." (874.00/3-1346)

<sup>76</sup> On the evening of March 20, 1946, Prime Minister Georgiev announced the resignation of his government. Barnes expressed the view in his telegram 258, March 21, from Sofia, that the resignation was more likely made to effect some internal shuffle of posts rather than as an honest effort to reach a compromise with the Opposition leaders (874.00/3-2146).

ports indicate recent Soviet troop movements and increases into Bulgaria and with these developments coupled with efforts to build up air fields and other bases in Albania, I think it is a poor time to call back our representative in Sofia.

H. FREEMAN MATTHEWS

874.00/3-1346: Telegram

*The Secretary of State to the Representative in Bulgaria (Barnes)*<sup>77</sup>

TOP SECRET

WASHINGTON, March 23, 1946—4 p. m.

93. Personal for Barnes from the Secretary. In your telegram no. 236 of March 13, 1946 you state that the Moscow Agreement as to Bulgaria was conceived by the Soviet Government alone. That is not correct. You also say that the Agreement helps only the Soviet Union. I feel that you should know that it is in conflict with the views of your Government as to the advantages to be derived by carrying out in good faith the terms of the Moscow Agreement.

I think, as you will understand, that it is important that while representing this Government at Sofia you should be careful to refrain from making such statements.

BYRNES

874.00/3-2546: Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

TOP SECRET

SOFIA, March 25, 1946—6 p. m.

URGENT

[Received March 26—6:50 a. m.]

266. Personal for the Secretary from Barnes. In London Mr. Vyshinski said to Mr. Cohen that we might use our influence with Bulgarian Opposition to enter Government under Moscow decision. I believe time has come when message from you to Opposition and to Kimon Georgiev, if this is at all possible under Moscow decision and in view of what Vyshinski said in London, might bring about immediate implementation of decision.

Negotiations between Georgiev and Petkov have reached following point: Georgiev has offered Ministry of Justice and "Assistant Ministry of Interior" to Opposition. Georgiev seems prepared to meet Petkov's insistence on general amnesty and release of Opposition members from concentration camps. He, however, remains adamant against Opposition's demand for new elections for Ordinary Nations [*National* ?] Assembly before signature of peace. Important mem-

<sup>77</sup> The text of this telegram is substantially the same as the original draft prepared by the Secretary himself.

bers of "Zveno", Georgiev's party, disposed secretly to support Petkov in this demand.

I have good reason to believe that compromise could be found on this point if you were to say to these two leaders, after consultation with Gromyko <sup>78</sup> who might be able to get an immediate reaction from Moscow, that you are gratified by progress that has already been made toward mutual compromise and that you feel certain that opportunity for broadening Government presently by resignation of Georgiev Cabinet will not be lost by failure to find formula on election issue.<sup>79</sup> In connection with this question of elections, I recall that in his conversation with Mr. Cohen, Vyshinski said there would be elections in Bulgaria in March. He doubtless had in mind Government's earlier plan to hold partial elections for Grand National Assembly (please see paragraphs 3 and 4 mytel No. 49, January 14). Therefore, now to refer again to future elections should not affront Moscow if formula in no way raised question of validity of November 18 elections.

Best formula under circumstances would seem to be one secretly favored by some "Zveno" members. This is that sometime within next 6 months general elections be held for Grand National Assembly with 276 of the candidates standing simultaneously for election to new Ordinary Assembly. These candidates when elected would convene as Ordinary Assembly to prepare agenda for Grand National Assembly which would then meet for few days necessary to amend Constitution after which it would disband leaving 276 elected as deputies to continue as Twenty-seventh Ordinary National Assembly. This formula would meet Government's position which is also position of Russians that present assembly was properly elected. At same time it would afford Opposition opportunity to participate in preparation of agenda for constituent body and assure Opposition of Parliamentary representation in succeeding non-constituent assembly. However I do not suggest that in your statement it would be necessary to go into any details as to nature of compromise election formula to be sought. I realize that under Moscow formula only Russia was to advise Government but now that Government has resigned although continuing in power to look after current affairs and also because of Vyshinski's remarks in London situation would seem to warrant action along these lines. In any event I feel certain that if message from you broke

<sup>78</sup> Andrey Andreyevich Gromyko, Soviet Ambassador to the United States.

<sup>79</sup> In telegram 270, March 26, 1946, from Sofia, Barnes assured the Secretary that both the Government and the Opposition would welcome a message in the sense proposed here. Barnes added: "I believe I can also assure you that for first time Russians are making serious effort to implement Moscow decisions here. They are pressing for formation of Govt by tomorrow night Sofia time. Word from you in concord with this Russian effort would, I believe, induce both sides, that is, resigning govt and opposition, to make final effort in interest of full compromise." (874.00/3-2646)

present deadlock everybody concerned, Russians, FF leaders and even Opposition would be deeply grateful. Such happy result would open way to early recognition by US and UK and would thereby eliminate Bulgaria as cause for discord between West and Russia. It would also afford Bulgarian people, FF and opposition stabilizing satisfaction of knowledge that they all had contributed to accord between three Great Powers.

If action of this nature is to be taken it must be immediate as "Cabinet crisis" now 5 days old and cannot be allowed to extend probably beyond March 27. If you think suggestion at all feasible will you telegraph at once to that effect so that Georgiev and Petkov may be asked to do what they can to keep situation liquid pending final word from you.

BARNES

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740.00119 Control (Bulgaria)/3-2546 : Telegram

*The Chargé in the Soviet Union (Kennan) to the Secretary of State*<sup>80</sup>

RESTRICTED

Moscow, March 25, 1946—3 p. m.  
[Received March 26—3 : 15 p. m.]

940. "The Soviet Govt cannot agree with the assertion that the decisions of the Berlin Conference on the revision of the Allied Control Commission procedure in Bulgaria, Rumania and Hungary have not received practical implementation in these countries.

"The statement contained in your letter that the United States delegate has not been consulted on the principal questions handled by the Allied Control Commission in Bulgaria and that he has not been given the necessary information does not correspond to fact. The Soviet representative on the ACC in Bulgaria has consulted both with the representative of the US and the representative of Great Britain on all principal questions. The representative of the US has been given information and diverse knowledge on the questions of interest to him with the exception of questions which do not bear on the armistice agreement and concern only the Soviet side. Furthermore, the deputy chairman of the ACC in Bulgaria, Colonel General Biryusov

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<sup>80</sup> Telegram 939, March 25, 1946, from Moscow, explained that the message quoted in this telegram was a translation of Deputy Foreign Minister Vyshinsky's letter of March 22 in reply to the Embassy's note of February 21 to the Soviet Government regarding procedures in the Allied Control Commissions. The Embassy's note of February 21 had been sent in pursuance of the instructions in telegram 295, February 15, to Moscow, p. 74. Vyshinsky's letter contained the following introductory paragraph not appearing in this telegram: "In connection with your letter of February 21 addressed to the Minister of Foreign Affairs V. M. Molotov on the question of the Allied Control Commissions in Bulgaria, Rumania and Hungary, I have been commissioned to inform you of the following."



constantly works out by agreement (“Soglasovyvaet”) with the representatives of the USA and Great Britain the plans of work of the ACC including in these plans among others questions to be presented for discussion by representative of the USA. Among such questions, for example, is the discussion of the plan of work of the ACC with which the representative of the US on the ACC in Bulgaria expressed his agreement and satisfaction in his letter of September 12, 1945<sup>81</sup> to the Deputy Chairman of the ACC in Bulgaria and also questions connected with the execution of individual clauses of the armistice agreement.

“It is also impossible to agree with the statement of the Govt of the US that the rights and privileges of the American representative on the ACC in Bulgaria particularly in the question of the utilization of American aircraft are being abridged by arbitrary action of the Soviet representatives. According to information at the disposal of the Soviet Govt, requests for the entry of 123 aircraft into Bulgaria were received from the American representative on the CC during the period from Dec 1, 1944 to Feb 23, 1946. All 123 clearances were granted and during this period 102 American aircraft actually arrived in Bulgaria and 100 aircraft left. No obstacles are placed by the CC on the movement of American representatives on the territory of Bulgaria as well as on the territories of Hungary and Rumania. The Soviet military authorities in Bulgaria, in accordance with the existing statute of the CC, have only asked the representatives of the US to inform the Soviet authorities in good time of the itinerary and time of such trips which American officials have sometimes not done.

“With regard to the work of the ACCs, in Hungary and Rumania, the Soviet representatives there have concerted (“Soglasovyvali”) with the representatives of the USA with plans of work of the ACCs, have consulted with them on the main questions in the discussion of which at ACC sessions the American representatives have taken active part. It is known that such questions as elections to the Hungarian Parliament, the expulsion of Germans from Hungary, the reduction of armies, UNRRA assistance, the arrest and trial of Hungarian war criminals and a number of other questions were considered by the ACCs with the participation of the representatives of the USA and Great Britain. In Rumania, for example, four sessions of the ACC devoted to economic problems of Rumania have recently been held together with representatives of the USA and England.

“All requests of American representatives for flights of aircraft into Hungary and Rumania with the exception of several cases for Rumania have been fully satisfied.

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<sup>81</sup> Not printed.

"From the foregoing it follows that the work of the Allied Control Commissions in Bulgaria, Hungary and Rumania has been set up in accordance with the decisions agreed upon at the Berlin Conference for a revision of the Allied Control Commission procedure and by virtue of this the Soviet Govt cannot agree with the statements made on this subject by the Govt of the USA.

"At the same time the Soviet Govt for its part considers it necessary to invite the attention of the Govt of the US to the position of the Soviet representative on the Allied Commission for Italy. The decisions of the Allied Commission for Italy on questions of principle not only are not concerted ("Soglasovyvayutsya") with the Soviet representative but the Soviet representative is not even informed in time of the decisions adopted by the AC on questions of principle. Such important decisions of the AC for Italy as the reorganization of the AC, the transfer of the northern provinces and also the islands and ports to the Italian Govt, the transfer to UNRRA of the economic functions of the AC, the permitting of the Italian Govt to form a transitional period army and others have been adopted without preliminary consultation and concerting ("Soglasovaniya") with the Soviet representative. The Soviet representative and his colleagues on the AC for Italy are almost wholly deprived of the opportunity to make trips in Italy to regions located over 50 kilometers from Rome.

"The Soviet Govt regards such a situation as utterly abnormal and expresses the hope that the Govt of the USA will take measures without delay to establish proper conditions for the work of the Soviet representative on the Allied Commission for Italy."

Sent Dept 940, repeated to Budapest 20, Bucharest 25, Sofia 26, Rome 24.

[KENNAN]

874.00/3-2646 : Telegram

*The Acting Secretary of State to the Representative in Bulgaria*  
(Barnes)

SECRET U.S. URGENT WASHINGTON, March 26, 1946—8 p. m.  
NIACT

95. From the Secretary for Barnes. Urtels 266, March 25 and 270, March 26.<sup>52</sup> I am gratified to learn progress made in current negotiations toward reorganization of Govt in implementation Moscow Decision. Reported offer by Prime Minister of Ministry of Justice, Assistant Ministry of Interior, general amnesty and release of opposition members from concentration camps would seem to go

<sup>52</sup> Latter not printed, but see footnote 79, p. 88.

far toward providing a mutually acceptable basis upon which opposition representatives could participate in the Govt. Finding of a mutually satisfactory formula on election issue could not but be welcomed as evidence that spirit of conciliation can achieve effective cooperation of all sections of democratic opinion in Bulgaria.

You may inform the Prime Minister and the leaders of the Opposition as well as the Regency Council orally that the efforts being made by both sides to find a mutually acceptable formula for the implementation of the Moscow Decision have been well received by your Govt. You may add that it is my earnest hope that these negotiations will result in the establishment of a reorganized Govt in accordance Moscow Agreement and that the U.S. Govt will thus be enabled to extend recognition to such a Govt at an early date.

Please inform your Soviet and Brit colleagues of foregoing.

ACHESON

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874.00/3-2946 : Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

SECRET

SOFIA, March 29, 1946—11 a. m.

URGENT

[Received March 30—10:05 a. m.]

276. Deptel 95, March 26. The Secretary's message encouraging Govt and Opposition to implement Moscow decision in spirit of conciliation received yesterday morning and contents orally conveyed during course of afternoon to PriMin, Regents and Opposition leaders leaving memo of oral statement with each.

Night before PriMin had told me that since noon of that day (March 27) prospects for understanding had lessened. He complained particularly of the intransigence of Lulchev on election issue and of demand of Socialists for replacement of Yugov by another Communist if Ministry of Interior could not be ceded to non-Communist because Yugov's name so generally associated with all terror since September 9 as to have made him ogre in minds of most peasants. Georgiev had left me at one o'clock on morning of 28th stating that he was quite as anxious for helpful message from the Secretary as myself and that in hopes of having such a message before too late he would "string out" negotiations with Opposition for another 24 hours. He also knowingly left me under impression of mytel 266, March 25 that he was prepared to cede Ministry of Justice and Assistant Minister of Interior to opposition as well as a second Ministry so as fully to meet conditions of Moscow Accord. PriMin's disposition to make these concessions to Opposition had also been confirmed to me by notes that Opposition members had taken during their

various conversations with him that had begun on March 24. Furthermore, PriMin had on March 25 been made aware of contents mytel 266 by Stainov to whom I had presented that telegram in draft form on that date with question of whether or not he, Stainov, as important member of Zveno Party considered *démarche* proposed therein to be political expedient from point of view of all parties concerned with implementation of Moscow Agreement. After careful examination contents that telegram and several suggestions from him for amendments thereof which were made, Stainov had told me by all means I should send message. Later on same day I had showed message to Petkov as purpose of these precautions was to assure that my knowledge of state of negotiations between Govt and Opposition was exact and that I should not be proposing an expression of US interest that might "backfire".

Yesterday morning PriMin received opposition leaders to hear their final reply on terms that he had discussed during course of negotiations since March 24. I was received to convey Secretary's message immediately after. To my great surprise PriMin said when apprised of Secretary's gratification over progress represented by reported offer Ministry Justice that only a short time before during his talks with Opposition leaders had he learned of misunderstanding that had developed without his knowledge during course of negotiations, namely that while Opposition had anticipated obtaining Ministry of Justice, he himself had never proposed ceding that Ministry to Agrarians of Opposition but only of taking Ministry of Justice away from Communists and giving it to Obbov Agrarians.<sup>83</sup> I explained to him my great surprise at this statement but he persisted in this version of what he had had in mind.

Asked what ministries would be offered to Opposition he became evasive and said that would depend on how matters turned out from present state of affairs to end of negotiations, but that at any rate situation with respect to opposition was not sufficiently ripe to consider ceding to Petkov Agrarians any such important Ministry as that of Justice. He then said he no longer believed compromise would be found as Opposition, particularly Lulchev and his Socialists, were proving "most difficult" on election issue. On leaving I asked point-blank whether if Opposition were finally to accept his offer of simultaneous elections (please see mytel 266, March 25) date to be determined later by Govt and not during process of present negotiations but to be held not later than September 15, he would do anything

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<sup>83</sup> Alexander Obbov was the leader of a dissident group of members of the Bulgarian National Agrarian Union who were included in the membership of the Fatherland Front.

about Ministry of Justice and on Assistant Minister of Interior for Opposition. He replied that he could give no such assurance.

I left PriMin with feeling that subsequent to noon March 27 orders had come from somewhere to abandon previous apparent line of conciliation (perhaps Russian reaction to events transpiring in New York meeting of Security Council<sup>84</sup>) or that all along govt had been playing game devised to ascertain final limits of concessions opposition prepared to make in order to perfect for subsequent use of Russian in negotiations with US and UK of argument that opposition and opposition alone responsible for failure Moscow Accord in Bulgarian case.

It is officially announced this evening that "two Opposition groups have again submitted demands to PriMin which are considered unacceptable and that efforts of past few days have not eliminated conflict of views. PriMin will today resume conversations with representatives of FF parties."

Sent Dept as 276; repeated Moscow as 130 and London as 113.

BARNES

874.00/3-2946: Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

SECRET

SOFLA, March 29, 1946—5 p. m.

US URGENT

[Received March 30—5:32 p. m.]

282. After leaving Petkov (please see mytel 277, today's date)<sup>85</sup> I called on Russian Minister Kirsanov and told him of contents of Deptel 95, March 26. I handed to him in form of memorandum of conversation Russian translation of substance of that telegram.

Kirsanov reacted most unfavorably to message. He said it was evidence of fact, as already stated in form of complaint by his Govt to Govt of US, that I was constantly interfering in Bulgarian political situation without any rhyme or reason and certainly without any right. He asserted that he himself had not even seen any member of Bulgarian Govt since political crisis had been opened by resignation

<sup>84</sup> The United Nations Security Council was considering the Iranian complaint regarding the failure of the Soviet Union to withdraw its Armed Forces from Iranian territory. For documentation on this matter, see vol. VII, pp. 289 ff.

<sup>85</sup> Not printed; in it Barnes reported having called upon Petkov to convey the contents of the Secretary's message. Petkov felt that the Secretary's message was precisely in the spirit of what all three Great Powers should do in order to bring about a mutually satisfactory solution of the Bulgarian impasse. Petkov could see no possibility of solution for the present, however, in view of Prime Minister Georgiev's withdrawal of his offer of the Ministry of Justice and of an Assistant Ministry of Interior to the Opposition (874.00/3-2946). Telegram 278, March 29, from Sofia, reported that Barnes had also called on Social Democratic Party leader Lulchev on the evening of March 28 and communicated to him the substance of the Secretary's message. Lulchev insisted that Georgiev had in fact offered to the Opposition the positions of the Minister of Justice and an Assistant Minister of Interior. (874.00/3-2946)

of Georgiev Govt. However he said in almost same breath that facts stated in Secretary's message were incorrect; that at no time had Georgiev ever thought of conceding Ministry of Justice to opposition. He then launched into long tirade against American policy in Spain and asked how could US justify its "interference in Bulgarian affairs" while at same time it paid no attention in Spain to rightful insistence of Moscow against continued diplomatic relations with Franco by so-called friends of Soviet Russia. From Spanish situation he proceeded to tell me how surprising it must be to many of South American countries that while US "interferes" with Russian affairs in Bulgaria, Russia engages in no such activity at expense of US in South America. He also observed that Moscow Accord restricted "advice to Bulgarian Govt" to Russia alone.

I thought it best to wait until he was in calmer mood to point out that on Feb 17 [16] in London Mr. Vyshinski had said to Mr. Cohen that we might seek to use our influence with Opposition to assure implementation of Moscow Accord and that Vyshinski had also spoken during conversation with Mr. Cohen in London about elections in Bulgaria at end of March.<sup>86</sup> I did, however, point out to him that Secretary's message was drafted quite as much for effect that it might have in rendering opposition reasonable and conciliatory as in having similar effect on Govt and that in any event it was message of such nature as to make it clear to Russia and all others concerned that US was not seeking to "torpedo" Moscow Decision but, on contrary, was doing its utmost to implement it. I had impression that it was this very fact that annoyed Kirsanov most.

At midnight last night I was aroused from bed by telephone call made at Kirsanov's behest "convoking" me to his Legation for conversation at 1 a. m. I suggested delay until some time after daybreak but person at other end of wire seemed to have no other instructions than to repeat parrotlike in Russian "immediately at Russian Legation". Fearing last-moment maneuver designed to permit Russians to state, in connection with announcement of new FF Govt without participation of Opposition, that their efforts to reach final compromise with assistance of US had failed because of uncooperative attitude my part of same nature as Opposition charged with adopting toward Govt, I dressed and went to see Kirsanov.

When received my suspicion of such maneuver was strengthened as Kirsanov really had nothing to tell me but to say that his understanding of the afternoon of misconception of Govt offer to Opposition had been confirmed by inquiries made by him of Govt in meantime. He

<sup>86</sup> For the report of the Cohen-Vyshinsky conversation of February 16, see telegram 1968, February 16, from London, p. 75.

then pointed out that as it was only now that he really had the facts, it should be apparent to me that Russia had had nothing to do with shaping course of negotiations between Govt and Opposition. (I had of course never suggested any such thing but when I let ForMin Stainov know this morning of this he laughed heartily). As Kir-sanov was in calm mood, I told him of Vyshinski's conversation with Mr. Cohen in London. He made no observation. When he asked me whether I was now prepared to agree with him that Govt had made serious effort to implement Moscow Decision, I said that I was compelled to take a different view than he as earlier in the week I had been led to believe even by PriMin himself, that real concessions in form of Ministry of Justice had been offered to Opposition, and now had been told by same source that all was a misunderstanding. I said that under the circumstances I could only say that I had been under misapprehension earlier when concluding that Govt was making serious effort to implement agreement. Here again Kirsanov had nothing more to say except reiterate his view.

We parted with joke by him about how at last he had obtained his vengeance by imposing Russian visiting hours on me in exchange for the time when I had made him adhere to European hours.

Repeated to London as 118 and to Moscow 135, sent Dept as 282.

BARNES

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874.00/4-146 : Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

SECRET

SOFIA, April 1, 1946—3 p. m.

[Received April 2—12: 16 a. m.]

288. Mytel 287, March 31.<sup>87</sup> There can be no doubt that outcome of Cabinet crisis has been extension of Communist control over Government. Appointment of Communist Vice Prime Minister<sup>88</sup> affords party and its leader Georgi Dimitrov means of direct and constant pressure on leadership of Council of Ministers with respect to deliberations of Council, administrative activity of Secretariat thereof, and the broad general political influence exercised by Office of Prime Minister. Project for Assistant Ministers has merely been postponed not rejected. Party has retained unrestricted control of Minister of Interior<sup>89</sup> and of militia. It has not lost real control of Ministry of Justice as new Minister,<sup>90</sup> an Obbov agrarian, appears disposed to ac-

<sup>87</sup> Not printed; it reported that Prime Minister Georgiev had formed a new government on March 31 (874.00/3-3146).

<sup>88</sup> Traicho Kostov; also Minister of Electrification and Natural Resources.

<sup>89</sup> Communist leader Anton Yugov remained as Minister of Interior.

<sup>90</sup> Lubomir Kolarov.

cept Communist domination in any conflict between old line agrarian thought and Communist views. At same time he takes over Ministry already staffed by Communists working with courts to which Communist judges and prosecutors have already been appointed. By recent law judges now seated are removable only for malfeasance. At same time Communists have gained vital Ministry of Finance.<sup>91</sup> Zveno, Director of National Bank, will, of course, be subservient to Communist Minister of Finance. Vital and strategic Ministry of Railways, Posts, Telephones and Telegraph remains in fact in hands of Communists through its director Major General Markov. Kulishev, new Minister of Foreign Affairs, so compromised [by] activities as Protogerov<sup>92</sup> Macedonian revolutionary political representative and advocate during early part of war of German penetration into Balkans as to have little or no independence left.

Government press has lost no time in intensifying campaign of denunciation and vilification of opposition for refusing to accept Russian and Government interpretation of Moscow decision. Crisis appears to have strengthened opposition in its conviction that time is serving interests of political liberty in Bulgaria and that Government reshuffle is only one of several that will occur in the inevitable march of events toward new elections and formation of government sufficiently representative to be recognized by western democracies.

Sent Department as 288; repeated Moscow as 137 and London as 120.

BARNES

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874.00/4-146 : Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

SECRET

SOFIA, April 1, 1946—5 p. m.

URGENT

[Received 6:28 p. m.]

290. Please see mytel 287, March 31.<sup>92a</sup> I am sure significance of Russian Minister Kirsanov's statement of midnight March 28-29 with respect to implementation Moscow Decision will not be lost on Dept. Kirsanov doubtless sought and obtained new instructions in period between two conversations reported mytel 282 March 29. Neither in earlier conversations nor in one subsequent to communication of his message to Georgiev did he say anything pertinent to immediate political situation in Bulgaria other than that Russia in no way sought to influence local Govt. In contrast to this deliberate secrecy of intent and action we unhesitatingly informed him of Sec-

<sup>91</sup> Ivan Stefanov was the new Minister of Finance.

<sup>92</sup> One branch of the pre-war Internal Macedonian Revolutionary Organization (IMRO).

<sup>92a</sup> Not printed, but see footnote 87, p. 96.



retary's message urging mutual compromise and made forthright bid for Russian effort and one well within its competence, to remove Bulgaria as cause for dispute at sacrifice of nothing material to Russia's security. Russia chose to ignore our appeal and once again to play lone hand and to seek further to undermine US prestige in Bulgaria. And just as in each instance of same sort of thing in past, public opinion in general has rallied to our point of view rather than to Russians'. If Russian policy could only comprehend these few simple facts and act accordingly in future, smoother sailing for cooperation between Three Great Powers in Bulgaria would become immediate fact.

Sent Dept as 290, repeated Moscow as 138 and London as 121.

BARNES

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740.00119 Control (Italy)/4-1846: Telegram

*The Chargé in Italy (Key) to the Secretary of State*

SECRET

ROME, April 18, 1946—midnight.

[Received April 20—3:11 p. m.]

2039. See Moscow's 939<sup>93</sup> and 940 March 25, repeated Rome as 23 and 24. AC's comments on last two paragraphs of Vyshinski's reply regarding Soviet participation in ACCs Italy and Balkans are that "credentials" of Soviet member of AC Italy were outlined in AFHQ's letter of January 24, 1944 to AC which was implemented by Chief Commissioner's memo of January 31.<sup>94</sup> They briefly provide that Russian member of AC will attend weekly meetings of Vice Presidents of AC, that he will work on Vice President and directors "level", that he have complete access to officers on that level, and that copies of AC correspondence and reports considered of interest to Russian member will be forwarded to him. AC comment continues that matters of policy are invariably discussed at Vice President meeting and Soviet member has full opportunity to join in those weekly discussions. Acting Chief Commissioner recalls that only on one occasion in past year has Soviet member (although always in attendance) joined in deliberations of these meetings and that was to protest against action of Allied Military Police who fired upon a Russian General when he broke a military police road block. Consultation requires cooperation in work and thought according to re-

<sup>93</sup> Not printed, but see footnote 80, p. 89.

<sup>94</sup> Neither of the communications under reference is printed. Rear Adm. Ellery W. Stone, U.S.N., was Chief Commissioner of the Allied Commission for Italy.

port of acting AC and this has not been found in Soviet members of AC, Italy. AC report concluded that there is no general restriction on Russian member of AC visiting any part of Italy provided that permission be obtained from AC and AFHQ together with proper travel orders; that they are not encouraged to visit AMG territory which is described as outside scope of AC and that mention in Vyshinski's note of 50 kilometer limit outside Rome on their movements is consequently entirely inaccurate.

From Embassy's observation of workings of AC Soviet representatives thereon have not made effort to participate in activities of Commission where they are generally considered by Anglo-American members of AC as "observers". While it is true that they have not been encouraged to take active part, it is felt that with a little effort they could display greater interest and make their influence felt. As example, when Chief Commissioner in weekly meeting recently announced receipt of Fan 650<sup>95</sup> modifying organization and activities of AC in Italy, Soviet member did not even ask for copy of CCS directive although French representative did, and latter's request was promptly complied with. Language, of course, has been considerable barrier since neither previous nor present incumbent of Soviet representation on AC understands or speaks English which is sole language of AC.

Soviet participation in AC Italy can only be properly considered in conjunction with establishment and existence of Advisory Council for Italy, which provides for full and equal Soviet participation therein, and which was expressly created to give Soviet and other Governments opportunity to observe, report on, and express their views concerning machinery of Allied control in Italy. An equivalent Allied body does not exist in the Balkans where Anglo-American participation is limited to ACCs.

Copies of AFHQ letter containing terms of reference for Soviet member and ACC memorandum based thereon (referred to above) are being forwarded by airmail for Department's information and records.<sup>96</sup>

Sent Department 2039, repeated Moscow 87, Budapest 26, Bucharest 25, and Sofia 10.

KEY

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<sup>95</sup> Not printed.

<sup>96</sup> The documents under reference were transmitted to the Department with despatch 3376, April 18, 1946, from Rome, none printed (740.00119 Control-Italy)/4-1846).

C.F.M. Files : Lot M-88 : Box 2063 : US Delegation Minutes

*Memorandum of Conversation, by Charles E. Bohlen, Assistant to the Secretary of State*

[Extract]<sup>97</sup>

TOP SECRET

[PARIS,] April 28, 1946.

Participants: Secretary Byrnes  
 Mr. Benjamin V. Cohen<sup>98</sup>  
 Mr. Charles E. Bohlen  
 Mr. Molotov  
 Mr. Vyshinsky  
 Mr. Pavlov<sup>99</sup>

The following is a summary of the conversation by subjects which took place before and after the dinner given by the Secretary for Mr. Molotov:

*Bulgaria*

Molotov and Vyshinsky repeated previous arguments to the effect that it was because of Barnes' activities in Bulgaria that the Moscow decision had not been carried out. They had no evidence to support this assertion, but merely repeated that the attitude of the opposition leaders in putting forth conditions not provided in the Moscow decision was due to Barnes' advice.

The Secretary said that we had looked into these previous charges and were convinced that Barnes was doing what he could to help and not hinder matters.

Mr. Cohen pointed out that about three weeks ago it had looked as though the opposition and the Government were very near agreement concerning the inclusion of some members of the opposition, and that Barnes himself had been very optimistic on this score, but that suddenly the situation had changed and the Government had told the opposition that no agreement was possible. He inquired if Mr. Molotov could shed any light on this sudden change in attitude. Neither Mr. Molotov nor Mr. Vyshinsky was willing or able to throw any light on this point and the conversation on Bulgaria led to no conclusions although Mr. Molotov did raise the question as to how, under the circumstances, it would be possible to conclude a peace treaty with Bulgaria.

<sup>97</sup> For the remaining portions of this memorandum dealing with the Iranian question before the United Nations and the American proposals before the Council of Foreign Ministers relative to Germany and Austria, see vol. VII, p. 441, and vol. II, p. 146, respectively.

<sup>98</sup> Cohen was serving as Counselor to the United States delegation at the meeting of the Council of Foreign Ministers in Paris.

<sup>99</sup> Vladimir Nikolayevich Pavlov, Interpreter for Foreign Minister Molotov.

874.00/5-846 : Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*RESTRICTED  
US URGENTSOFIA, May 8, 1946—1 p. m.  
[Received 3:34 p. m.]

365. I have received a letter addressed to SecState by Nikola Petkov signing for Bulgarian Agrarian Union, by Kosta Lulchev signing for Bulgarian United Social Democratic Party and by Professor Petko Stoyanov signing for Independent Bulgarian Intellectuals.<sup>1</sup> Letter refers to fact that Charter of United Nations and principles laid down at Yalta Conference provided that democratic regimes should be created in all liberated countries to safeguard political rights of the people, namely freedom of speech, freedom of press, freedom of association and freedom of religion and then proceeds to make following points:

(1) These liberties are guaranteed by Bulgarian constitution that has been trampled on in past by Fascist Govts;

(2) The Bulgarian people fought Fascism to restore constitution.

(3) Restoration of political liberties was cornerstone of FF political platform.

(4) Communist Party subverted FF coalition into one-party system and behind screen of FF has deprived Bulgarian people of their fundamental rights and liberties.

(5) Opposition public meetings and use of radio by Opposition are prohibited.

(6) Prominent members and leaders of Opposition parties are held under detention.

(7) Political trials have been instituted against these leaders.

(8) Political murders have been resorted to.

(9) Free religious instruction in schools has been eliminated—in fact religious freedom no longer exists.

(10) Opposition press is persecuted and frequently suppressed.

(11) New measures passed by FF National Assembly for defense of people's authority and for control of press (See Mistel 332 repeated to London as 134<sup>2</sup>) have further disregarded constitutional rights of Bulgarian people.

Letter closes with statement that Bulgarian people, standing firmly behind Opposition, are fighting for establishment of true democratic and representative government by way of free and unhampered elections.

<sup>1</sup> Telegram 423, June 8, 1946, from Sofia, reported that a letter identical with the one described here had also been sent to Foreign Secretary Bevin. The British reply, addressed to the Opposition leaders on June 7, expressed general agreement with the Opposition views as to the undemocratic nature of the current Bulgarian regime and observed that the United Kingdom Government was withholding recognition pending a reorganization of the Bulgarian Government as provided for in the Moscow agreement (874.00/6-846).

<sup>2</sup> Not printed.

Document with its enclosures on suppression of Opposition newspaper *Narodna Zemedelsko Zname*, an article from official newspaper of FF on amendment and completion of press law and law for defense of people's authority and texts of original law for defense of people's authority and of old press law of 1921 will be airmailed at earliest opportunity.

Sent Paris as 35,<sup>3</sup> repeated Dept as 365.

BARNES

874.51/5-1546

*The Bulgarian Political Representative (Stoichev) to the Assistant Secretary of State for Economic Affairs (Clayton)*

WASHINGTON, May 15, 1946.

DEAR MR. CLAYTON: During my 8 months' stay in America, I have been employing my efforts, among other things, to facilitate commercial exchange between the United States and Bulgaria. In this my endeavor I have found full understanding and collaboration on the part of the Department of State as well as on the part of the Department of Commerce, which I appreciate very much.

As a result of our common work a certain amount of commercial exchange between the two countries has been attained. Unfortunately, its national economy being badly shattered by the war, Bulgaria does not dispose of much export surpluses. On the other hand, our country needs urgently a series of manufactured goods and raw materials in order to restore the country's productive resources. Therefore the Bulgarian Government considers that if commercial credits were granted to Bulgaria, it would facilitate greatly Bulgarian purchases in this country. It is the opinion of my Government that if credits amounting to about \$10,000,000. were opened by the Export-Import Bank, they could be repaid through Bulgarian exports of tobacco to the United States in 6 or 7 years, even if annual tobacco imports remained at the prewar years' level. But I am quite confident that Bulgarian imports of tobacco in the U.S.A. will be considerably higher in coming years and that on the other hand, many other Bulgarian products which will be available for export as soon Bulgarian economy gets on its feet again, such as rose oil, medicinal plants, essential oils, vegetable oils and many others, will find a live interest among American merchants, and so the gradually expanding Bulgarian exports will undoubtedly secure the dollar balances necessary for the reimbursement of the credits even in shorter time.

In case there are no obstacles in principle in the way of granting such

<sup>3</sup> The Secretary of State was at this time in Paris where he was participating in the meetings of the Council of Foreign Ministers.

credits, I should like to know more specifically what kind of information it would be necessary for my Government to provide and if a plan is to be offered as to how the credits would be used, what elements should it contain.

As I shall go to Bulgaria on a short leave in the first days of June I should like to discuss this matter with you before my departure so that I might be able to report personally to my Government what the views of the American Government on the question are. I should like to believe that you would be able to study the question in the meantime and to receive me in the first days of June for a personal discussion of the question.<sup>4</sup>

I am, my dear Mr. Clayton,

Respectfully yours,

LT. GEN. W. STOYTCHIEFF

740.00119 Control (Bulgaria)/6-446: Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

TOP SECRET

SOFIA, June 4, 1946—2 p. m.

[Received June 4—12:15 p. m.]

405. Generals Robertson<sup>5</sup> and Oxley were separately convoked yesterday by General Cherepanov<sup>6</sup> who told each that their officers had recently shown undue inquisitiveness about Russian military establishments in Bulgaria and that an analysis by him of trips taken by American and British officers in vicinity of Plovdiv "an important Russian military concentration point" had led him to believe that passage of so many British and American officers through that area could not be dismissed merely as coincidence. General Robertson refuted implication and explained that numerous American officers have re-

<sup>4</sup> A memorandum from George F. Luthringer, Director of the Office of Financial and Development Policy, dated May 24, 1946, recommended to Assistant Secretary Clayton that the interview by Stoichev be granted. The memorandum, which was concurred in by the Division of Southern European Affairs and by the Division of Commercial Policy, defined American policy on the Bulgarian request for a credit as follows: "The Department's position, based on a decision by the Secretary in March, is that no Eximbank credit will be granted to Bulgaria under the present circumstances. This position is based on (1) non-recognition of the present Bulgarian Government, (2) Bulgaria's reparations obligations to Greece, and (3) Soviet political control over, and economic drain on, Bulgaria." (874.51/5-1546) When General Stoichev called at the Department on June 5, 1946, Assistant Secretary of State Clayton explained that an Export-Import Bank loan to Bulgaria would not be possible for the reasons indicated above. The memorandum of the conversation indicated that General Stoichev had apparently not seriously expected to receive a favorable reply to his request. (874.51/6-546)

<sup>5</sup> Maj. Gen. William M. Robertson, Commander of the United States delegation to the Allied Control Commission for Bulgaria from March 1946.

<sup>6</sup> On May 4, 1946, Lieutenant General Cherepanov succeeded Colonel General Biryuzov as Deputy President (Soviet) of the Allied Control Commission for Bulgaria.

cently passed through Plovdiv on way to Varna to make arrangements at Black Sea resort for summer quarters. He has since warned his staff to avoid giving impression of any undue inquisitiveness. Deptel 154 of May 17<sup>7</sup> has been brought to attention of all American military personnel. General Oxley manifested anger at Cherepanov's imputation and stated that his officers had right to travel in Bulgaria where he wished to send them.

There may perhaps be some connection between foregoing and fact that on June 1, Bulgarian Army officer assigned by Bulgarian Minister of War as motor transport officer to US Military Delegation was seized by Bulgarian militia without any forewarning or explanation to General Robertson. We understand that militia charges that this office shortly after September 9, 1944 harbored "anti-FF officers" of Bulgarian Army. General Robertson has made strong oral protest to Minister of War on grounds that normal courtesy toward US Military Delegation would impose advance notice and informal discussions in such cases. As officer is member of Bulgarian military forces demand for his release does not seem feasible.

Repeat to Moscow as 172. Sent Dept as 405.

BARNES

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874.00/6-1146 : Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

SECRET

SOFIA, June 11, 1946.

[Received June 12—1:28 p. m.]

435. Curse of modern Bulgaria has been Macedonian question. Unfortunately for Bulgaria many of her leading men not only in political life but in all fields of intellectual activity, and in Army and amongst political radicals and revolutionaries, have sprung from Macedonia rather than Bulgaria proper. While warp and woof of Bulgarian fabric has been hard-working peasant, design has been largely Macedonian.

Even today with Communist-dominated FF Govt facts are much the same. Georgi Dimitrov,<sup>8</sup> Traicho Kostov,<sup>9</sup> Vulko Chervenkov,<sup>10</sup> and Anton Yugov<sup>11</sup> are sons of Macedonia, and basic fact of South Slav Union if it does occur, and it is objective very dear to Com-

<sup>7</sup> Not printed.

<sup>8</sup> Secretary General of the Bulgarian Workers Party and Chairman of its Politburo.

<sup>9</sup> Deputy Prime Minister and Minister of Electrification and Natural Resources in the Georgiev Cabinet formed at the end of March; member of the Politburo of the Bulgarian Workers Party.

<sup>10</sup> Member of the Politburo of the Bulgarian Workers Party.

<sup>11</sup> Minister of Interior and member of the Politburo of the Workers Party.

unist-dominated FF, will be union of Serbian, Greek and Bulgarian parts of Macedonia into single autonomous state within federation stretching from Trieste to Aegean and Black Seas.

Therefore, not surprising that specter of Macedonian revolutionary organization raising head again in current Bulgarian political scene. Macedonian political revolutionaries both of Right (Mihailov wing)<sup>12</sup> and of Left (Protogerov wing)<sup>13</sup> conspired and fought for incorporation of Macedonia into Greater Bulgaria [apparent omission] and military league from which present political organization Zveno Union (Party of PriMin and War Minister Veltchev) sprang, did finally adopt Agrarian Party program of friendship with Yugoslavia which meant elimination or diminution at least of Macedonian influence Bulgarian political affairs, but even this Left Wing never prepared to go to such extremes as to have any "truck" with political ideology of Communists and those Macedonians of anti-national aspirations such as Georgi Dimitrov, Traicho Kostov, Vulko Chervenkov and Anton Yugov.

Right Wing detests those who would sacrifice Bulgaria's part of Macedonia in interest of South Slav Union. Hence it is not unnatural that most determined political opposition in Bulgaria to Communists should come from Macedonians.

That opposition is now beginning to express itself in form of political murders. Recently two prominent Communists murdered at Sveti Vratsch (Macedonian stronghold) and 14 murdered on road from Sveti Vratsch to Sofia.

On night June 7 in Sofia Communists struck back. They killed son of long since deceased Macedonian leader within Bulgarian Army, Colonel Drangov. Son is known to be close to even Mihailov and has long been considered only person who might succeed within Bulgaria to Mihailov's revolutionary leadership. It is known that he clandestinely entered country about 3 weeks ago. On night of June 7, his hiding place in Sofia (in very center, only about three blocks removed from Mission's offices) was surrounded by militia. Gunfire battle ensued in which Drangov shot three militiamen before turning gun on self and taking own life. His bodyguard, Kangolov, escaped.

It is believed Mihailov himself may not be further from Sofia than nearby Turkish territory, if actually he has not already made way to Bulgaria or Serbian fastness. He was until end with Ante Pavelich in Croatia<sup>14</sup> and is known later to have reached Portugal. It is also known that he left Portugal some time ago.

<sup>12</sup> Ivan "Vancho" Mihailov, a leader of one wing of the Internal Macedonian Revolutionary Organization (IMRO).

<sup>13</sup> General Protogerov was an IMRO leader who was slain in 1928.

<sup>14</sup> Leader of the German-supported regime in Croatia during World War II.



Point of all of this is that Macedonians hope that as Communists become more determined in their attack on Veltchev (please see mytel 427, June 8<sup>15</sup>) and Zveno, Veltchev will again fall back on Macedonian support. Macedonian influence has always been very strong in Bulgarian Army, particularly in officer corps. In this connection it should not be overlooked that present MinFonAff<sup>16</sup> is old-time Right Wing Macedonian who went with Zveno at time Veltchev and Georgiev *coup d'état* May 19, 1934. He is at present President of Macedonian Bank seized by state after September 9, 1944. Over 50 percent assets this bank represent funds old internal Macedonian revolutionary organization.

During recent days hundred or more Right Wing Macedonians arrested Sofia and elsewhere.

Sent Washington 435; Dept please repeat to Moscow as Sofia's No. 187.

BARNES

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740.00119 Council/6-2146: Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

TOP SECRET

SOPIA, June 21, 1946—4 p. m.

PRIORITY

[Received 4:38 p. m.]

469. Personal for the Secretary. I should like to be among first to congratulate you on yesterday's decision that Russian troops shall evacuate Bulgaria 90 days after peace treaty signed.<sup>17</sup> This is today's big news in all Sofia papers. In this connection I should like also to recall suggestion made mytel 418, June 6<sup>18</sup> (repeated to Paris as 49 for Delsec) that very useful purpose might be served if you were to receive Vasil Kolarov President Bulgarian Delegation now Paris<sup>19</sup> and have a frank talk with him about Bulgarian political situation.

Opposition leaders have for some time now accepted force of contention that benefits to all of treaty providing for withdrawal of Russian troops would in end far exceed any momentary advantage for Opposition to be gained by carrying policy of non-recognition to extreme of refusing to sign satisfactory treaty with Government that

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<sup>15</sup> Not printed; in it Barnes expressed the fear that a recent Communist press campaign against an allegedly imminent reactionary *coup d'état* was setting the stage for serious trouble. War Minister Veltchev appeared to be a main target of Communist inspired agitation. (874.00/6-846)

<sup>16</sup> Georgi Kulishev became Foreign Minister in the new Bulgarian Cabinet formed at the end of March 1946.

<sup>17</sup> Regarding the decision of the Council of Foreign Ministers on June 20, 1946, on the withdrawal of American and British troops from Italy and Soviet troops from Bulgaria, see vol. II, p. 547.

<sup>18</sup> Not printed.

<sup>19</sup> Kolarov was President of the Bulgarian National Assembly and a member of the Politburo of the Bulgarian Workers Party.

tolerates Communist excesses such as current tels have reported. Petkov has said to me on various occasions that most important is to gain treaty that specifies departure Red Army and that when agreement on this point has been attained situation would be ripe for Opposition to enter Government even if to do so would necessitate paring down considerably conditions of participation that have hitherto constituted insurmountable obstacle to implementation of Moscow decision. What Petkov has in mind is that presence of opposition in government would constitute greatest safeguard to execution of Russian commitment to withdraw forces. Being in government opposition could show facts about compliance or non-compliance as no other means could assure and at same time would have opportunity of bringing non-withdrawal or any subterfuge such as leased bases Varna and Burgas into open for public discussion and international action if necessary by threat of or actual resignation because of policy designed to circumvent treaty provision.

With this in mind I am disposed to believe that time is propitious for appeal to Kolarov to do his utmost to convince Government that it should now clear way to early recognition by US and UK. Simplest method would be implementation Moscow decision in view US and UK commitment to recognize Government upon inclusion two truly representative Opposition leaders. I am sure now that Russia is committed to withdraw her troops within 90 days after signature of treaty you could count on cooperation Opposition leaders. I think, however, that preliminary sounding would be good. This might take form of discreet action in line with Vyshinski's statement last February to Mr. Cohen in London that we use our moral influence to induce Opposition to enter Government. This could be accomplished immediately upon hearing that suggestions contained this telegram in line with your views now that principal provisions peace treaty with Bulgaria seem to have been settled.

Sent Paris for Delsec as 67, repeated Department as 469 and Moscow as 198.

BARNES

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874.00/6-2946 : Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

TOP SECRET

SOFIA, June 29, 1946—1 p. m.

US URGENT

[Received 7:50 p. m.]

499. General Robertson has just sent following estimate Bulgarian political situation to JCS:

(1) "Purpose of Colonel General Biryusov's return to Sofia<sup>20</sup> becoming increasingly evident. Was occasioned by personal visit to Moscow of Georgi Dimitrov who asked for help. Tolbukhin also now present in Sofia."

(2) "Twenty-eight June decree was signed authorizing elevation of Commissars (political officers) to positions above grades of Colonels placing complete administration of army in hands of combined Ministers (Council of Ministers) also including other provisions which will permit and facilitate purge of Bulgarian Army of all ranks. Such a purge is expected to be inaugurated quickly and thoroughly."

(3) "Recent conflict within Government between Zveno and Communist Parties has been on above subject. Communists have definitely won. Loyalty of Army to Zveno Party and to vital interests of Bulgaria has been outstanding obstacle in path of Communists. Control of Army by Veltchev with constant threat of *coup d'état* has been major local restraining influence. Immediate future of Zveno Party conjectural but believed that Party will attempt to remain within Government as most effective immediate course even with teeth pulled. It is expected, however, that strong effort to force out Veltchev, Minister of War, and Kulishev, Foreign Minister, will be made and will be accomplished. Position of PriMin Georgiev conjectural but thought that he is completely under control of Communists and will remain in Government to create impression of coalition.

(4) "I personally talked at length with N. Petkov opposition leader last night. He believes only possible method of salvaging situation is for US and UK to bring sufficient pressure on USSR to implement Moscow Agreement. Opposition will join Government provided it is given post of Minister of Justice and two assistant ministerial posts in Interior. This is minimum that opposition can accept as it provides minimum guarantee of subsequent free elections. While Petkov believes above action only present salvation, he does not think USSR will agree except under great pressure. Local feeling very depressed as it is felt that withdrawal of USSR armed forces from Bulgaria will have no influence on local situation as Communists control of Bulgarian Army, militia and political posts will be assured complete freedom of action dominating without recourse a suppressed majority of population. Failure of Paris Conference may be expected to result in early rigged election of Grand National Assembly and creation of a Republic. Strong and persistent rumor is that next succeeding step will be creation of a Pan-Slavic Balkan union with Albania, Yugoslavia and Bulgaria as a nucleus. Mr. Barnes has seen and concurs fully in this estimate."

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<sup>20</sup> Telegram 471, June 22, 1946, from Sofia, reported that Colonel General Biryuzov had returned to Sofia on June 21 as "Deputy Commander in Chief Third Ukrainian Front, Commander Soviet troops in Bulgaria and Deputy President of the ACC Bulgaria." (874.00/6-2246)

Mytel 86, repeated Dept as 498, today's date,<sup>21</sup> should be read in connection with foregoing.

Sent Paris (for the Secretary) as 87, repeated Dept as 499.

BARNES

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C.F.M. Files : Lot M-88 : Box 2082 : Bulgaria-Government

*The British Secretary of State for Foreign Affairs (Bevin) to the Secretary of State*<sup>22</sup>

PARIS, 1 July, 1946.

DEAR JAMES: I have been giving much thought to recent developments in the internal situation in Bulgaria and have been reflecting on the possibility of our making a further attempt to secure a broadening of the present Government on the lines of the Moscow agreement. The latest reports that we have had from Sofia indicate that political pressure by the Communist Party has greatly increased and that the country is now virtually controlled by the Communist Militia. The opposition parties are extremely alarmed at this turn of events and have submitted a protest to the three governments. But they appear now to be willing to participate in a re-organised government on much more moderate terms than those they stood out for last February. It seems to me that now is the time to make an attempt, before the situation deteriorates further, to obtain their participation in the Government.

As you may be aware, I received yesterday the Speaker of the Bulgarian Chamber of Deputies, M. Vasil Kolarov, and took the opportunity to express to him my concern regarding recent developments in Bulgaria.

I told M. Kolarov that the reports we had received from Sofia indicated that the Government were now conducting what amounted to a war against the Opposition. They were assisted in this activity by an armed militia which was being used by one party as a terrorist instrument against its political opponents. The people were not allowed freedom of speech; there were widespread arrests on political grounds; the Opposition press had ceased to exist.

I asked M. Kolarov if there was not some way in which this deplorable state of affairs could be remedied and whether the government could not come to an understanding with the Opposition Parties so that the Moscow agreement could at length be carried out.

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<sup>21</sup> Not printed; it listed Petkov's minimum conditions for a compromise with the Bulgarian Government: 1) Ministry of Justice to the Opposition; 2) two Assistant Ministers of Interior to the Opposition; 3) a fixed date for early and free elections; 4) amnesty for leading political leaders (874.00/6-2946).

<sup>22</sup> A reply to this message has not been found in Department files.

M. Kolarov protested that the Opposition Parties had been offered participation in the government but that they had first insisted that the Chamber, which had been freely elected by the people, should be dissolved.

I thereupon asked M. Kolarov whether, if this stipulation were withdrawn in view of the holding of elections in September the government would come to terms with the Opposition. M. Kolarov replied that if the Opposition were prepared to co-operate, the government would be glad to find a settlement on these lines.

I think it would be well if we could consider the advisability of asking our representatives in Sofia to make a joint approach to the Bulgarian Government and the Opposition on these lines and see what they can do to bring about a situation which would permit both the government and the Opposition Parties to participate in the September elections. I feel that the moment to do this is now and that there is a danger that, if we postpone our efforts to achieve solution, we may delay indefinitely the conclusion of a Peace Treaty with Bulgaria, with the consequence that the Soviet troops would have a pretext for remaining in the country.

I would not wish to take any step, however, without knowing that the United States Government share our views and would take similar action in Sofia. I should therefore be very glad to have your opinion.

Yours sincerely,

ERNEST BEVIN

874.00/7-146: Telegram

*The Ambassador in France (Caffery) to the Acting Secretary of State*

SECRET

PARIS, July 1, 1946—4 p. m.  
[Received July 2—6:05 a. m.]

3239. Following is summary of conversation between the Secretary and Kolarov, President of Bulgarian National Assembly.

Kolarov maintained that the Bulgarian people had been completely unwilling to participate in the war against the Allies and had in fact made a considerable military contribution to the war against Germany after the September 4 *coup d'état*. He felt that that entitled Bulgaria to favorable treatment in the peace treaty and specifically felt that Greek territorial claims should be rejected and that no further reparations would be exacted. He also felt that the Bulgarian Army should not be limited. He insisted upon Bulgarian desire for friendship with western countries and stated anxiety for the resumption of trade with USA and for American economic help in the industrialization of Bulgaria. He insisted that the Bulgarian Government represented an overwhelming majority of the Bulgarian people and maintained

that the election held last Fall was considered by the foreign press to have been free. The Opposition had declined an opportunity offered them to participate in the government. He wished a full resumption of normal friendly relations with the USA.

The Secretary in reply spoke generally of the friendship of the American people for the Bulgarian people and stated that even though Bulgaria had declared war on the USA we had no feelings of revenge. The Secretary stressed the great importance attached by the USA to the maintenance of civil rights for all the population, adding that the USA could not understand or approve any system of government where the opposition is permitted to have no press, where political arrests are continually taking place and where there is no possibility for people freely to express their will in elections. The Secretary stated that he was unable to accept Kolarov's contention that the Bulgarian elections had been regarded by foreign correspondents as free. The Secretary also referred to the Ethridge report<sup>23</sup> which showed that the opposition were not given full civil rights. He stated that he had understood that Stalin and Molotov were going to exert influence to bring about conditions in Bulgaria under which the opposition could have such rights, but his understanding on this point had not been fulfilled. Secretary stated he wanted it clearly understood that USA was not asking for reparations. In regard to the limitation of Bulgarian Army Secretary remarked that if Bulgaria had no aggressive intentions against its neighbors as Kolarov declared, its future security would depend not on its Army but on the United Nations. Secretary stressed fact that USA would support the United Nations with all of the forces at its command.

In conclusion Kolarov stated that he would promise that within 3 months Bulgaria would hold free and open elections with adequate guarantee for a Constituent Assembly.

Secretary stated that this promise of free elections made him happy and that he looked forward to its fulfillment and the removal of obstacles to normal friendly relations which now exist not only between the Bulgarian and American people but between their Governments.

Sent Department 3239, repeated Sofia 18.

CAFFERY

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<sup>23</sup> In October and November 1945. Mark Ethridge, at the request of the Secretary of State, visited Bulgaria and Rumania in order to ascertain the representative character of the Governments in those countries. For text of Ethridge's summary report to the Secretary, dated December 7, 1945, see *Foreign Relations*, 1945, vol. v, p. 633.

874.00/7-146 : Telegram

*The Acting Secretary of State to the Representative in Bulgaria  
(Barnes)*

CONFIDENTIAL

WASHINGTON, July 5, 1946—1 p. m.

203. Urtel 503, July 1.<sup>24</sup> It seems to us announcement by armistice commissariat should in first instance be made subject representations Soviet member ACC. Accordingly, unless you or Gen Robertson perceive objection, it is suggested latter bring announcement to attention Soviet chairman ACC inquiring whether Commissariat authorized by Soviet member ACC to issue such instructions and, if so, indicating that granting such authority unilaterally without consultation with US member ACC on matter of this nature which cannot but be considered "a most important question" is in our view contrary to Potsdam agreement concerning revised ACC statutes. Gen Robertson might add that US rep does not approve Commissariat instructions and they should be rescinded. If Soviets demur, as of course is to be expected, he would then request public clarification that announcement based on Soviet and not Allied authority. At that time we would consider advisability taking further steps in Moscow.<sup>25</sup>

London is requested to discuss matter FonOff with view to issuance similar instructions Brit reps Sofia if they agree. Sofia should keep Brit reps informed but may either await Brit agreement parallel action or raise question with Soviet member ACC in meantime whichever it regards more appropriate.

Sent Sofia, rptd Paris, London and Moscow.

ACHESON

874.00/7-646 : Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

SECRET

SOFIA, July 6, 1946—11 a. m.

US URGENT

[Received 3:20 p. m.]

519. The following is General Robertson's 3116 to JCS:

1. Arrest and apprehension of civilian employees this Commission continues. A Bulgarian civilian employee was called out of my office

<sup>24</sup> Not printed: it transmitted the translation of an official announcement appearing in the Bulgarian press for July 1 stating that the Bulgarian commissariat for carrying out armistice terms had warned various Ministries and other state institutions that they did not possess the right to give any information or to deliver any goods to foreign civilians or military officials without the prior order of the Allied Control Commission or its representatives (874.00/7-146).

<sup>25</sup> General Robertson sent a letter to Biryuzov on July 13, 1946, in pursuance of the Department's instructions (740.00119 EW/7-1346). Telegram 221, July 19, to Sofia, authorized Barnes to inform the Bulgarian Foreign Minister orally that the United States Political Mission in Bulgaria was entirely independent of the Allied Control Commission and would ignore any order limiting its contact with the Bulgarian Government (740.00119 Control (Bulgaria)/7-1746).

this a. m. and forcefully arrested on sidewalk in front of my headquarters. I have exhausted all resources my command as to this intimidation including a personal conference with Lt. General Cherepanov USSR on 3 July, in which he stated he would speak personally to Bulgarian Govt on subject on 4 July. I feel that drastic action must be taken if we are to maintain semblance of prestige.

2. The activities of local militia have consisted espionage by observation and trailing of US officials: Arrest, intimidation and questioning of employees at length about our official activities, visits, persons contacted and subject conversation.

3. I have ample evidence of these activities. Considering the US has not recognized nor concluded a peace treaty with Bulgaria I believe that we have bona fide case against the Commandant of Bulgarian militia of espionage and subversive activity against US.

4. I told the Commandant of the personal view 3 days ago in connection with arrest of a chauffeur who was arrested and released after brief questioning. However, today I am again confronted by situation against which I have repeatedly complained to all competent Bulgarian and Russian authorities. I therefore believe that the time has come when I should be directed to tell Bulgarian and Russian authorities that my Govt is looking into question of citing before War Crimes, Nuremberg, any official responsible for further acts of espionage and subversive activities against US military personnel on Control Commission under armistice terms.

5. Mr. Barnes, US, Major General Oxley and Mr. Houstoun-Boswall both UK, concur in proposed action.<sup>26</sup> Immediate reply is requested.

Sent Dept as 519; repeated Paris as 101 for Delsec; to Moscow as 226 and to Bucharest as 26.

BARNES

874.00/7-646 : Telegram

*The Acting Secretary of State to the Representative in Bulgaria  
(Barnes)*

SECRET

WASHINGTON, July 8, 1946—7 p.m.

US URGENT

205. Nuremberg Tribunal was established only for trial and punishment of major war criminals of European Axis. To indict further persons before Tribunal in addition to those now being tried would require agreement of prosecutors of US, USSR, UK and France. It

<sup>26</sup> In concurring with this recommendation in his telegram 518, July 6, 1946, from Sofia, Barnes added the following: "I realize that armistice period is about at an end and that there probably is no advantage to be gained by further efforts at this late date to improve our position on Control Commission but just because we are toward end of armistice period. I believe that everything possible should be done to recover such prestige as we can with Bulgarian public opinion. We have lost much through the manner in which Russians have been permitted to push us around. That we should tolerate same treatment at hands of Bulgarian militia is inconceivable." (874.00/6-646)



is undecided whether US will participate in further international trial of war criminals after termination of present trial of Germans already indicted. Therefore, leaving aside question of whether persons referred to in urtel 519 July 6 could be considered "major war criminals" within meaning of charter of Nuremberg Tribunal, Dept, subject of course to any contrary view Secy may have, does not consider Robertson's suggestion practicable. In our opinion desirable course in circumstances is to continue vigorous representations in Sofia.

Foregoing discussed with War Dept which before formulating its attitude would appreciate learning Secy's reaction.

Sent Sofia rptd Paris for Secy and to Moscow London Bucharest and Budapest.

ACHESON

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740.00119 Control (Bulgaria) /7-1246 : Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

SOPIA, July 12, 1946.

[Received July 13—6: 50 p. m.]

528. General Robertson in reply to oral and written complaints made [by] him to General Cherepanov against Militia interference with Bulgarian civil personnel of US Military Delegation has now received letter from General Biryusov in which Russian General takes issue with complaints on grounds of "respect for national sovereignty of Bulgarian Govt" and because "armistice agreement limits us and does not give us right of unrestricted action in Bulgaria as may seem fit to us". Biryusov states that under these circumstances "I must inform you that I do not share your point of view" and "suggest that proceeding from above-mentioned considerations you explain to your Bulgarian employees how they should act." General Robertson has sought without success to see General Biryusov personally on question. It is obvious from fact General Biryusov has now been here since June 21 without permitting any personal contact between himself, US and UK representatives ACC, that he is too busy with affairs beyond scope of Commission to allow himself become concerned about such insignificant matters as disrespect of local Militia for representative of one of powers that imposed unconditional surrender on Bulgaria. General Robertson has today sent the following note to General Biryusov:

"I have given consideration to contents of your letter No. 2160 of July 10 replying to expressions of my dissatisfaction with Bulgarian Militia because of Militia activity aimed at intimidating Bulgarian civil members my staff. I regret to say that my conclusion is either that you have replied to my complaints under a misapprehension, or

that you have failed give careful consideration to important factors involved in these complaints.

I should like to recall to your memory that I have never maintained that Bulgarian civil employees my delegation should be immune from Bulgarian law. I have merely maintained that authority of a defeated nation should be made to show the respect that is due to the representative of one of principal victorious Allies on ACC. In my opinion, this requires cessation of Militia intimidation my Bulgarian employees, and prior notification to me by Militia when charges involving arrest are to be brought against Bulgarian members of my staff.

On above point permit me to say that it is the view of US Govt that local immunity should be granted to clerks and servants of diplomatic establishments regardless of their nationality while engaged in business of such establishments. For many years my Govt has held to this rule in principle and in practice. At same time US Govt has always been disposed to give due consideration to question of waiving immunity in individual cases in which persons employed by its Mission may be charged with violating law of the land. I am sure you will agree that rights of diplomatic immunity and privileges are to be enjoyed by my delegation.

Fact that Bulgaria is still under an armistice regime renders even more inadmissible the proposition that any personnel in regular employ of US Missions should be subjected to summary arrests by an organ of Bulgarian Govt without prior notification to Mission of grounds for such arrests and without any request by Bulgarian Govt for surrender of accused.

As you already know from official correspondence, it is view of US Govt that primary purpose of armistice is to impose obligations on rights of the victor. You will also recall that you have been advised officially of view of US Govt that Bulgarian Govt surrendered unconditionally.

The fact that the Govt of USSR subsequently saw fit to recognize Bulgarian Govt cannot, of course, alter legal position obtaining between Govts of US and Bulgaria. The two primary facts on which my decision no longer to tolerate action of Militia is based are that Bulgaria is still under an armistice regime and that Bulgaria surrendered unconditionally not only to the USSR, but to USSR, the UK and the USA. Under these circumstances intimidation and subversive activities on part of Militia against the US Military Delegation is not to be countenanced.

In view of foregoing it follows that I cannot consider your communication of July 10 responsive to my complaints. Therefore, if you, as Deputy Chairman of ACC are unable or unwilling to take the steps that would put an end to Militia interference of which I have complained, I must rely upon my own resources to remedy matters as best I can. In this connection, I may state that I have been instructed by my Govt to continue to make most vigorous protest against the conditions of which I have complained to you.

With respect to the two cases mentioned at end of your letter, I assume that statements made are allegations, not proven facts. In American jurisprudence, and I understand that the same is case in

Bulgaria, the accused remains innocent in eyes of the law until proven guilty. I, therefore, assume, in event judicial procedure is instituted against the two employees, Bojinov and Georgiev, that these Bulgarian subjects will be accorded their full rights under Bulgarian law and that I shall be directly approached by Bulgarian Govt on subject of handing them over to the competent authorities.

I am sure you will realize that my complaints against Militia seem the more justified by fact that it is only at this late date, and by virtue of a letter from you, that I have been told that serious charges were to be made against these two employees. I should add that these two employees were not of my own selection, or of that of my predecessor, but were originally detailed for service with USDel on ACC by the Bulgarian War Minister. They became civil employees only by virtue of fact that they were subsequently demobilized from Bulgarian Armed Forces."<sup>27</sup>

Repeated to Paris as No. 107 for Delsec, Dept please repeat to Moscow as Sofia No. 230.

BARNES

874.00/7-1246 : Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

SECRET

SOPIA, July 12, 1946—5 p. m.

US URGENT

[Received 6 : 15 p. m.]

531. At their request opposition leaders Petkov, Lulchev and Stoyanov were received today by me and my British colleague. They had sought us out confidentially to make plea for some sort of action by Mr Byrnes and Mr Bevin and by Mr Molotov also, if that were at all possible, that might stem rising tide of Communist terror in Bulgaria. In this connection, please see my tels 427, June 8 (52 to Delsec) ; 456, June 18 (63 to Delsec) ; 473, June 22 (71 to Delsec) ; 480, June 25 (74 to Delsec) ; 487, June 26 (80 to Delsec) ; 494, June 28 (84 to Delsec) ; 504, July 1 (90 to Delsec) ; 505, July 1 (91 to Delsec) ; 512, July 3 (95 to Delsec).<sup>28</sup> In addition to facts reported in foregoing telegrams this third plea motivated primarily by fact;

(1) That Bumbarov and Asen Stamboliski both members Central Committee of Agrarian National Union, arrested yesterday;

(2) That a militia is secretly seizing many younger officers of army throughout country and explaining their disappearance by alleging

<sup>27</sup> Telegram 584, July 27, 1946, from Sofia, reported the receipt of General Biryuzov's reply to General Robertson's note of July 12. Biryuzov reiterated that "ACC determines the order of work of Commission and not representative of USA in the ACC." It was the view of both Barnes and General Robertson that "Biryuzov has made it impossible for US Representative to take any effective part in work of Commission and that facts of General Biryuzov's negative attitude toward American delegation will be made known to American people". (740.00119-Control (Bulgaria)/7-2746)

<sup>28</sup> None printed.

they have fled country because of fear of current purge imposed by Georgi Dimitrov and General Biryusov;

(3) That out of 800 "nonpolitical" lawyers throughout country who signed protests to govt against illegal arrest and condemnation of Pastuhkov,<sup>29</sup> already 200 are in concentration camps;

(4) That throughout country those who do not support FF are finding it increasingly difficult and almost impossible to obtain work, food, clothing, and lodging;

(5) That today it has been officially announced that FF "numerous clauses" will be imposed by all educational institutions on students already entered or applying for entrance;

(6) That since departure of opposition from govt July 1945, state employees have been increased from less than 150,000 to 288,000, this increase being represented almost entirely by persons beholden to Communists;

(7) That only one opposition newspaper Social Democratic *Svoboden Narod* is tolerated and this under pain of publishing no serious criticisms of Govt;

(8) That about 1000 cases of "illegal enrichment" are about to be presented to courts and that in state budget "revenues" from this source during current year are "estimated" at 13 billion levas.

I know from sources unconnected with three opposition leaders that foregoing substantially correct. I agree with three leaders in belief that this state of affairs dictated largely by Georgi Dimitrov and General Biryusov in preparation for so-called free elections promised by Kolarov in his talk with Mr. Byrnes.

To complete foregoing estimate of local political situation as it has evolved in past 10 days, I should add following: before military purge measure (see mytel 504, July 1<sup>30</sup>) enacted some days ago Biryusov named 700 officers to Veltchev for summary dismissal. Veltchev refused maintaining that dossiers must be examined and regular dismissal proceedings instituted in each instance where prima facie case of disloyalty established. Biryusov then reduced number to 100 outstanding officers. Again Veltchev insisted on regular established dismissal procedure. Since then Communists and Communist dominated FF press has launched open and vicious attack on War Minister alleging on basis of statements made at Belgrade trial that Veltchev was formerly in touch with Draga Mihailovitch<sup>31</sup> and is in fact notorious opponent of Soviet influence. Veltchev has issued stinging denial. At same time Communists and Communist domi-

<sup>29</sup> Social Democratic Party leader Krustyu Pastuhov, arrested in February 1946 on the charge of writing newspaper articles aimed at impairing the military efficiency of the Bulgarian Army, was on trial during June 1946. He was found guilty and was sentenced to 5 years' imprisonment.

<sup>30</sup> Not printed.

<sup>31</sup> Gen. Draza Mihailović, leader of the Yugoslav Chetnik Resistance Forces and Minister of Defense of the Yugoslav Government in Exile during World War II: executed in July 1946 for alleged wartime treason.

nated elements within FF have launched campaign against other outstanding Zveno members such as former Foreign Minister Stainov and Yurukov editor of Zveno newspaper *Izgrev*. Central committee of Zveno has been meeting past few days to deal with this situation. It is believed that Prime Minister Georgiev also Zveno member will soon be forced to let Communists know that these attacks on Zveno must cease or that Zveno will depart from govt. Many observers here now believe that Dimitrov is ready to have Communists, aided and abetted by their Agrarian Socialist stooges in FF, assume full control of govt before departure of Russians. It is believed that trials on charge of being in relations with Mihailovitch are in making against Bumbarov and Stamboliski.

Repeated to Paris as 111 for Delsec. Sent Dept; please repeat to Moscow as Sofia's 234.

BARNES

874.00/7-1646: Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

SECRET

SOFIA, July 16, 1946—3 p. m.

US URGENT

[Received July 17—12:09 a. m.]

542. Personal for the Secretary. Reasons set forth urtel 169 June 11 against then making statements along lines suggested mytels 426 and 427 June 8,<sup>32</sup> recognizing at same time that sufficient local justification existed for such statements, were thoroughly convincing. Since that time, all-out campaign of Communists against so-called Fascists and reaction in Bulgaria has greatly worsened conditions described in those and earlier telegrams. It is fact that today most elementary democratic freedoms do not exist in Bulgaria for political opponents of Communism. To cite only few proofs of this deplorable state of affairs, I refer to mytels 473, 480, 489, 494 June 22, 25, 27, 28 respectively and 502, 512, 531, 536, 537, 539 July 1, 3, 12 and 15 respectively.<sup>33</sup> Spirit of resistance to Communist steamroller is weakening. Very important contributing factor is failure of western democracies to speak out again against what daily grows worse.

Kolarov's misrepresentation, (mytels 529 and 530 July 12<sup>34</sup>), without contradiction, of what was said to him in Paris has deepened de-

<sup>32</sup> In telegrams 426 and 427, June 8, 1946, from Sofia, Barnes reported on the mounting propaganda campaign being waged against the Bulgarian political opposition and asked whether the time had arrived for the Secretary to issue a condemnatory statement on the matter (874.00/6-846). In telegram 169, June 11, to Sofia, the Secretary explained that the importance of the then forthcoming meeting of the Council of Foreign Ministers made it inadvisable for him to issue such a statement (874.00/6-846).

<sup>33</sup> Of the telegrams here cited, only telegram 531, July 12, from Sofia, is printed; see *supra*.

<sup>34</sup> Neither printed.

pression of opposition and public in general. Communists are exploiting Kolarov's statement and our silence to utmost.

For example see mytel 541 July 16.<sup>35</sup> Even Zveno newspaper *Izgrev* this morning is compelled to announce that "since his return from Paris President National Assembly Kolarov continues to receive many telegrams and resolutions from all over country thanking him and expressing admiration for his brilliant defense of Bulgarian national cause in Paris, etc. ["] Therefore, while over-all obstacles to statements along lines suggested in mytels 426 and 427 June 8 may still obtain, I believe imperative reasons exist, for now at least, to make known in Bulgaria precise nature your remarks to Kolarov as set forth to me in telegram No. 18, July 1 from Paris.<sup>36</sup> Since return of General Biryusov, Communists have acted as if no obstacles exist to their repressive measures and to accomplishment their all-out objectives, as were envisaged at Yalta and in subsequent conversations on democratic freedoms between three Great Powers. In this connection I have noted with great interest that Schoenfeld<sup>37</sup> has been authorized to ask US representative ACC Hungary to join with British representative in protest to chairman against Soviet interference Hungarian internal political affairs.<sup>38</sup> I believe similar instructions in order here. Never has US and UK participation on ACC been so negligible as since return of Biryusov. Never before has Biryusov been more active politically, nor so disdainful of existence of US and UK representation on Commission.

Generals Robertson and Oxley, and my British opposite number agree with me that during past few months democratic freedoms have been so completely stamped out in Bulgaria that our continued presence on ACC without some form of protest or effort to bring General Biryusov and Georgi Dimitrov to account, would be shameful and might in long run prove more demoralizing to democratic forces in country than if we were openly to avow our impotence and leave Commission. I realize that at distance of Washington from scene of events I have been reporting over past two months, events, and conditions they have developed may appear less disturbing and important than as seen in Bulgaria. Nevertheless, my conscience and my estimate of what will best serve US interests in this part of world compel me again to urge some sort of statement that might lift local morale, if it accomplished no more than that. Impediment of straining for best possible atmosphere at CFM has disappeared and only 2 weeks remain

<sup>35</sup> Not printed.

<sup>36</sup> Same as telegram 3239, July 1, from Paris, p. 110.

<sup>37</sup> H. F. Arthur Schoenfeld, American Minister in Hungary.

<sup>38</sup> Reference presumably to telegram 678, July 11, to Budapest, p. 323.

before peace conference. As I said in mytel 541, Biryusov and Dimitrov hope to have "all hatches battened down for peace".

It seems pertinent to recall in foregoing connection that some months ago on initiative of Biryusov himself, ACC agreed that Bulgaria had fulfilled obligation under armistice to suppress all influences in country hostile to Allied cause. I note in Hungarian case reference was made to similar decision there by ACC.

On the point that I continue to importune you on the subject of unsatisfactory state of affairs in Bulgaria I feel that in justice to both of us I should repeat to you a thought from one of my British colleague's recent telegrams to Mr. Bevin, to effect that I do realize that Bulgaria is not the only shell on your rough and rocky beach.

Sent Department as 542; repeated Moscow as 243 and Paris for Delsec as 114.

BARNES

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874.00/7-1946 : Telegram

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

SECRET

WASHINGTON, July 19, 1946—4 p. m.

1327. For Ambassador from Cohen. Could you mention to Vyshinsky my deep concern regarding reports of intensification of feeling in Bulgaria between Govt and loyal opposition, and remind him it was my hope, as result of our talks in Paris that he would suggest to Bulgarian Govt that another effort be made before Peace Conference to carry out Moscow Agreement. [Cohen.]

BYRNES

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874.00/7-1646 : Telegram

*The Secretary of State to the Representative in Bulgaria (Barnes)*

US URGENT

WASHINGTON, July 19, 1946.

224. In response to inquiry by correspondent concerning Kolarov's reported conversation with me in Paris, Dept spokesman today made following statement in that connection: <sup>39</sup>

"Mr. Kolarov saw the Secretary in Paris. The Secretary took occasion to reaffirm the friendship of the American people for the Bulgarian people. He stated that, although Bulgaria had declared war on the United States we have no desire for revenge. He stressed the great importance attached by the United States to the maintenance

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<sup>39</sup> Telegram 561, July 22, 1946, from Sofia, reported that the Opposition leaders had all expressed deep appreciation for the Department's clarification of Kolarov's conversation with the Secretary (874.00/7-1646). The statement had been broadcast over the Voice of America and had been made public in Sofia by Barnes.

of civil rights for all the population, adding that the United States could not understand or approve any system of government where the opposition is permitted to have no press, where political arrests are continually taking place and where there is no possibility for people freely to express their will in elections. The Secretary further said that he was unable to accept a contention put forth by Mr. Kolarov that the Bulgarian elections had been regarded by foreign correspondents as free and referred to the Ethridge report which showed that the opposition were not given full civil rights. He mentioned that his objective in the Moscow discussions regarding Bulgaria was to bring about conditions in Bulgaria under which the opposition could have such rights but that this objective had not thus far been achieved. In conclusion, Kolarov having stated that within three months Bulgaria would hold free and open elections with adequate guarantees for a Constituent Assembly, the Secretary expressed pleasure at that statement and said that he looked forward to its fulfillment and to the removal of obstacles which now exist to normal friendly relations not only between the Bulgarian and American people but between their governments."

BYRNES

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874.00/7-2646 : Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

RESTRICTED

SOPIA, July 26, 1946—4 p. m.  
[Received July 28—3:10 a. m.]

582. I have just spent 2 hours of vigorous conversation with Foreign Minister. Vigor was on my part. Minister appeared even shameful at times, never combative or resentful. He said in substance that non-Communists of Government understand and appreciate our feelings about Russia and Communist activities in Bulgaria; that this certainly went for himself and Prime Minister and that while performance of our friends in Government must of necessity under present circumstances fall short from time to time of what we quite rightly hope from them, we should not despair because of daily annoyances, even serious ones. He said that Zveno members of Government believe in democratic and not Soviet regime and that if time comes when they can no longer believe that present bad state of affairs can be improved into tolerable state of democracy, they will leave Government. I told him that case of Neville Chamberlain was historic example of how hope against fate can lead to excessive concessions and that it seemed to me that Zveno's problem was to know when to draw line, beyond which concessions would assure perpetuation of command Soviet regime in Bulgaria.

Conversation was occasioned by forcible arrest of chauffeur, Boris Georgiev (Ignatov) (see penultimate paragraph note to Biryusov



quoted my telegram 528, July 12). Arrest made in front of official garage US Military Delegation. When Ignatov sought to resist in presence US military personnel, militia resorted to gunfire in air. After arrest director of national militia sent letter direct to General Robertson of which following is translation:

“Headquarters of national militia has honor to inform you and through you honorable American Military Mission in Sofia that person, Boris Georgiev Ignatov, (Al Capone) driver assigned to your Mission is held, accused of terroristic and conspirative activities directed against standing principles of our national democratic power of Fatherland Front.”

Militia explained orally to Foreign Office that arrest had been “sanctioned” by ACC, which means Biryusov, who of course has made no reply or otherwise paid any attention to General Robertson’s note set forth my telegram 528.

After careful examination of full picture of our present relations here with Russian authorities and Bulgarian Government, General Robertson and I agreed that I should call on Foreign Minister and read to him draft notes we had prepared together, and that I would send to Kulishev unless he was prepared to undertake effective remedial measures. Following are drafts that I read:

1) Bulgarian Government appears either to misunderstand or deliberately to disregard its status under terms of armistice as signed by it on October 28, 1944 with Governments of USSR, UK and US. You yourself appear to view most lightly official and personal assurances given to General Robertson and me. In addition Bulgarian militia conducts itself in presence of General Robertson’s officers and men in manner that can only prove validity of serious charges made against it by many of subjects of your country and generally accepted in my country as basic factor hindering development of official and friendly relations between our two Governments.

I enclose for your information a copy of letter addressed by General Robertson to General Biryusov on July 12 which sets forth views of my Government as to nature of armistice relations existing between it and Bulgarian Government and status and treatment that is due US Missions in Bulgaria. I also enclose text of communication received by General Robertson from director of national militia relating to arrest of Boris Georgiev Ignatov, chauffeur in employ (not “assigned”) US Military Mission. General Robertson and I consider this letter an impertinence.

General Robertson takes much graver view of arrest of Ignatov in total disregard with views set forth in his letter of July 12 to General Biryusov. Circumstances of arrest included militia gunfire in air in presence of US military personnel. You will recall that you yourself on two specific occasions assured General Robertson and me that no such preemptory arrests would take place; that in fact our insistence prior information and notification of militia interests in any Bul-

garian employees of US military and political delegations would be respected. As Bulgarian Government functions under overall supervision of ACC and as General Biryusov is Deputy President that Commission communication of views of US Government to General Biryusov in General Robertson's letter of July 12 should suffice to put Bulgarian Government on official notice as to position of US Missions in Bulgaria.

I shall expect prompt reply to this note. I am sure you will understand that my Government cannot countenance situation which Bulgarian militia has persisted in creating and that it is matter of urgent interest to my Government to know precisely what steps central Government of country intends to take to prevent further flouting of its authority by organ of administration that acts in such manner as to strengthen fear that it receives and executes orders that do not originate with central authorities.

That arrest of Ignatov may have been "sanctioned" by ACC which I understand militia alleges to be case, cannot in any way alter foregoing. As representative of US on ACC General Robertson is of course in position to state that no valid decision to this effect has been taken by Commission as he has participated in no such decision or discussion seeking such decision. This can be seen from enclosed copy of his letter of July 12 to General Biryusov.

2) I have received Ministry's *note verbale* of July 25 stating that "by letter of July 15 Deputy President ACC informed Commissariat for Execution of Armistice Terms that US and UK political representations are not part of ACC and in consequence beginning August 1 these representations should be provisioned according to supply system organized by direction of protocol for other foreign missions accredited to Sofia".

As General Robertson has not participated in any final decision by ACC with respect to provisioning US personnel in Bulgaria, I can of course only refer your note to Washington for consideration there, in light of armistice terms, and for appropriate instructions. My standing instructions now are that no decision taken by ACC on matters of importance are binding unless participated in by US and UK representatives on Commission.

3) When I arrived in Bulgaria as US representative I conveyed to Foreign Minister copy of my letter of appointment from President of United States and certain provisions of my instructions from Secretary of State. Recent order of Commissariat for Fulfillment of Armistice Terms to effect that information should be supplied by organs of State only upon prior consent by ACC appears to be in disregard of instructions I received from Secretary of State and communicated to Bulgarian Minister for Foreign Affairs. I must, therefore, inform you again that it is view of my Government that neither ACC nor Bulgarian Government has any right to prescribe that relations between me and Bulgarian Government are in any way subject to supervision of ACC.

I am to inform you again that I directly represent United States Government and that all instructions issued in sense contrary to foregoing will be ignored by me.

Kulishev thanked me for giving him opportunity to do utmost to correct situation of which General and I complain, before officially communicating such stern statements to him. It was in this connection that he made remarks set forth in first paragraph this telegram. I really felt sorry for the modest little man and left feeling that he would seek to perform this time as never before. I do not believe his failure to date to put an end to militia interference has been from lack of goodwill or failure to try. This time, however, he is armed with argument that his failure to date only strengthens our argument on political side that civil liberties do not exist in Bulgaria primarily militia does not receive and carry out orders from central authorities but from Communist Party and Russian NKVD.

Steps taken by me today may appear somewhat extreme to Department but any one on spot who knows mentality of Bulgarian politicians, realizes normal methods and language of diplomacy make no impression. These people have to be told straight from shoulder if they are to comprehend that one is serious and expects action. They are in no way shocked by such methods. In fact I left Kulishev feeling that because I had given him chance to avoid such notes at moment when question of US and UK recognition uppermost in his mind, he now looks on me as better friend of his country, and even himself, than ever.

Sent Department; repeated Moscow as 261 and Paris for Delsec as 132.

BARNES

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740.00119 Control (Bulgaria)/7-2646 : Telegram

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

SECRET

Moscow, July 26, 1946—noon.

[Received 12:50 p. m.]

2293. In our opinion it would serve no useful purpose to make representations in Moscow in regard to unsatisfactory situation of air clearances in Bulgaria unless Department wishes to have on record one more complaint which Soviets will disregard or at best reply to evasively.<sup>40</sup> In latter regard Department will have noted that Vyshinski (reEmbtel 940, March 25, paragraph 3) replied to our last complaint by quoting general figures over a period which in reality

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<sup>40</sup> Telegram 1322, July 19, 1946, to Moscow, reported that the Soviet authorities in Bulgaria had imposed new instructions governing the flight of aircraft to and from Sofia and that American efforts to make satisfactory arrangements on the matter in Sofia had been unsuccessful. At the request of the War Department, Ambassador Smith was asked to comment on possible representations to the Soviet Government. (740.00119 Control (Bulgaria)/7-1346)

took no account of unsatisfactory procedure by which clearances for aircraft were granted.

Neither do we believe that this is appropriate time to take up question in view of possibility of conclusion of peace treaty with Bulgaria when ACC will cease to exist. In our opinion, while General Robertson should continue to press issue in Sofia, full facts might now be given by War or State Department to American press for full dissemination in US. This course of action has further advantage of placing responsibility for unsatisfactory situation in Sofia squarely on shoulders of those on whom it belongs.

War Department might wish to consider advisability of tightening up procedure for Soviet flights into Japan to make them similar to latest Soviet procedure in Balkans for air flight clearances.

Department please pass to Sofia as Moscow's 39.

SMITH

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740.00119 EW/7-2446 : Telegram

*The Secretary of State to the Representative in Bulgaria (Barnes)*

TOP SECRET

WASHINGTON, July 26, 1946—6 p. m.

238. For Barnes. Part I From Cohen.

Urtel 572, July 24.<sup>41</sup> In reply to inquiries from Molotov at Paris as to whether the non-recognition of Bulgaria would delay agreement on Bulgarian treaty Secretary stated that it should not, that we were prepared to proceed with Bulgarian treaty at the Peace Conference and to have final texts drawn and signed by Council of Foreign Ministers but there might be difficulty in connection with ratification if Moscow Agreement not carried out. He further expressed the hope that Molotov and Vyshinski would urge upon the Bulgarian Govt that efforts be made to carry out Moscow Agreement before Peace Conference convened. Subsequently British informed us Bevin was going to urge Molotov that joint efforts should be undertaken to secure carrying out Moscow Agreement in Bulgaria but Bevin apparently made no progress. After dinner with Molotov and Vyshinski I took Vyshinski aside and in friendly way urged the importance to Soviets and ourselves of trying to bring Govt and loyal opposition together as contemplated by Moscow Agreement before Peace Conference. While Vyshinski was non-committal I asked Amb Smith to inform Vyshinski of my concern regarding intensification of

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<sup>41</sup> Not printed; in it Barnes asked to be apprised of the Department's views on the relationship between the signing of a treaty of peace with Bulgaria and the carrying out of the Moscow Conference agreement on Bulgaria (740.00119 EW/7-2446).

feeling between Govt and opposition in Bulgaria and of my hope that he would help bring them together.

Part II From Hickerson and Barbour

Regarding views of SE <sup>42</sup> it was made clear to representative Brit Emb at time that remarks were solely in nature of tentative and exploratory hypothesis, did not represent definite opinion nor, of course, position of Dept and were merely put forward informally for purpose of discussion in course of conversation.

BYRNES

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740.00119 Council/7-3146: Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State* <sup>43</sup>

SECRET

SOFIA, July 31, 1946—11 a. m.

URGENT

[Received 8:40 p. m.]

595. For Delsec personal for Matthews.<sup>44</sup> I realize how overburdened Secretary and all of you must be but same time feel that following points should receive attention on high level.

1. In my telegram 67, June 21 (personal to Secretary in Paris and to Department as 469) I said that for some time Opposition leaders had accepted force of contention that benefits of treaty providing for withdrawal of Russian troops would in end exceed any momentary advantage for Opposition of United States carrying policy of non-recognition to extreme of refusing to sign satisfactory treaty with Bulgarian Government. There followed in same telegram statement of material reasons why circumstances required renewed effort to implement Moscow decision.

2. My telegram 138, July 29, (for Delsec and repeated to Department as 588)<sup>45</sup> recommended that we and British tell official Bulgarian delegation to Peace Conference that when Government reorganized on basis sufficiently broad to assume obligation in name of whole Bulgarian people to carry out treaty, United States prepared to sign Bulgarian peace.

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<sup>42</sup> In telegram 572, July 24, cited above, Barnes reported having been informed by his British colleague that the Department's Division of Southern European Affairs favored a policy of allowing the pressure of Bulgarian public opinion for a peace treaty to force the Bulgarian Government into a more reasonable attitude toward the Opposition (740.00119 EW/7-2446).

<sup>43</sup> This telegram was relayed by the Department as telegram 3799, Secdel 574, August 2, 1946, to Paris, for the Secretary who was serving as United States Delegate to the Paris Peace Conference.

<sup>44</sup> H. Freeman Matthews, Director, Office of European Affairs; Political Adviser, United States delegation to the Paris Peace Conference.

<sup>45</sup> Not printed.

3. To reconcile any discrepancy that may at first glance appear to exist between these two telegrams, I must point out that:

(a) Telegram 138 sent after learning that in conversations in Paris several weeks ago Molotov and Vyshinski took position that efforts to implement Moscow decision impossible until after elections for Grand National Assembly;

(b) In meantime Bulgarian Government enacted legislation to assure that Communists shall dictate country's political future for long time to come unless reorganization government can be forced before peace signature (my telegram 587, July 29, repeated Paris 137);<sup>46</sup>

(c) Since return General Biryusov June 21 (my telegram 471, June 22, repeated for Delsec as 68)<sup>47</sup> intensified terror, more brutal and repressive measures against Opposition and army and civil administration purge have greatly worsened political conditions throughout country. At risk of being tiresome I call attention to following brief list intervening telegrams reporting this state of affairs: 473, June 22 (70 for Delsec), 480, June 25 (74 for Delsec) 487, June 26 (80 for Delsec) 494, June 28 (84 for Delsec), 531, July 12 (111 for Delsec), 541, July 16 (not repeated Delsec), 542, July 16 (114 for Delsec) 553 July 19 (120 for Delsec), 567, July 23 (128 for Delsec) 587, July 27 (137 for Delsec), 590, July 29 (140 for Delsec).<sup>48</sup> In this connection I feel that I should again draw attention to views of British representatives here reported final paragraph my telegram 572, July 24 (130 for Delsec).<sup>49</sup>

4. Department's telegram 238, July 25 [26] just received telling me of Secretary's reply several weeks ago to Molotov that non-recognition of Bulgaria should not delay agreement on Bulgarian treaty; that United States prepared to proceed with Bulgarian treaty at Paris Conference and to have final text drawn and signed by Council of Foreign

<sup>46</sup> Not printed; it reported that the National Assembly has passed legislation for a referendum on September 8 on the question of the establishment of a republic and for the convening of a Grand National Assembly on October 27 which would prepare a new constitution. According to Barnes: "Formula of transition to Republic and for the drafting and adoption of the new Constitution as embodied in the projects that have now been enacted as law will preclude effective participation of opposition in formation of the new Bulgarian regime unless between now and outset of the electoral campaign for Grand National Assembly way is found to reorganize present government to include opposition." (874.00/-7-2746)

<sup>47</sup> Not printed, but see footnote 20, p. 108.

<sup>48</sup> Of the telegrams cited here, only Nos. 531, July 12, and 542, July 16, are printed; see pp. 116 and 118, respectively.

<sup>49</sup> The final paragraph of telegram 572, July 24, 1946, from Sofia, reads as follows: "Houstoun-Boswall and General Oxley are strongly of view that if considerations of high policy permit UK should not sign peace with present Bulgarian Government or in any way deal with it in manner that might be interpreted in Balkans, or by anyone who knows facts about present-day Bulgaria, process of 'whitewashing' Moscow-created Bulgarian police Government. They stated this view 2 days ago in reply to direct query from Mr. Bevin, adding that if considerations of overall policy dictates conclusion of peace with present non-representative and Communist dominated Government then necessity for such course be publicly explained to effect that UK has not abandoned its moral principles, that it continues to condemn present state of affairs in Bulgaria, but has bowed to superior requirements of moment for formal peace." (740.00119 E.W./7-2446)

Ministers, but that there might be some difficulty in connection with ratification if Moscow Agreement not carried out. Of course this reply was made before Secretary had knowledge of certain of developments reported telegrams listed above.

5. I believe that review these telegrams will lead you and Secretary to same conclusion I have reached. This is that if Secretary still of opinion expressed to Molotov, notwithstanding what has transpired here in meantime, especially enactment two laws reported my telegram 587, July 27 (137 for Delsec), then in justice to opposition its leaders should be informed of United States position well in advance of actual signature.

6. Should we allow opposition to prepare participate in elections for GNA without this knowledge, I am sure strong body of opinion in Bulgaria would feel we had "let down" democratic elements of country. I say this because it would appear to all, government parties, opposition parties, public in general, and Russians as well, that in signing peace with government that since return of Biryusov has thrown to winds all restraints in sense of Yalta Agreement, we would in fact be whitewashing (see views my British colleague and General Oxley reported my telegram 572, 130 for Delsec) regime already on several occasions "publicly condemned as repressive of most elementary democratic freedoms" (Department's telegram 202, July 5 to Sofia)<sup>50</sup> by ourselves and United Kingdom. I feel under these circumstances that opposition would conclude only one possible course of resistance left, namely, abstention from GNA elections in hope imposing incubus of illegality on regime to be set up by new constitution. I should add that at present time opposition planning to participate, but this plan based on their own estimate (hope at any rate) that United States and United Kingdom will not sign peace with government they have already publicly condemned.

For urgent personal reasons I propose to take brief leave Paris shortly after August 10 if Department and you perceive no overriding objection. (Matthews and Department please reply by telegram on this point.) I do not wish to intrude either on Secretary's time or your time, but if opportunity were to present itself while I am in Paris to discuss subject matter this telegram, I should be deeply gratified.<sup>51</sup>

Sent Paris; repeated Department 595.

BARNES

<sup>50</sup> Not printed.

<sup>51</sup> In telegram 3784, August 2, 1946, from Paris, Matthews expressed delight at the opportunity of seeing Barnes in Paris after August 10. Barnes left Sofia for Paris on August 11.

874.00/7-2646: Telegram

*The Acting Secretary of State to the Representative in Bulgaria  
(Barnes)*

CONFIDENTIAL  
US URGENT

WASHINGTON, August 2, 1946—10 a. m.

242. Urtel 582 July 26. Draft notes read to Kulishev have Depts full approval and, unless you and Gen Robertson consider that within reasonable period satisfactory improvement has been made, you are authorized to deliver to FonMin notes along substantially lines quoted urtel subject to amplification accordance suggestions contained in following paragraphs if you consider desirable. Dept considering advisability giving publicity to recent developments and our position concerning (1) arrests of employees by militia, (2) relations between US reps and Bulgarian authorities, and (3) plane clearances (Moscow's 39 July 26 to you<sup>52</sup>). Supply question does not however appear to lend itself so readily to effective publicity.

Concerning your draft note re arrest of employees you may wish incorporate therein such expressions of US views re analogous situation in Rumania (Deptel 173 June 13<sup>53</sup>) as may be appropriate.

As to draft note number 2 on question of supplies Article 15 of Armistice as elaborated by Article 4 of Protocol provides that Soviets will arrange to make Bulgarian supplies available to meet "needs of reps of Govts of UK and US". US holds US needs should be determined by US and that term reps of Govt of US includes both representation ACC and political mission (urtel 580 July 25 and Robertson's 3204 July 27<sup>54</sup>). We have maintained this interpretation in regard to political mission in previous discussions with Soviets concerning supplies. When you deliver note to FonOff we think Robertson should inform ACC similarly. Dept notes Robertson's suggestion action this particular question be suspended for moment pending actual implementation Biryusov's instructions.

For your info Soviet action re supplies may have been precipitated by US action in Japan whereby US Army supplies are being withheld from other elements of Allied Council as such elements become logistically independent.<sup>55</sup> Likewise, as result Soviet requests for amounts of yen far in excess of legitimate needs their personnel, Gen MacArthur has been authorized in his discretion to reduce such yen deliveries to Soviets.

<sup>52</sup> Same as telegram 2293, July 26, from Moscow, p. 124.

<sup>53</sup> Same as telegram 385, June 13, to Bucharest, p. 602.

<sup>54</sup> Neither printed.

<sup>55</sup> Regarding the status of the Soviet Mission in Japan, see telegram 351, August 1, from Tokyo, and telegram 3156, August 10, from Moscow, vol. VIII.



War Dept concurs.

Since drafting foregoing, Dept has received urtel 598 July 31<sup>56</sup> indicating question mission participation in supply arrangements apparently satisfactorily settled for time being.

Sent Sofia rptd Moscow and Paris for Secdel.

ACHESON

874.0011/8-346 : Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

TOP SECRET

SOPIA, August 3, 1946—5 p. m.

[Received August 5—12:40 a. m.]

603. With referendum for Republic scheduled September 8, question of future of Queen Mother,<sup>57</sup> Child King<sup>58</sup> and 14-year old sister, Princess Maria Louise, definitely to fore. It will be recalled that in spring 1945, acting on Department's instructions, I obtained assurances their safety from PriMin Georgiev. At that time Department agreed ACC obligated to assure safety family and to make just decision with respect to its future after settlement constitutional issues. In its telegram 31, February 5, 1946, Department said "It does not appear from your telegram 94, January 28, Queen and children in immediate danger and Department consequently does not deem it advisable raise matter their safety again".<sup>59</sup> I was directed to "report further developments, to be considered in light of situation then prevailing".

Yesterday I assured Queen Mother through intermediary that I was convinced satisfactory decision would be taken by Government with respect to future herself and children and that in meantime they need have no fear of physical harm. Queen's grave concern seemed to necessitate reassuring statement. Personally, I am anything but sanguine about their safety or probability that Queen will be allowed to depart with her children, especially with son, when Republic proclaimed. She has received indications from Government that "all will be well" but has replied, just as I would in her predicament, "Please let me know views Georgi Dimitrov with respect to my children and myself". This message was communicated by her more than 2 weeks ago. There has been no reply, although I know for fact that question conveyed to Dimitrov and Central Committee Communist Party.

<sup>56</sup> Not printed; it reported the receipt of a note stating that the system of provisioning the personnel of the American political representation would remain as it had been in the past (740.00119 Control (Germany)/7-3146).

<sup>57</sup> Ioanna.

<sup>58</sup> Simeon.

<sup>59</sup> Neither of the telegrams under reference has been printed.

I continue to hope that PriMin can make good his promise to us, of spring 1945, that Queen and her children will always be protected from harm and that when constitutional questions solved family will be permitted to leave country. I know that easy explanation of more dramatic solution, namely liquidation of family, or at any rate of Child King, would be that irresponsible elements had brought to naught Government's honest intention of protecting family and permitting their unrestrained departure upon establishment Republic. I know also that such explanations in line with Communist thought and action, and that Communists are considerably perturbed by problem what to be done with Queen Mother and two children. Fact that Georgi Dimitrov has not yet answered in sense of Government message that all will be well, is further reason for concern over what may be in store for Queen Mother and her children.

Am deeply conscious identity views between myself and Department to effect that ACC has definite responsibility this matter. In my opinion individual responsibility each representative on Commission could not be disclaimed on grounds of collective responsibility and failure Russians to act, especially in view cavalier manner in which General Biryusov has always disregarded presence on Commission Generals Robertson and Oxley. In other words, should my fears about safety Queen and her children be substantiated by some untoward event, decision that makes them prisoners in effect, either in Bulgaria or Russia, I would feel world censure could justifiably be directed against US and UK as well as against Russian and Bulgarian Governments. Am making no recommendations as to what action might be best under circumstances as I feel responsibility involved so grave as to require Department charting course.

Sent Department, repeated Paris for Delsec as 146.

BARNES

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740.00119 Council/8-746 : Telegram

*The Acting Secretary of State to the Secretary of State, at Paris*

TOP SECRET

WASHINGTON, August 7, 1946—8 p. m.

3924. Secdel 619. For Secretary and Matthews. Subject your approval recommend following action be taken re Sofia's 146 (603 Aug 3 to Dept). Safety of Queen Mother and her children has also been subject of approach to Leg Cairo by her father, ex-King Victor Emmanuel, and other family members.<sup>60</sup>

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<sup>60</sup> The approach referred to here was reported in telegram 1307, August 2, 1946, from Cairo (874.0011/8-246). The former Italian king was living in exile in Egypt.

Barnes should (1) remind PriMin Georgiev of assurances latter gave in 1945 that royal family's safety is matter of "national honor"; (2) express our apprehension that, owing to present circumstances and the possibility that popular feeling may become unduly inflamed during referendum, the danger that irresponsible elements may threaten family's safety is in some respects more acute than in 1945; (3) inquire what specific measures Bulgarian Govt has taken to assure family's safety and to enable it to leave Bulgaria for such destination as Queen might wish at such time (either before or after referendum) as Queen Mother may desire, pointing out that as prerogatives are exercised by Regents departure before referendum would have no constitutional effect; and (4) inform PriMin of our view that Bulgarian national honor would drop precipitately in eyes of civilized world should harm come to family. We believe Brit FonOff should be informed that we would welcome a similar approach to Georgiev by Houston-Boswell but we do not think that proposed action by Barnes should be made contingent upon or deferred for Brit concurrence.

Similarly Robertson should be asked to approach Biryusov, preferably with Oxley, informally along lines outlined in points (2) and (3) above and add that, as Bulgaria is an occupied country, world will hold ACC powers—particularly USSR—responsible for any failure to afford adequate protection to mother and two children.

Willingness of Bulgarian and Soviet authorities to permit departure of royal family might be influenced by Queen Mother's willingness to issue public statement accepting referendum results and if Barnes and Robertson were in position to cite such willingness, the prospects for success might be materially improved. Consequently, while Barnes should not of course, urge Queen Mother to commit herself, it might be helpful if he were to ascertain her attitude re this question.

If you approve foregoing we will so instruct Sofia and London.<sup>61</sup>

ACHESON

<sup>61</sup> Telegram 252, August 10, 1946, to Sofia, which repeated the text of this message, stated that the Secretary had approved the recommended course of action set forth here provided Barnes' approach to Prime Minister Georgiev was made on an informal basis (740.00119 Council/8-946).

874.01/2-1447

*Memorandum by the Representative in Bulgaria (Barnes) to the Secretary of State*<sup>62</sup>

SECRET

[PARIS,] August 23, 1946.

The decision of the Council of Foreign Ministers that the Russian Army should withdraw from Bulgaria in 90 days after peace enters into force was followed immediately by the return of General Biryusov to Sofia. He set to work at once to prepare for the riveting of a purely communistic regime onto the country prior to the departure of the Red Army. The past two months in Bulgaria have been marked by intensified terror, by more brutal and repressive measures against the opposition and by a purge of the army and civilian administrations that have greatly worsened political conditions throughout the country.

It is believed under these circumstances, and especially in view of U.S. obligations that flow from the fact that the U.S. was a signatory to the armistice with Bulgaria and has a representative on the Allied Control Commission in Bulgaria, that the Secretary might well have a frank talk with Prime Minister Kimon Georgiev and Minister for Foreign Affairs Kulishev, pointing out to them his disappointment with conditions as they have developed in Bulgaria and the difficulties that these conditions create for him in implementing U.S. policy with respect to Bulgaria.

It is suggested that in this conversation the Secretary develop the following points and attempt to elicit responsive explanations from the Bulgarian Prime Minister and the Minister for Foreign Affairs:

1. Persistent reports reach the Secretary that the Fatherland Front is in effect no more than a façade for Communist domination of the government. These reports are given substance by what appears to have happened to War Minister Damian Veltchev;<sup>63</sup> also by the drastic purge of the Army, of other governmental establishments and of all educational institutions.

2. What are the facts about political prisoners and the allegation that 40,000 of them are now held in concentration camps and prisons? If these allegations are denied, is there any reason why the American Representative on the Allied Control Commission should not be permitted freely to inspect the prisons and the concentration camps?

3. The growing disposition of the Bulgarian Government to explain repressive acts on the grounds of obligations flowing from the Yalta

<sup>62</sup> The source text is included as enclosure 6 to a letter of February 14, 1947, from Barnes to the Secretary of State.

<sup>63</sup> Telegram 623, August 13, 1946, from Sofia, reported that the press had announced that War Minister Veltchev was on "home leave" and that Prime Minister Georgiev had taken temporary charge of the Ministry. There was reliable information that Veltchev was under house arrest in an isolated Black Sea village. (874.00/8-1346)

agreement and the provisions of the draft treaty is of direct concern to the U.S., which cannot tolerate that its name be used to cover suppression of political liberties. At this point attached excerpt from General Robertson's letter of July 31, to OPD expressing deep concern over conditions now obtaining in Bulgaria and the responsibility that will inevitably fall on the U.S. for these conditions if no effort is made to protest against them and to seek their correction, might be read.

4. American opinion cannot possibly comprehend the imposition of such a severe measure as the law for forced labor of so-called idlers without any provision whatever for recourse to the courts of the country. It is left entirely to the Communist Minister of Interior (this means the village militia man) to include in the term "idler" any elements not acceptable to the Communists.

5. It is equally impossible for American opinion to understand repeated decisions of the Government to suspend and suppress the Opposition press and to subject to summary arrest and trial outstanding contributors to the opposition press. It is understandable that the Government should seek to foster good relations with the USSR, and therefore to avoid unreasonable criticism of the Soviet Union, but the Government has not acted, even in an offhand manner, to restrain the government press from open and bitter criticism of the U.S. and the U.K. In this connection mention might be made of the flagrant attacks of Mr. George Dimitrov against U.S. and U.K. policy and manner of life. It should not be overlooked that U.S. still is in Armistice relations with Bulgaria.

6. Likewise it is impossible for U.S. opinion to comprehend any justification that may be put forth in explanation of political action limiting the right of the individual to work, to enjoy the opportunity to purchase food, to find shelter, to procure clothing and to receive the benefits of education in the state schools and universities. Here mention might be made of the deplorable decision that only those Bulgarians who can present a political "bill of health" from local Fatherland Front committees may pursue their education in the country's institutions of higher learning.

7. What is the explanation of the summary expulsion of families from the capital with the obligation to turn their habitations over to the militia for occupancy by Communists coming from the provinces?

8. What of the allegation that only Communist lawyers have been appointed special examining magistrates, judges and prosecutors in connection with the application of the law "for expropriation of illegal riches" and the fact that the burden of proof in these cases is placed on the accused and does not rest on the state?

9. Widespread and persistent statements branding all opponents of the Fatherland Front as fascists, traitors and agents of international reaction, and the treatment of such people that places them in the category of inferior citizens in matters of the right to work, to have ration cards, to live where they wish, cannot be reconciled with an obligation which the Bulgarian Government would assume under the treaty to extend political and human rights without distinction to all its citizens.

10. The Government's bills for the creation of a frontier militia and for labor mobilization of those not required for military service raises the question of the Bulgarians' good faith in connection with the provisions of the draft treaty limiting Bulgarian military establishments.

EXCERPT <sup>64</sup>

Bulgaria is in the process of being thoroughly communized by every means short of a blood bath and I am far from sure that that is not just around the corner if it is in fact not in progress at the present time. There is no freedom of speech or press; purges in the Army, Navy and other Government agencies are in progress in a large way; purge of schools, both teachers and students is going on; expropriation of property is extensively used as a purge method as well as for obtaining needed funds; arrests, disappearances, intimidations and beatings are widespread; the Orthodox Church is under attack for failure to aid Communist activities; Free Masonry is indicted as Fascist, reactionary and treasonable. All of the foregoing add up to a reign of terror about which the world at large is as yet uninformed but of which the world will some day know. As the supreme authority in Bulgaria the ACC can be justly charged with the responsibility for these horrible conditions but against which neither General Oxley nor myself are able to move a hand. Are we, the U.S. and U.K. by our continued presence here on the ACC not laying ourselves open to charges of tacitly permitting and giving a measure of sanction to conditions?

SUGGESTED COMMENT ON GENERAL ROBERTSON'S REPORT TO WAR DEPARTMENT TO BE MADE TO BULGARIAN PRIME MINISTER

The point raised by General Robertson is a serious one. Turning it over in my own mind, I have been reminded that the whole question of the security of peace in the Balkans has been raised by the proposal of the Ukrainian Delegate that the Security Council occupy itself with this problem.<sup>65</sup> I cannot overlook the fact that a referendum for the Republic in Bulgaria and elections for the Grand National Assembly that will revise the Bulgarian Constitution are contemplated while the Russian army is still in occupation in Bulgaria. It is true that Bulgaria still lives under an armistice. On the other hand, it is this very fact that renders more grave the situation referred to by General Robertson. This would not be the case were U.S. participation on the Allied Control Commission in Bulgaria more than token

<sup>64</sup> This excerpt is from a letter of July 31, 1946, from General Robertson to the War Department. A copy of General Robertson's letter was transmitted to the Department of State under cover of a memorandum of August 10, 1946, from the War Department (740.00119 Control (Bulgaria)/8-1046).

<sup>65</sup> In a communication to the Secretary General of the United Nations dated August 24, 1946, the Ukrainian Foreign Minister proposed that the U. N. Security Council take up the Greek situation and the attendant danger to peace in the Balkans. For documentation regarding this subject, see vol. VII, pp. 194-221, *passim*.

participation. I am sure that it will not surprise you when I tell you that General Robertson is still officially uninformed that the Bulgarian Government contemplate holding a referendum on September 8 and elections for the Grand National Assembly on October 27. This situation leads me to wonder whether I am not now under the obligation of making a public declaration that the U.S. Delegate on the Allied Control Commission in Bulgaria will henceforth, and until the whole question of the security of peace in the Balkans has been clarified, refrain from further token participation in the activities of the so-called Commission. I expose this situation so frankly to you because I would like to hear your views on the point. I am particularly anxious to hear your views because I have heard it said that certain elements of the Bulgarian Government have already expressed grave doubts with respect to American interest in Bulgaria because no serious effort has been made by the U.S. Government to have its participation on the Allied Control Commission made real and effective.

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740.00119 Council/8-2946 : Telegram

*The United States Delegation at the Paris Peace Conference to the Acting Secretary of State*

SECRET

PARIS, August 29, 1946—5 p. m.

[Received August 30—7:25 a. m.]

4333. Delsec 873. The Secretary received the Bulgarian Prime Minister and Foreign Minister on Tuesday <sup>65a</sup> and had a one and a half hour conversation with them. Matthews and Barnes were present.

Georgiev made much of valor of Bulgarian Army in this effort thereby giving Secretary opportunity to make point that American opinion cannot reconcile Bulgaria's contention of contribution made by its army to final victory over Germany and fact that it has recently been considered necessary for political reasons by present Bulgarian Govt drastically to purge army. In this connection reference was made to predicament in which War Minister Damian Velchev finds himself. Georgiev made much of recent manifestations of conspiratorial ideas and activities among officers, but before topic had been finished it was clear that Communist doubts of army's willingness to accept Communist domination of state had been controlling in decision to purge army.

Georgiev sought to give an historical account of development of Fascism and other pernicious influences in Bulgarian political and military life. In reply Secretary said he was interested primarily in what could be done about present state of affairs and no so much in how present state of affairs had come about. He said he had made serious effort in December 1945 at Moscow to contribute to solution

<sup>65a</sup> August 27.

of Bulgarian problem but that Bulgarian Govt had not sought to profit by this effort. He pointed out that at Yalta the USSR, UK, and US had assumed certain obligations not only with respect to peoples of liberated countries but also with respect to their own peoples and that it was for this reason that he had made such a determined effort at Moscow. He said Bulgarian Govt had not aided him in justifying effort he had made and that Bulgarian Govt must realize that he, the Secretary, must remain faithful before American people to obligations that had been accepted in their name at Yalta.

Georgiev said he must frankly state that political conditions in Bulgaria were unsatisfactory and that instead of seeking to justify he was merely trying to explain how matters had reached their present state. He admitted inconveniences and even great difficulties caused by Communists. He pointed out that on other hand country had profited from presence of Communists in Govt, for example thanks to them there have been no labor troubles during past 2 years.

He deplored departure from Government of leaders who are now known as the Fatherland Front opposition and in doing so agreed that much of what they complained was true. Again Secretary reminded Mr. Georgiev that he was more interested in solving problem than in learning how problem had arisen. On various occasions throughout conversation Secretary made point that more important than what treaty might or might not contain was whether or not a state of affairs could be brought about in Bulgaria which would permit him to sign treaty. He reminded Prime Minister that treaty must be ratified and in this connection said if he were to be asked by Senate whether he considered present Government of Bulgaria to correspond with what Mr. Roosevelt and Mr. Stalin had had in mind at Yalta as a government for Bulgaria, he would have to reply in negative.

Georgiev admitted that Russians had placed very narrow interpretation on Moscow accord. He said his own interpretation had been about halfway between the Russians and that of US and UK. He reviewed negotiations with opposition and said that it was his impression that demands of opposition would make impossible implementation of Moscow accord before elections for Grand National Assembly on October 27. Just as Secretary earlier in conversation had urged that Army officers who had fought so valiantly against Germany should be forgiven with respect to their earlier biases in same spirit that Bulgaria was asking Allied Powers to overlook Bulgaria's role in early stages of war, he urged at this point that serious effort be made to conciliate opposition so that he might be able to describe Bulgarian Govt to American people as representative of Bul-



garian people and as competent to engage whole of Bulgarian people in carrying out peace.

Secretary said presence of Opposition in government that conducts elections for Grand National Assembly and existence of Opposition press that could freely express itself on election issues would go far to overcome general impression of past year and a half of dictatorial government in Bulgaria. He pointed out that Hitler had gained 95 percent of vote in elections that had had the appearance of being free but that no one had been fooled; that only presence of Opposition in Government and free press would go far to overcome harm done by conditions now obtaining in Bulgaria and that have been developing in their present state for many months.

Secretary told Mr. Georgiev he had in mind having further talk on this matter with Mr. Molotov and Mr. Vyshinsky.

Repeated Sofia as 35.

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740.00119 Council/8-2946: Telegram

*The United States Delegation at the Paris Peace Conference to the Acting Secretary of State*

SECRET

PARIS, August 29, 1946—5 p. m.

[Received 10:55 p. m.]

4334. Delsec 874. Barnes had brief talk with Bulgarian Prime Minister after he left Secretary Tuesday morning (see Delsec 873). Barnes told Prime Minister he was by no means as pessimistic as Prime Minister appeared to be about conditions that Opposition would now demand in connection with their participation in Govt. He had been told by Petkov just before departure from Sofia that Opposition would no longer insist on elections for an Ordinary National Assembly, instead of elections for Grand National Assembly. He did not tell Georgiev that Petkov had told him this, but he did say it was his understanding that Opposition would no longer demand new Ordinary Assembly to prepare agenda for Constituent Assembly. Petkov also told Barnes Opposition would no longer be exacting on subject of Ministry of Interior; that non-Communist Director of Militia would probably satisfy them. They could of course still want Ministry of Justice as this Ministry would control to some extent activities of Ministry of Interior at time of elections and in verifying ballots.

Georgiev said he was delighted Secretary contemplated having further talk with Molotov and Vyshinsky. Barnes replied on this point that Prime Minister should realize that he himself holds in his hands far greater possibilities of bringing three Great Allies together on subject of Bulgaria than do any one of three representatives of those

powers at Paris Conference. He emphasized that less than 2 months remain until elections for Grand National Assembly, and if Govt is to be reorganized in time for presence of opposition within Govt to have real effect on elections, something must be done very soon.

Sent Dept 4334; repeated Sofia 36.

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740.00119 Council/8-3146: Telegram

*The United States Delegation at the Paris Peace Conference to the Acting Secretary of State*

SECRET

PARIS, August 31, 1946—10 p. m.

US URGENT

[Received August 31—8:05 p. m.]

4383. Delsec 885. Acting on Secretary's instructions, Barnes suggested informally to Bulgarian Prime Minister Georgiev, Foreign Minister Kulishev, and Communist President National Assembly Kolarov that Opposition leaders be invited to Paris and that joint effort of all concerned, including USSR, United Kingdom and United States, be made to seek a compromise formula here in Paris for participation of Opposition in Bulgarian Govt prior to elections for Grand National Assembly. Proposal was that if Government leaders now here willing to have Opposition leaders come to Paris and enter into negotiations with them under guidance of three Great Allies, Secretary would make proposal in this sense to Russian representatives.

While not accepting that Opposition be called to Paris, Georgiev has now made compromise reply embodied in following *aide-mémoire* handed by him to Barnes this morning:

"1. We are ready to continue the contact with the representatives of the United States in order to investigate the possibilities of accomplishing something in the spirit of the wishes expressed by Secretary Byrnes regarding the internal political situation in Bulgaria.

"2. The Prime Minister is ready to start negotiations with the representatives of the opposition in Sofia and hear their attitude to the election in order to ease the relations and create a more favorable atmosphere in connection with the coming elections.

"3. We consider unsuitable in many respects the proposal to call the representatives of the Opposition to Paris. First of all, it would bring confusion and perplexity among the Bulgarian people at a moment when the attention of the Bulgarian delegation here, of the Government and the entire people is centered on the problems of peace and while the date of the elections for the Grand National Assembly has already been set. In reality such an important question cannot be solved far away from the country, without the direct participation of the Government, Parliament and political parties. Should certain recommendations be accepted in Paris, nothing can

prevent these recommendations from being reconsidered in Sofia which in the end cannot be avoided for it is but natural that the final say rests with the political factors within the country.

"4. We are of the opinion that the coming elections for the Grand National Assembly will give the Opposition an opportunity to enter the Sobranje and exercise from within it their role.

"5. The Government is resolved to take all appropriate measures to ensure free elections for all Bulgarian citizens.

"6. The main line of the policy of the Fatherland Front will be determined in the future by the principles inscribed in its program and which will be the basis of the future constitution as provided in the section 12 of the law for the referendum and the elections for the Grand National Assembly."

It is our understanding that the foregoing *aide-mémoire* was given us after two consultations between the Bulgarian delegation and Molotov.

Georgiev departing for Sofia September 2. Barnes will probably follow shortly after.

Sent Department 4383; repeated Sofia 37, Moscow 339, London 658.

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740.00119 Council/9-346: Telegram

*The United States Delegation at the Paris Peace Conference to the Acting Secretary of State*

SECRET

PARIS, September 3, 1946—noon.

US URGENT

[Received September 3—10:20 a. m.]

4399. Delsec 891. Barnes talked last night with Prime Minister Georgiev for 2 hours on Bulgarian internal political situation. Georgiev left this morning for Sofia.

Prime Minister told Barnes he anticipates that his efforts to accomplish "something in spirit of wishes expressed by Secretary Byrnes regarding internal political situation in Bulgaria" (Delsec 885, August 31) will have to be confined largely to measures that might induce Opposition to participate in forthcoming elections for Grand National Assembly without their participation in Government. He said that political tempers are such that he could not hope to accomplish much along line of bringing Opposition into Government before elections. He had in mind hostility of Fatherland Front Parties, especially Communists, toward Opposition, more than conditions that Opposition might insist upon for entry into Government.

Barnes reminded him of Secretary's comment to effect that if Opposition not taken into Government before elections, world opinion could hardly be persuaded of unfettered nature of elections. Prime Minister shrugged shoulders and said political realism requires ad-

mission of fact that it is useless in political activity to strive for the impossible.

Asked whether he thought there was anything Secretary might do to lessen obstacles to real and effective negotiations looking to entrance of Opposition into Government before elections, he replied in negative. He pointed out that there had always been political persecution in Bulgaria. Barnes replied that world war had been fought since last elections held by old regime; that at that time majority public opinion had supported repressive measures against Communist minority, whereas at present time Communist minority was calling tune against majority public opinion; that presence of Opposition in Government holding elections was necessary to convince world opinion of honest nature of elections because of conditions obtaining in country against which United States had found it necessary on several occasions publicly to protest.

Georgiev denied nothing. He merely reiterated time without number that it is politically unrealistic to strive for impossible. With each reiteration he repeated that he would seek to do what was possible to improve political conditions for Opposition with respect to their possible participation in elections.

Under these circumstances Barnes will not hurry back to Sofia. It is perhaps best that Opposition should decide question of participation in elections without advice from outside.

Barnes is also strongly of opinion that further statements of explanation of US policy to Prime Minister and other members Bulgarian delegation Paris could only confuse issues involved, as Secretary has now made plain to Bulgarian Govt that real and effective efforts by it to assure free and unfettered elections expected of it and that in opinion of United States Government most convincing manner of accomplishing this would be implementation Moscow decision well in advance of elections. Further to discuss internal Bulgarian situation with Bulgarian leaders would probably only result in creating impression that United States now willing to retreat from position taken in Secretary's talk with Prime Minister.

Repeated Sofia as 38, London as 662, and Moscow as 341.

874.00/9-646 : Telegram

*The Acting Representative in Bulgaria (Rewinkel) to the Secretary of State*

SECRET

US URGENT

SOFIA, September 6, 1946—4 p. m.

[Received September 7—6:05 a. m.]

699. Belgian Ambassador to Rome, André Motte, now in Sofia, had long conversation with Queen on August 31. She much perturbed

over personal safety herself and children after proclamation Republic and during her removal from Bulgaria. Knowing Bulgars as she does she feared an "accident" or attempt against her party by "irresponsible elements" during journey to frontier. Motte, who has had long service in Bulgaria, agrees her point of view.

No action taken by General Robertson or myself after receipt [apparent omission] telegram 252, August 10<sup>66</sup> in view presence leading Bulgarians in Paris and because it then appeared that Govt making adequate plans for safe departure Royal Family. Since then official campaign against monarchy has become intensely provocative and scurrilous and it not unlikely that inflamed passions of certain elements might result in incident or attempt against Family.

This morning my British colleague acting with General Robertson's and my knowledge had conversation with Senior Regent Ganev regarding plans for Queen's safety and departure. Ganev admitted no definite plans yet made for departure Family and that previous proposed Norwegian steamer from Varna would probably be too late (remytel 629 August 15<sup>67</sup>), therefore present idea seemed to be to send Royal Family by train to Istanbul between Sept. 15-20 accompanied by General Markoulev in charge of palace but definite arrangements difficult to make. Ganev admitted dangerous state of affairs arising from present campaign and stated possibility existed of "fanatics" taking violent action in spite extra security measures. He suggested that three ACC powers each send representatives with Royal train to Bulgarian frontier. General Robertson and I concur with this suggestion. In closing Ganev said he believed everything would pass off well and was even "personally sure".

In view fears of responsible persons and of present Communist temper I suggest following courses of action be followed:

a. That question of Royal Family safe departure from Bulgaria be taken up on high level in Paris with Kolarov, Communist President of National Assembly and one of real rulers of Bulgaria, pointing out interest of world in matter and fact that any incident would irreparably damage Bulgarian name abroad.

b. That General Robertson and British colleague raise question in Sept 12 ACC meeting pointing out that ACC responsible for events in Bulgaria and insisting that Russian, British and US representatives be delegated to accompany Royal Family from local residence to Bulgarian frontier to guarantee safe departure.<sup>68</sup>

<sup>66</sup> See footnote 61, p. 132.

<sup>67</sup> Not printed.

<sup>68</sup> Telegram 282, September 9, 1946, to Sofia, approved the action suggested in this paragraph (740.00119 Council/9-646). Telegram 732, September 13, from Sofia, reported that at the meeting of the Allied Control Commission on September 12, General Robertson and his British colleague had raised the question of the safety of the Bulgarian Royal Family. General Cherepanov insisted that

General Robertson concurs fully with contents this telegram and proposes carry out plan in *b* above at Sept 12 ACC meeting unless instructions to contrary received.

British Mission here sending similar telegram to London and Paris. Please instruct.

Sent Dept; repeated Paris for Delsec (attention Barnes) 209; London 153.

REWINKEL.

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740.00119 Council/9-1346 : Telegram

*The United States Delegation at the Paris Peace Conference to the Acting Secretary of State*<sup>69</sup>

SECRET

PARIS, September 13, 1946—11 a. m.

US URGENT

[Received September 13—7:46 a. m.]

4598. Delsec 944. Quoted below is the substance of a memorandum concerning the political situation in Bulgaria submitted to the Secretary by Barnes.

The proposed line of action is approved. Please ask General Robertson to act accordingly. It is assumed that he will consult with his British colleague as to similar action by British representative on ACC.

"Attached memorandum<sup>70</sup> and telegrams<sup>71</sup> are descriptive of deplorable political inequality and oppression under which opposition in Bulgaria is compelled to operate by Communist, minority-dominated government. The memorandum was prepared as background for the Secretary's appeal to Bulgarian Prime Minister to go back to his country and correct conditions as best possible to assure something in nature of free elections for Grand National Assembly, now scheduled for October 27.

Prime Minister Georgiev has now been back in Bulgaria for 10 days. Information keeps coming in from Sofia showing no improvement in conditions there. In fact, it appears that Georgiev returned to find situation even more restrictive of possibility of doing something in sense urged by Secretary than were conditions when he left Paris. At any rate, according to most recent reports from our Mission, the Communists are now so distrustful of Zvenos, the Prime Minister's party, and so confident that with Russian backing they can

this was a matter neither for the Allied Control Commission or the Soviet High Command but solely the responsibility of the Bulgarian Government (874.0011/9-1346). Telegrams 745, September 17 and 752, undated, reported that the Bulgarian Royal Family departed from Sofia by special train on the evening of September 16 en route to Istanbul where the party boarded a ship on September 17 for the voyage to Egypt (874.0011/9-1746 and 9-2046).

<sup>69</sup> This telegram was repeated by the Department to Moscow and Sofia.

<sup>70</sup> Memorandum from Barnes to the Secretary of State, August 23, p. 133.

<sup>71</sup> Telegrams 4383, Delsec 885, August 31, and 4399, Delsec 891, September 3, both from Paris, pp. 139 and 140, respectively.

exercise completely free hand, as to be planning elimination of Zveno from the Government. In this situation Prime Minister seems to be more concerned with saving his own political hide, if possible, than in carrying out his promise to assure free elections. To this end he has had a circular distributed to all Zveno leaders warning against any opposition to Communists and urging expulsion from party of all who are critical of Communists.

Generals Robertson and Oxley (US and UK representatives on the ACC) have raised the question of US and UK responsibilities if they continue to sit on Commission without lifting their voices against the conditions about which Secretary complained in his conversation with Prime Minister and with respect to which Prime Minister promised improvement.

In these circumstances, it is recommended that General Robertson be instructed:

(1) To carry out directive given him before Secretary's conversation with the Bulgarian Prime Minister to seek to visit the prisons and internment camps and to solicit a talk with War Minister Damian Veltchev (now restrained on Communist insistence to a small village near Bourgas) as to political conditions actually obtaining in country.

(2) To request of Acting President of ACC that all party leaders be heard by Commission. This includes Opposition leaders.

(3) To request special meeting of ACC to consider what steps along following lines might be taken by Commission to assure free elections for Grand National Assembly on October 27:

- (a) Freedom of press, radio and assembly for Opposition;
- (b) Non-interference of militia, either with candidates or voters, except to maintain law and order;
- (c) Release of political prisoners, or open formulation of charges against them;
- (d) Removal of threat of post-election retaliation for political reasons.

The effects of such steps would, of course, be greatly increased if publicity were given to these *démarches* both inside and outside of Bulgaria. The ACC should also be notified that full publicity will be given to its decisions on all points raised. Publicity on *démarches* and decisions with respect thereto would be given only on direction of Secretary after full reports had reached him."

Documents mentioned in first paragraph of quoted text are Barnes' memo of which General Robertson has copy and telegrams numbers 37 and 38 to Sofia (Delsec 885 and 891) dated August 31 and September 3.

Barnes returning Sofia earliest possible.<sup>72</sup> Please telegraph when General Robertson's plane can pick him up at Paris, Rome, or Naples.

<sup>72</sup> Barnes returned to Sofia on September 25.

Repeated London as 681 for communication substance to FonOff.<sup>73</sup> Dept please repeat to Sofia for action as our No. 39 and to Moscow as our No. 353.

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740.00119 Control (Italy)/9-1746: Telegram

*The Chargé in the Soviet Union (Durbrow) to the Secretary of State*

RESTRICTED

Moscow, September 17, 1946—noon.

[Received 3:30 p. m.]

3495. Following is Embassy's translation of note received today from Soviet Foreign Office with request that it be communicated to Department:

"The Allied Commission in Italy is placing obstacles in the way of the Soviet representatives on the Allied Commission, the Advisory Council for Italy, and the Mission for the Repatriation of Soviet Citizens from Italy, as well as in the way of the employees of the above representations, in the matter of their travel throughout Italy.

"These obstacles find expression in the fact that the authorities of the Allied Commission require the above-mentioned Soviet representatives in Italy and the employees of the representations to solicit a special permit several days in advance on each occasion of a trip in the country. These authorities require that the purpose of each trip be indicated in requesting the above permit.

"Such a procedure is in sharp contrast to the travel procedure established by the Soviet military authorities in Hungary, Rumania and Bulgaria from the American and English representatives in the country. The Soviet military authorities are guided in establishing travel procedure in Hungary, Rumania and Bulgaria by the negotiations of the Allied Control Commission, permitting freedom of travel throughout those countries to American and British representatives on the condition that these representatives inform the Allied Control Commission in advance of the time and itinerary for such journeys."

In communicating the foregoing, the Ministry for Foreign Affairs insists that the aforementioned restrictions on the travel of Soviet representatives in Italy and their employees be removed and that there be established a normal procedure for travel through the country, analagous to that established for British and American representatives in Hungary, Rumania and Bulgaria. The Ministry for Foreign Affairs expressed the hope that the appropriate steps for the establishment of such a procedure will be taken as a matter of urgency.

The Ministry for Foreign Affairs informs the Embassy that a similar note has been sent to the Embassy of Great Britain.

DURBROW

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<sup>73</sup> Telegram 8263, September 19, 1946, from London, reported that the points raised in Barnes' memorandum had caused the Foreign Office to consider the whole question of future relations with Bulgaria and that it had been decided that Bevin would deal with the question directly with the Secretary of State (740-00119 Council/9-1946).



874.00/9-1846 : Telegram

*The Acting Representative in Bulgaria (Rewinkel) to the Secretary of State*

SECRET

SOFIA, September 18, 1946—6 p. m.

[Received September 19—2:09 p. m.]

749. I have just returned from interview with Prime Minister Georgiev at which time I conveyed to him Secretary's comments in Paris telegram 41 [4641], September 16, repeated Department as Delsec 950.<sup>74</sup> Georgiev stated he was in Paris at time of suspension of Svoboden Narod and trial of specific Opposition journalist and therefore, knew none of facts nor reasons of cases. Suspension of *Narodno Zemedelsko Zname* for short period was ordered on authority of Information Minister who had administrative jurisdiction in such matters possibly for some "minor infraction" concerning which Georgiev had no details. He assured me he would investigate three cases mentioned and inform me of reasons which had impelled government to act thus.

I said that in light of his assurances to the Secretary in Paris concerning improved conditions for opposition in forthcoming election campaigns, Secretary was most interested in learning whether Government was taking steps which would ensure to Opposition parties the possibility to campaign without restrictions and participate freely in coming elections. Georgiev would not commit himself that Government was actually taking measures to diminish restrictions on Opposition activity but stated that Government was most anxious that Opposition participate in elections since this was only way to "normalize conditions" in Bulgaria. To my repeated question as to what present conditions were re freedom of Opposition activities Georgiev only replied that in past the Opposition leaders had frequently complained to and consulted with him re situation obtaining in the country but it was now 14 days since his return from Paris and no Opposition leader had as yet consulted with or complained to him. Therefore, he could only assume they had no complaints to register. (I refrained from replying that in view of previous fruitlessness of Opposition *démarches* they had probably despaired of obtaining satisfaction from the Prime Minister.)

Georgiev went on to say that unfortunately Opposition itself was deliberately creating many difficulties for the Government by em-

<sup>74</sup>Not printed; in it, Rewinkel was directed to express to Prime Minister Georgiev the astonishment and disappointment of the Secretary of State at the suspension of Opposition newspapers and the trial and sentencing of an Opposition journalist notwithstanding Georgiev's promises to the Secretary and his formal undertaking regarding free elections and fair treatment of the Opposition parties (740.00119 Council/9-1646).

phasizing and creating impression of great power disunity and danger of war whereas policy of FF was to assist in obtaining international understanding and unity. He cited several incidents and stories including secret circulation throughout Sofia of purported inflammatory speech (obviously fabricated) delivered on undisclosed date by Secretary against Russian policies and designs.<sup>75</sup> Such stories, he said, which no intelligent person seriously believed nevertheless tended to create doubt in mind of populace concerning possibilities for agreement and peace and were always traceable to opposition machinations.

I left the Prime Minister after receiving repeated assurance that he would investigate three cases mentioned in reference telegram and that he sincerely desired participation of Opposition in forthcoming elections. My impression is that he does desire Opposition participation in elections only to impart appearance of legality or "normality" but that he will take no steps against Communist plan to intimidate and stifle Opposition and win those elections.

Repeated Paris Delsec as 246.

REWINKEL

874.00/9-1946 : Telegram

*The Acting Representative in Bulgaria (Rewinkel) to the Secretary of State*

TOP SECRET

SOFIA, September 19, 1946—6 p. m.

[Received September 23—12:05 a. m.]

754. Opposition leaders Petkov (Agrarian), Lulchev (Socialist) and Stoyanov (independent intellectuals) have conveyed following information to me through intermediary:

They feel that, if possible, postponement of scheduled elections is necessary, at least until withdrawal of Soviet troops. This would represent great blow to Communist plans. Failing this, they suggest international commission (United States, United Kingdom and Soviet Union) be sent as soon as possible to Bulgaria to make inquiry into methods of electoral campaign and to visit prisons and concentration camps in country with representatives of Opposition and Government and interrogate inmates as to reasons for their detention. This commission, not necessarily consisting of specialists, should number from 3 to 10 members of each of three Great Powers. Opposition believes that such commission would have great moral effect in encouraging voters.

<sup>75</sup> Telegram 753, September 19, 1946, from Sofia, reported that the clandestinely distributed fabricated speech by the Secretary referred to by the Prime Minister was "almost too ridiculous on surface to merit attention" and was probably prepared by some "irresponsible local jester or foreign satirical journalist" endeavoring, with malice or annoyance, to state his opinions of the Russians in the name of the Secretary (874.00/9-1946).

Present conditions in Bulgaria described by Opposition leaders as extremely serious. Their candidates are already being arrested and meetings broken up by militia, which also exerting pressure on voters and threatening all non-Communists with no food during forthcoming winter. Election ballots not yet printed, electoral colleges not yet established and law establishing number of candidates for each district not yet promulgated. Leaders believe that as result of pressure Government will win elections with 60 percent majority without even resorting to falsification. If necessary, they are certain that falsification such as changing ballot boxes may well be used.

Opposition believes it is mistake to connect withdrawal of Soviet troops with signature of peace treaty for they think it very possible that present Bulgarian Government would invite troops to remain. They convinced that if Government wins elections it will not be possible prevent Bulgaria becoming Communist Republic.<sup>76</sup> They therefore contend that only solution in ridding Bulgaria of Soviet troops is for Opposition to enter Government before signature of peace treaty. Thereafter Opposition members could always resign or vote against any plans to postpone departure of Russian troops and could apply to UN in same manner as Iranians. Opposition leaders confirm that Prime Minister Georgiev has made no approach to them since his return from Paris.

Ex-Regent Ganev has also conveyed to me his opinion that an international commission is necessary to control forthcoming elections. He feels that for such commission to be very active there should be at least three observers in each large Bulgarian town, roughly a total of 33 members from each United States, United Kingdom and USSR. He thought a smaller commission would avail nothing. He stated it was all important that such commission should come now and not few days before elections. Failing this he suggested that United States and United Kingdom Governments should immediately announce that they were not prepared recognize election results unless Opposition included in Government in ample prior time before elections and in sufficiently satisfactory numbers to be effective. ACC might at same time be appointed as controlling organ over elections (it is, of course, apparent that Russians would not consent, on grounds that this would represent interference in Bulgarian internal affairs). Ganev, however, believes that Russians are responsible for public order and that therefore they must admit responsibility for control of elections.

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<sup>76</sup> At the Bulgarian referendum on September 8, 1946, 3,833,183 votes were cast for a republic and 175,234 for the monarchy, according to official statistics. On September 15, Bulgaria was proclaimed a republic and the functions of the chief of state were transferred from the Regency Council to the Presidency of the National Assembly.

Ex-Regent believes that forthcoming period represents last chance for West to "save a whole people". Unless there is intervention, Communists and FF will win elections by terror and falsification and subsequently he thought federation with Yugoslavia very likely.

It is apparent to us all in Bulgaria that Communists have now apparently received unqualified support of USSR and that they going ahead without regard to other factors in consolidation of their hold on this country. I can only admire Opposition leaders and other progressive elements in this country for still having courage and hope in belief that principles of freedom and decency must somehow prevail in end.

Sent Department; repeated Paris for Delsec as 249.

REWINKEL

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874.00/10-246 : Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

SECRET

SOPIA, October 2, 1946—5 p. m.

URGENT

[Received October 7—4: 50 p. m.]

796. Redelsec telegram 45, September 29 Sofia and 4881 to Department.<sup>77</sup> In view of relatively brief period until elections for GNA October 27 and as final date for filing candidates is October 5, General Robertson and I decided yesterday not await clarification of British position. Yesterday afternoon General Robertson sent communication text of which contained in immediately following telegram 797, to ACC.<sup>78</sup>

As indicated in text plan is to avoid action our part before Commission that would cast US representative in role of advocate of Opposition. Proposal is have all party leaders state their case with respect forthcoming elections, whether in justification of Government's plans or as complaint by others against these plans. Commission, as final governing authority in Bulgaria, including US representative would sit as referee and decide in event case made against Government's election plans to order measures that would assure participation of Opposition in elections by affording them opportunity to take part therein with some hope of relative freedom both for candidates and voters.

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<sup>77</sup> Not printed; it indicated that because Bevin had not yet had an opportunity to discuss with the Secretary the question of Bulgaria, the British asked whether American representations to the Allied Control Commission might not be postponed pending the clarification of the British attitude and the framing of instructions for the British representative on the Control Commission (874.00/9-2946).

<sup>78</sup> Telegram 797 not printed. For text of letter of October 1, 1946, from Major General Robertson to Colonel General Biryuzov regarding free elections in Bulgaria, see Department of State *Bulletin*, November 3, 1946, p. 820.

I have no illusions about dictatorship engaging in elections without firm determination to win overwhelmingly. Nevertheless it will be difficult for Russians totally to refuse our *démarche* because they know that full publicity will result and that even though there is no correction situation against which Opposition complains, refusal respond to Opposition appeal would strengthen moral position Opposition and doubtless encourage more Bulgarians to express themselves freely in balloting than would otherwise be case.

Repeated Paris for Delsec 270; London 168; Moscow 325.

BARNES

874.00/10-246 : Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

SECRET

SOFIA, October 2, 1946—5 p. m.

URGENT

[Received October 5—1:10 p. m.]

798. This morning I handed Secretary's letter of September 24 to Bulgarian Prime Minister.<sup>79</sup> There followed an hour's conversation on local political situation.

Prime Minister said there are "psychological and other factors in situation which make implementation Moscow agreement between now and October 27 impossible". He said he was sure that it would not be necessary for him to specify and implied that to do so would be embarrassing to him. He had in mind, in part at least, Russian policy and attitude of Georgi Dimitrov, and troubled atmosphere created by Russian policy and Dimitrov's constant invective against "reaction, fascism, and foreign influence".

I stressed with him Secretary's earnest desire contribute to solution that would permit signature of honorable peace with West and assure early reestablishment of regular diplomatic relations between US and Bulgaria. I explained our *démarche* to ACC in sense stated in mytel 796. I said that I hoped Dimitrov could comprehend true nature of our interest in assuming free election in Bulgaria and that he would cease public attacks on US and UK as "reactionary powers that were counselling" to create difficulties abroad for Bulgaria and that were supplying dollars and pounds to "further this disloyal conduct".

Prime Minister said that if an airing of Bulgarian political situation before ACC would contribute to solution of Bulgaria's problem of gaining recognition in West he would be thankful for *démarche* and that in any event he had no objection to proposal that Commission

<sup>79</sup> The Secretary's letter had been prepared in Paris and had been brought to Sofia by Barnes on September 25, 1946. For text of letter, which was subsequently released to the press on October 21, see Department of State *Bulletin*, November 3, 1946, p. 818.

should hear all political leaders on subject of forthcoming elections.

While I think he is powerless to modify Commission plans and strategy, I nevertheless believe he has been deeply impressed by manifestations of US sustained interest in support of application of Yalta principles in Bulgaria case. I also have reason to believe that this continuous interest on our part has struck Bulgarian commissions and that while we cannot hope suddenly stem tide political events this country our renewed intervention in political matters here will have beneficial effect in restraining Russians and Bulgarian commissions to some extent. All three know importance in terms to effect on Bulgarian public opinion of public statements by US revealing real interest in Bulgarian affairs and perpetuation of democratic principles in Bulgaria.

Repeated Paris for Delsec 272, London 170; Moscow 327.

BARNES

874.00/10-446 : Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

RESTRICTED

SOFIA, October 4, 1946—6 p. m.

US URGENT

[Received October 5—11 p. m.]

802. My immediately following telegram 803 sets forth text Biryuzov's reply to Robertson's letter October 1 reported my telegram 797, October 2.<sup>80</sup>

My telegram 804 contains text Robertson's second letter.<sup>81</sup>

References made in Biryuzov's letter to "decisions of Opposition parties published September 14 and 19" are:

September 14: "Permanent Committee Bulgarian Agrarian Union (secretary Nikola Petkov) Central Committee of United Workers Social Democratic Party (Lulchev) and Independent Intellectuals (Professor Stoyanov) have addressed important circular letter to all presidents their county and local organizations giving them instructions re forthcoming elections for Grand National Assembly. Selection of candidates must begin immediately throughout country. In forthcoming elections three organizations will take part on basis common list of candidates."

September 19: "Decision is taken by Democratic Party that it will take most active part in elections and will post lists of candidates throughout country. Democratic Party in favor of common lists all opposition parties. In places where agreement cannot be reached with opposition parties (Fatherland Front opposition) Democratic Party would file own lists. Party demands all persons arrested without

<sup>80</sup> Neither telegram under reference is printed. For texts of General Robertson's letter of October 1 and General Biryuzov's reply of October 4, see Department of State *Bulletin*, November 3, 1946, pp. 820-821.

<sup>81</sup> Telegram 804, October 4, from Sofia, not printed; for text of General Robertson's letter of October 4 to General Biryuzov, see *ibid.*, p. 821.

court action and persons arrested for political reasons or detained in concentration camps be set free. It demands amnesty for leaders democratic currents of opinion and persons of democratic views sentenced for political reasons. It demands repeal all laws and orders threatening limitation of personal or political liberties”.

In opinion General Robertson and myself only one interpretation can be placed on Biryusov's letter. Fundamentally opposition is justified in its private contention to this mission that in agreeing to participate in elections it is only playing into hands of Russians and Bulgarian Communists. In notifying Biryusov as Robertson has that he is reporting contents of reply to Secretary of State for such action in circumstances as Secretary may consider necessary, we both anticipate that Secretary will find way to make it clear to Bulgarian public and to opinion in United States as well that Russian authorities or at any rate General Biryusov himself apparently unwilling to work for free and unfettered elections Bulgaria October 27. In our opinion time has come to accept as fact and to act upon it that ACC Bulgaria in no sense tripartite commission but instrument of Russian policy of aggression and spheres of influence.

If ever proof were wanting of repeated contention by Robertson and myself that FF is merely façade masking Russian and Bulgarian Communist connivance against principles of Yalta then at long last we possess conclusive evidence in form of General Biryusov's letter. To see true state of affairs all that is necessary is to contrast Kimon Georgiev's statement to me (see my telegram No. 798, October 2) that “if airing of Bulgarian political situation before ACC could contribute to solution of Bulgaria's problem of gaining recognition in West he would be thankful for (US) *démarche*” with General Biryusov's expression of “surprise” over this *démarche*.

Sent Department as 802; repeated Paris 275 for Delsec; London as 173; Moscow as 330.

BARNES

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740.00119 Council/10-946: Telegram

*The Acting Secretary of State to the United States Delegation at the Paris Peace Conference*

SECRET

WASHINGTON, October 9, 1946—8 p. m.

US URGENT

5412. Secdel 1084. For Matthews from Hickerson. *Aide-mémoire* from Brit Emb states in substance that Brit Govt considers it most important conclude peace treaty with Bulg soon as possible; that therefore question recognition Bulg Govt becomes matter immediate

concern; that it is evident Bulgarians have no intention carrying out assurances given US Govt by Bulg PriMin concerning holding free elections; that as result US-Bulg talks in Paris Brit Govt assumes no serious modifications in Bulg Govts present policy can be expected and that Bulg Communists will not be deflected from present policy of establishing and entrenching by all possible means Communist regime prior to withdrawal Russian forces from Bulg; that if peace treaty is to be brought into force in near future Brit Govt sees no alternative but recognize present Govt or similar one controlled by Communist no matter how unsatisfactory such course may be; that Brit Govt considers it technically possible to sign peace treaty with unrecognized Govt but recognition would have to be accorded before treaty could be ratified; that in circumstances Brit Govt considers it best to recognize Bulg Govt when peace treaty is signed; that in doing this Brit Govt would favor declaration to effect that recognition was purely formal step which did not imply that Brit Govt condoned undemocratic and terroristic activities Bulg Govt; that Brit Govt would add that recognition was being accorded purely to make possible termination artificial state of war; that UK and US Dels Paris have discussed suggestions that UK and US mil missions Bulg should be withdrawn after signature of treaty; that chiefs mil missions feel their present position is embarrassing since they are forced to witness and, by their presence on ACC, condone to some extent terroristic activities present Govt without being able modify latter's policy; that while sympathizing with mil missions' points of view, Brit Govt strongly opposes withdrawal missions from Bulg until peace treaty enters into force; and that Brit Emb is instructed inform Dept views outlined above and to ask Dept for early expression US Govt attitude.

We pointed out that we would of course have to refer inquiry so closely connected with peace treaties to Secy before giving US position and suggested Brit might find most expeditious procedure be for them discuss proposal in Paris. However, London's 8690 Oct 8 (rptd Paris 757)<sup>82</sup> states Bevin will not have opportunity discuss Paris and Brit Emb now indicates FonOff desires comment from here. We will accordingly appreciate anything you can give us as to Secy's thinking in matter.

In this connection I presume you will also let us know if Secy wants us to take any action (Sofia's Delsec 280 Oct 7)<sup>82</sup> re publication correspondence concerning our recent *démarche* to ACC Bulg and Secy's letter to Bulg PriMin. [Hickerson.]

Sent Paris rptd Sofia and London.

ACHESON

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<sup>82</sup> Not printed.



740.00119 Control (Italy)/9-1746: Telegram

*The Acting Secretary of State to the Chargé in the Soviet Union  
(Durbrow)*

RESTRICTED

WASHINGTON, October 10, 1946—7 p. m.

1806. Ur 3495 Sept 17. In concert your Brit colleague, you should reply along following lines FonOff protest re travel restrictions on Sov reps Italy:

This Govt is surprised at Sov protest re procedure followed by Alcom Italy for travel Sov reps, which applies equally to all Allied officers in Italy. This procedure was designed primarily for convenience officers concerned, and to assist local commanders who must have advance notice if they are to extend fullest cooperation in providing military accommodations, motor fuel, etc. Moreover, since there are no general restrictions as to areas which may be visited by Allied officers, it is possible for them to travel freely to any region other than AMG territory without recourse to Alcom. This Govt is informed that in practice many Allied officers do in fact travel throughout Italy without obtaining travel orders from Alcom or even notifying it of their trips. FonOff must be aware that no request by Sov reps to Alcom for travel orders has been refused during recent months, and that no complaints have been lodged with Alcom thereon; on contrary, it is understood that Sov reps in Italy have expressed themselves as more than satisfied with arrangements made for them.

It appears to this Govt that procedure followed for Allied officers in Italy is far more satisfactory than those in effect in Hungary, Rumania and Bulgaria. In Bulgaria, US reps must give minimum of 48 hours notice in writing all trips outside Sofia zone, and must furnish names of all persons making trip, date and hour departure and return, itinerary and mode of travel. On several occasions ACC has notified US reps that intended travel was not authorized. In Rumania, 2 days advance notice of travel, including data re personnel, itinerary and dates departure and arrival, must likewise be given ACC by US reps, who have been denied admission to certain areas of country. In Hungary, travel of US reps outside Budapest is dependent upon receipt of special permit from ACC for each trip, which must be obtained in advance, and in that country also ACC has in some instances refused to grant necessary permit.

This Govt therefore sees no basis for Sov protest in this matter, and for its part would be more than pleased to have its reps in Hungary, Rumania and Bulgaria accorded same degree of freedom of travel which is enjoyed by Sov reps in Italy.

Sent Moscow as 1806 rptd for info to Rome as 1892, Bucharest as 658, Sofia as 327 and Budapest as 1056.

ACHESON

874.00/10-1146: Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*SECRET  
URGENTSOFIA, October 11, 1946—4 p. m.  
[Received October 12—10:30 a. m.]

821. My next following telegram No. 822, today's date is translation of Prime Minister's written reply to Secretary's letter of September 24.<sup>83</sup>

Signed Bulgarian text was handed to me this noon by FonOff Secretary General Altunov. He explained to me in name of Prime Minister that out of high regard for Mr. Byrnes, Prime Minister had put nothing in note to effect that Bulgarian domestic political situation matter of proper concern only to Bulgarian Govt but that Prime Minister wished this opinion to be registered orally with me. I asked Altunov to convey my compliments to Prime Minister and to recall to him that in my conversation of October 2 (see mytel 798 to Department) I had explained that armistice relations permit observations by victorious signatory that would be out of place under other circumstances; that, therefore, I did not presume Secretary would take Prime Minister's oral message any more seriously than I was inclined to do.

There followed a talk about political matters in Bulgaria as they really exist not as they sometimes appear to be in official correspondence nor as they are always made to appear by Russians and Bulgarian Govt through mechanism of FF. Altunov admitted almost everything that I have ever said in my telegrams of past 2 years to effect that Russians here and FF Govt combine to present Chinese Wall to Anglo-Saxon signatories of Armistice with Bulgaria. He said that the Anglo-Saxons have not gained ground in Bulgaria in last year but have lost it to wit our ability year ago August to force action by ACC with respect to elections then scheduled, whereas, today we are powerless to do more than write notes and letters.

His explanation was: Russia will never risk war with Anglo-Saxon nations but short of such a risk Russia will decisively continue along her provocative expansionist way believing that it will never be too late to withdraw from advanced spearheads that set up irritation that might explode into war and in this manner Russia anticipates she will be able to retain for future peaceful exploitation most of ground gained by her present audacious and disdainful policy. In Altunov's opinion Russia has taken good measure of west and knows that continued pressure will get her most of what she wishes without

<sup>83</sup> Telegram 822 not printed; for text of Prime Minister Georgiev's letter of October 11, 1946, to the Secretary of State, see Department of State *Bulletin*, November 3, 1946, p. 819.

any serious risks. I suppose circumstances have occurred in past that permitted microscopic former enemy to entertain and express such views with respect to major victors (US and UK) but I myself do not possess sufficiently detailed knowledge of history to be able to recall any such circumstances. I do not mean to imply that Altunov was seeking to be disagreeable. Very fact that he was not and yet that he was expressing such contemptible estimate of two great powers made his comment far more distasteful than had he deliberately sought to be provocative.

Sent Paris Delsec as 286, repeated London 181; Moscow 338.

BARNES

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740.00119 Control (Bulgaria)/8-1646

*The Acting Secretary of State to the Secretary of War (Patterson)*

WASHINGTON, October 17, 1946.

MY DEAR MR. SECRETARY: I have received your communications of August 10 and 16, 1946 requesting the views of the Department of State regarding the future of the United States military representation on the Allied Control Commission for Bulgaria.<sup>84</sup>

The questions raised by General Robertson regarding the continuation and the reduction of his mission in Bulgaria have been considered by the Department previously, and have now been given additional consideration in the light of General Robertson's letter of July 31, 1946, of his telegram of August 15, 1946, and of recent developments in Bulgaria. Although it is realized that there are undesirable aspects to a situation wherein the United States is formally represented on a body upon whose actions the United States representative has been unable to exercise any effective influence, it is nevertheless believed that the United States Government should not take the initiative of discontinuing United States representation on the Allied Control Commission for Bulgaria at this time. I may add that an *aide-mémoire* from the British Embassy at Washington dated October 9, 1946<sup>85</sup>

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<sup>84</sup> The memorandum of August 10, 1946, from the Secretary of War to the Department of State, transmitted a copy of a letter of July 31, 1946, from General Robertson in Sofia to the War Department, drawing particular attention to one section of that letter which expressed General Robertson's views on the continuance of the United States delegation to the Allied Control Commission for Bulgaria (740.00119 Control (Bulgaria)/8-1046). The same section of General Robertson's July 31 letter was quoted in full in Barnes memorandum of August 23 to the Secretary of State, p. 133. The memorandum of August 16, 1946, from the Secretary of War to the Department of State, reported that General Robertson had cabled the War Department on August 13 that he believed the time had come to begin a gradual reduction of the personnel assigned to his mission in Bulgaria in order to facilitate its ultimate closing (740.00119 Control (Bulgaria)/8-1646).

<sup>85</sup> For the substance of the British Embassy *aide-mémoire* of October 9, see telegram 5412, Secdel 1084, October 9, to Paris, p. 152.

stated that the British Government was strongly opposed to the withdrawal of the military missions in Bulgaria until the peace treaty has come into force. As to General Robertson's question regarding the gradual reduction of the personnel of his mission, it seems to me that this matter is a corollary to the question of the continuation of the mission, and that the decision thereon should be premised upon the assumption that the mission's duties will remain at approximately their present level until such time as the Allied Control Commission is disbanded.

Sincerely yours,

DEAN ACHESON

874.00/10-2146: Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

SECRET URGENT  
 NIACT

SOFIA, October 21, 1946—7 p. m.  
 [Received October 24—10:41 a. m.]

842. Instructions received this morning from British Foreign Office by virtue of which General Oxley today addressed letter reported my next following telegram 843 to General Biryusov.<sup>86</sup> Instructions authorized release text to local press at time release locally our documents (see mytel 833, October 17<sup>87</sup>). In view this new and important development and considerations of urgency set forth mytel 840, October 20,<sup>88</sup> I have conferred at length with Generals Robertson and Oxley and with acting British Political representative Tollinton. We all feel that release all documents locally tonight for publication tomorrow morning's press imperative if efforts for freest possible elections, about which British and American Govts now in full agreement, are to have real chance of success. I recall in Paris that it was intention to set our ACC record straight by publication Secretary's letter September 24 to Georgiev; that it was also anticipated that Robertson's *démarche* to Biryusov and Biryusov's response would be made public, with qualification that Biryusov's response should be reported to Secretary for Secretary to take decision on publicity. Delsec's tele-

<sup>86</sup> Telegram 843, October 21, from Sofia, not printed.

<sup>87</sup> Not printed; in it, Barnes asked for authority to distribute to the local Bulgarian press the following documents: (1) the Secretary of State's memorandum of September 24 to Prime Minister Georgiev; (2) Georgiev's reply of October 17; (3) General Robertson's letter of October 1 to General Biryuzov; (4) General Biryuzov's reply of October 4; (5) General Robertson's letter of October 4 to General Biryuzov (874.00/10-1746). The documents listed here were those released to the press on October 21 and printed in the Department of State *Bulletin*, November 3, 1946, pp. 818-821.

<sup>88</sup> Not printed; it reported that the large turnout for an Opposition mass meeting on October 19 indicated that the publicity regarding American efforts on behalf of free elections could have an encouraging effect on the electorate to express itself freely in the forthcoming elections (874.00/10-2046).

gram 1053, October 11<sup>89</sup> stated Secretary agrees to publication if Dept considers desirable, leaving question of timing to Dept. As early as mytel 798, October 2 I stressed importance of publicity and continued on point in telegrams 799, October 2; 802, October 4; 810, October 7; 820, October 11; 826, October 12; 833, October 17 and finally again in my Niact [840] October 20, noon; in which reply by 4 p. m. GMT today was urged.<sup>90</sup> Taking all these facts into consideration and as only four effective electoral campaign days remain, I have concluded that circumstances require on-the-spot decision. I have therefore released to press at 6 p. m. tonight texts listed mytel 833, October 17. British Political Mission has released General Oxley's letter. From standpoint of US interest and prestige in Balkans I have no misgivings. If from over-all viewpoint I have been wrong, Dept can disavow action. I am fully conscious that step taken may be one Dept cannot condone. I can only hope that somewhere en route to Sofia is reply to mytel 840 authorizing publication.<sup>91</sup>

Repeated Moscow as 344 and London 187.

BARNES

874.00/10-2246 : Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

RESTRICTED

SOFLA, October 22, 1946—4 p. m.

US URGENT

[Received October 22—3:05 p. m.]

846. Foreign Minister Kulishev just admitted to me that Ministry Information issued instructions to all newspapers last night against publication US-UK documents on elections, and that instructions were based on order given by General Biryusov to Foreign Office Secretary General Altunov. I asked whether signed order had been received. He admitted that it had not; that at close of conversation last night on another topic with Altunov, Biryusov had picked up texts of US and UK election correspondence and said, "You are to give orders that these are to be published by no newspapers". I told Kulishev that far from constituting satisfactory explanation, his admission merely proved:

1. That those of us who have long looked on Bulgarian Government as no more than agent of a USSR policy, as façade to misrepresent true state of affairs with respect to fulfillment of armistice, had been correct.

<sup>89</sup> Not printed.

<sup>90</sup> Of the telegrams under reference, only 798, October 2, and 802, October 4, are printed. Regarding telegrams 833, October 17, and 840, October 20, see footnotes 87 and 88, p. 157.

<sup>91</sup> Telegram 341, October 21, to Sofia, authorized release of the five documents in question at noon, Washington time, October 21, 1946 (874.00/10-1746).

2. That Prime Minister's assurances to Mr. Byrnes of freedom of press for opposition are worthless.

3. That Russia interferes in Bulgarian political affairs as no democratic state would ever dream of doing; that in fact General Biryusov is master of Bulgaria and Bulgarian Government his willing tool.

I added that Bulgarian Government knows that ACC is composed of representatives of three Great Allies, not merely General Biryusov, yet it habitually accepts orders from Biryusov, even oral orders, knowing full well that orders are entirely unknown to other representatives on Commission; and that at last government has gone so far as to disregard and suppress official communications of US and UK Governments in favor of oral and completely unsanctioned order by Biryusov.

Kulishev listened in apparent state of deep dejection. He pleaded with me to put matters in best light possible to my Government. I said that best light for future good of Bulgaria would be full revealing glare of unvarnished truth, not only to my Government alone, but to world at large as well; and with that I left him.

I strongly recommend that full statement of foregoing be used repeatedly next few days in Bulgarian language broadcasts Voice of America.

BARNES

874.00/10-2246 : Telegram

*The Acting Secretary of State to the Representative in Bulgaria  
(Barnes)*<sup>92</sup>

RESTRICTED  
US URGENT

WASHINGTON, October 24, 1946—3 p. m.

346. Urtel 846, Oct. 22. Dept spokesman informed press Oct 23 your report that on oral instructions of Soviet Chairman ACC Bulgarian Govt through Ministry Information instructed Bulgarian press not to publish correspondence between Secretary and PriMin and between Robertson and ACC Chairman concerning Bulgarian elections. Voice of America carrying same announcement in its Bulgarian language broadcasts.

Please ask Robertson communicate to Biryusov this Govt's protest against Soviet instructions to Bulgarian Govt this instance and request that such unwarranted instructions be withdrawn and publication correspondence authorized.

ACHESON

<sup>92</sup> Telegram 873, October 30, 1946, from Sofia, reported that the Department's telegram was not received until the morning of October 30 (874.00/10-3046).

874.00/10-2446 : Telegram

*The Acting Secretary of State to the Representative in Bulgaria  
(Barnes)*

SECRET

WASHINGTON, October 24, 1946—7 p. m.

349. Deptel 5412 to Paris rptd Sofia 322. For your info, in reply Brit Emb *aide-mémoire* Oct 9 Dept informed Brit Oct 23 that in absence effective implementation Moscow Declaration and in light recent measures taken by Bulg Govt re forthcoming elections US Govt extremely reluctant extend recognition at present. US Govt appreciates considerations prompting Brit Govt suggest recognition at time peace treaty signed but considers recognition undesirable unless situation Bulgaria is altered by developments in meantime. Despite whatever statement of technical motives for recognition might accompany recognition, such recognition would probably be exploited in certain circles as contradiction position and principles US and UK have been endeavoring uphold in Balkans. US Govt is considering various alternatives whereby peace treaty could be brought into effect without formal recognition present Bulg Govt. No final decision yet reached but as some time will elapse before agreement achieved on final treaty draft US Govt prefers postpone determination its course but will consult Brit when final draft imminent. US shares Brit opposition to withdrawal US UK Mil Missions from ACC at present.

Sent Sofia 349 rptd London 7352.

ACHESON

874.00/10-2446 : Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

RESTRICTED

SOFIA, October 24, 1946—4 p. m.

US URGENT

[Received 9:12 p. m.]

850. My immediately following four telegrams<sup>93</sup> will provide De-

<sup>93</sup> Telegram 851, October 24, 1946, from Sofia, transmitted the text of a note of October 23 from Barnes to Foreign Minister Kulishev formally protesting the action of the Bulgarian Ministry of Information in prohibiting the publication of the correspondence between the Secretary of State, Major General Robertson, Prime Minister Georgiev, and Colonel General Biryuzov which had already been released to the press in Washington. The telegram also contained the text of a letter which Barnes had sent to Bulgarian newspapers, publicly protesting the censorship of official documents of the United States Government (874.00/10-2446). Telegram 852, October 24, from Sofia, transmitted the text of Barnes' personal letter of October 23 to Kulishev, expressing resentment at the deliberate anti-American propaganda being carried in the Bulgarian press at the instigation of Bulgarian Government officials (874.00/10-2446). Telegram 853, October 24, from Sofia, transmitted the text of Barnes' personal letter of October 23 to Kulishev in which Barnes stated that he was urging his Government not to receive General Stoichev as the informal representative of the Bulgarian Government until the prohibition on the publication of American official documents in Bulgaria had been removed. The telegram also contained the text of General Robertson's letter of October 23 to General Biryuzov, a copy of which was sent

partment with background to meeting this a. m. of ACC convoked by General Biryusov at instance of Generals Robertson and Oxley, at which he stated his order against publication US and UK election documents had never related to more than correspondence between himself and UK and US members, and that he would demand apology of Foreign Minister Kulishev for having said that he, Biryusov, was responsible for prohibition against publication Secretary's letter and Georgiev's reply. This was probably pure fabrication. Facts doubtless are that Bulgarians and Russians mutually conspired to avoid publication.

Our action and that of British yesterday forced issue with result that at meeting this a. m. Biryusov himself presented motion that "by tripartite decision ACC, correspondence on elections would be published".

I am to see Kulishev at 4 p. m., to have him tell me that Secretary's letter and Georgiev's reply will also be published. I shall take this occasion emphasize again that this incident has proven beyond shadow of doubt three numbered points mytel 846, October 22.

Perhaps Department was correct in its conclusion (Deptel 343)<sup>94</sup> that developments reported mytel 846 not suitable grounds for delaying return to US of General Stoychev. Nevertheless, use of this argument in dealing with Kulishev has contributed to results obtained today, namely Russian and Bulgarian agreement publish all documents on elections.

At this morning's meeting General Robertson read statement contained mytel 800, October 2<sup>94</sup> and added following:

"We are at end of electoral campaign. Let us not lose time on what has or has not happened to date but consider what can now be done to assure free polling and honest recording of ballots. In my opinion this can be best assured by: (1) Electoral commissions at every polling station on which all parties represented; (2) immediate counting of ballots at polling station by these commissions without removal of urns; (3) immediate public announcement of election returns from each polling station; (4) in case any of three preceding conditions not fulfilled, any member of commission has right to appeal ACC for examination of facts.

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to Kulishev, protesting the prohibition on the publication of American state papers and demanding the immediate convocation of a plenary meeting of the Allied Control Commission to consider the question (874.00/10-2446). Telegram 854, October 24, from Sofia, transmitted the text of Kulishev's note of October 24 to Barnes, insisting that the ban of the publication of documents relating to the Allied Control Commission had been imposed in compliance with a request from General Biryuzov, expressing regret at any anti-American propaganda which may have appeared in the Bulgarian press, and expressing the hope that the United States Government would not refuse to admit General Stoichev as the Bulgarian representative in Washington (874.00/10-2446).

<sup>94</sup> Not printed.



I realize that in effect something similar to first three conditions provided by existing law, but I have every reason to fear that these conditions will not be fulfilled unless fourth condition, namely right of appeal for rectification to ACC, is agreed upon by us".

Biryusov refused take any decision on subject "free and unfettered elections". Nevertheless, all of foregoing has been written into records of ACC and may be reverted to in event of gross fraud in election returns.

Sent Department. Repeated London 192; Moscow 349; Paris 295.

BARNES

874.00/10-2446: Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

SECRET

SOFLA, October 24, 1946—6 p. m.

US URGENT

[Received 7:40 p. m.]

856. Kulishev has just admitted to me that he did lie about Biryusov having prohibited publication Secretary's letter and Georgiev's reply (re my 850, today's date). He justified prohibition of publication by himself on grounds that US *démarche* to ACC, letters about which Biryusov had suppressed, described in detail in Secretary's letter of September 24. He gave me most categoric assurance that all correspondence will be published tomorrow morning.

He seemed deeply depressed and his state of mind was not improved when I placed before him copies of this morning's suppressed *Zname* (see mytel 855<sup>96</sup>) and subsequent edition replacing news of US views re Bulgarian elections with local elections appeals. He tried to explain that this change had been made by friendly negotiations between himself and editor of newspaper, but gave up when I presented him with details of early morning militia raid on *Zname*.

His dejection increased when I laid before him 65 signed and sealed blank electoral cards (these would permit plural voting) which had fallen into my hands yesterday. I pointed out that, if I alone could collect 65, there must be thousands floating around to permit plural voting by Government adherents. I then assured him that my concern was same as the Secretary's namely to do everything in time that could be done to assure that elections held in such manner as not to prevent reestablishment of official relations between our two countries.

I also told him of statement made by General Robertson at ACC this morning (see mytel 850) and I stressed second part of statement and fact that these four points now inscribed in records of ACC. He replied that it was his most sincere hope that out of elections would come government that US could recognize. He said it was also a matter of

<sup>96</sup> Not printed.

importance to him that General Stoichev should not be held up. I told him that he would not be.

Sent Department; repeated London 193; Paris 296; Moscow 350.

BARNES

874.00/10-2946 : Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

SECRET

SOFIA, October 29, 1946—5 p. m.

US URGENT

[Received 10:15 p. m.]

869. Latest official election figures (still not considered final) are: total popular vote, 4,244,333 of which so-called FF obtained 2,983,803 and combined opposition 1,231,763 with 28,771 votes declared invalid. Distribution by parties within so-called FF: Communists, 2,265,405; Obbov Agrarians, 560,413; Neikov Socialists, 78,268; Zveno, 71,228; Radicals, 8,742. For Opposition: United Petkov, Lulchev and Stoyanov lists: 1,208,882; Democrats, 22,755.

465 mandates distributed as reported mytel 866, October 28 except 18 seats for "central distribution", 5 of which given to Obbov Agrarians; 6 to Neikov Socialists; 6 to Zveno; one to Radicals.<sup>97</sup>

Cabinet members listed final paragraph mytel 866 as possibly defeated were defeated in their principal circumscriptions but elected elsewhere as second or even inferior on FF combined lists or by virtue of "central distribution".

Final returns to be proclaimed not later than 5 days from election date by courts. They may possibly be slightly modified from above by Opposition demands before courts for rectification. They are almost certain to be questioned by Opposition in petition that will be sent to ACC based on charges of voting irregularities and falsification of returns. In this connection please note statement read by General Robertson at ACC meeting October 24, reported mytel 850, October 24.

There can be no doubt that one of outstanding results of elections has been to dispel myth of so-called FF. Even if Obbov chooses for time being to remain under its banner there can no longer be any doubt that present Government of Bulgaria is Communist Government. Every effort will be made by Communists to maintain fiction of FF. I told Obbov this morning that from now on we would refer to present Government as Communist Government of Bulgaria, not as FF Government, and that term Communist, so far as we were concerned,

<sup>97</sup> According to telegram 866, October 28, from Sofia, the tentative distribution of the seats in the Grand National Assembly was as follows: Communists, 275; Obbov Agrarians, 64; Neikov Socialists, 3; Zveno, 2; United Opposition, 104; Opposition Democrats, nil; remaining 18 seats for "central distribution" among the various parties (874.00/10-2846).

would include all those who choose to remain in Government with Communists including himself, if he so decides and he said he would proceed cautiously step by step toward Petkov; that he could make no hasty decision to leave so-called front. His predicament is difficult one. If he doesn't join Petkov he will gradually lose his Agrarian following in GNA to Petkov. If he breaks with Communists now he will be even more hated by them than Petkov, Lulchev and Stoyanov. Zveno, Neikov Socialists and Radicals are like club servants who remain on after hours to look after gambling table; they get their added compensation from the "kitty" that is made up from bit pots, viz., distribution from "central list".

Truly outstanding fact of elections is that for first time in country's history, Bulgarian currents of political opinion run in only two large streams, namely, Communist and Agrarian. Close examination of vote as indicated mytel 866 suggests that true relative strength these currents is about two million combine Agrarians as opposed to about 800,000 Communists. Remaining million 400,000 votes represented largely by so-called Government dowry and by smattering of Socialists, Zvenars and Democrats.

Little actual difference in economic and social programs exists between two main currents. Fundamental difference is on score of civil and personal liberties. Communists look east for their inspiration, which means that civil and personal liberties are unimportant as compared to overall interests of state. Agrarians look to west and with west believe that state's primary function is to assure civil and personal liberties within limits of common good.

Cabinet will meet tomorrow to determine what immediate steps, if any, necessitated by election results. GNA will be convened November 7.

Sent Dept. repeated London 197, Moscow 344.

BARNES

874.00/11-446 : Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

TOP SECRET

SOFIA, November 4, 1946—3 p. m.  
[Received November 5—2 a. m.]

885. Since my talk with Obbov, briefly reported paragraph 5, mytel 869, October 29, I have had several conversations with him and number of exchanges of messages. For most part he has sought these exchanges of ideas. He obviously has no liking for possibility that he may definitely be stamped Communist in our estimation.

Yesterday he expressed some rather startling views. I had asked him what this [*his?*] reaction would be should Petkov make public appeal

for formation of truly Communist-Agrarian coalition on grounds that only Govt based on two great currents of political opinion revealed by elections could solve Bulgarian recognition problem and reestablish domestic calm necessary to country's economic rehabilitation; also that constitution volted [apparent garble] only by Communist Party could not, in long run, serve even Communist interests and certainly could not serve interests of country as whole. He concurred that logically such Govt should issue from elections, but said that from point of view of practical politics solution along this line out of question because of Communist *intransigence* against Opposition. He added, and this remark seemed most significant, that perhaps such development, if it could be accomplished, would be of doubtful advantage to country.

In his opinion coalition Govt would surely obtain US and UK recognition while at same time United Agrarians would not be sufficiently strong to have any real effect on Communist designs; that within Govt Agrarians would always be outvoted by Communists. In these circumstances, he seemed to think that perpetuation for time being at any rate of split between himself and Petkov was perhaps more desirable. Petkov would be unfettered in Parliament and through his efforts could bring more and more of population back to sane ideas of Agrarian and Liberal thought that had obtained before Communists had started to tamper with Agrarian and Socialist views and organizations while at same time he, Obbov, would be gaining time in which to weed out as best possible Communist fifth column in his own wing of Agrarian Party.

Obbov then asked me rather surprising question, coming as it did from him, of whether I possessed sufficient proof of election and falsification to make it clear to my Govt that elections were not of order to be accepted by US Govt. I said that I knew what most other people in country knew about them and that I had tried to keep my Govt fully informed but naturally that I did not possess his "inside knowledge" of how elections had been made. He passed on to other matters with cryptic comment that I should wait until meeting tomorrow, that is today, of Executive Committee of his party, implying that he himself is about to make public some of inner facts.

Conversation came to an end with statement by him that perhaps best thing for Bulgaria under circumstances would be continued non-recognition by US and UK. He feels bitterly over bad showing of his group in elections and blames Communists for underhanded action against him throughout campaign and during polling. In his present frame of mind he sees Communists as do not other non-Communist elements in country, namely determined minority group that is bent on compromising every other political force in country to point where

Communists can assert that they and only they can dig country out of morass into which it has sunk.

Sent Dept; repeated Moscow 363, London 206.

BARNES

874.00/11-546: Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

SECRET

SOPIA, November 5, 1946—4 p. m.

MOST IMMEDIATE

[Received 10 p. m.]

888. Bulgarian elections have produced new set political facts. I believe our attitude on Bulgarian question should be reexamined in light these new facts and that this should be done before these facts distorted thru formation new govt within next few days. In fact I believe new friendly discussions with Molotov and Vishinsky are indicated. Certainly if such talks could influence formation govt in manner to preserve what good has come out of elections real step forward should be taken.

In my telegram 859 October 25<sup>98</sup> I expressed opinion that if elections were to give opposition sufficiently strong representation in GNA to preclude measures that might silence this representation, recognition of Bulgarian Govt by US would be made easier and adoption by US of positive policy based on real and live factors in internal political life of country would be facilitated. Elections have given opposition sizeable representation in GNA. They have revealed there are only two strong currents political opinion in country—Communist opinion and Agrarian opinion.

These are fundamental factors new situation. Third important and this time distressing factor is that since elections Communists continue with slogan "to pillory with Opposition, who are traitors". Georgi Dimitrov has said we shall have "no truck" with Opposition. He seems determined distort facts established by elections by continuing pretense of FF.

In my opinion it is unrealistic both for US and opposition representatives go on stressing election irregularities. Far better would be make most of fact that of 465 members of forthcoming GNA 101 will be Opposition deputies. If their influence can be brought bear effectively in important issues to be decided during the one year for which GNA has been elected, great deal more will be accomplished along lines we hope for, as does Opposition as well, than by continued emphasis on what was wrong with elections.

As I see matters situation now requires every effort possible bring Communists if at all possible to acceptance existence Opposition and

<sup>98</sup> Not printed.

perhaps even acceptance and offer by Opposition to collaborate in Govt. I believe such offer could be obtained.

It is my recollection that in Moscow Secretary once made headway on Bulgarian question by appealing to Stalin on grounds it was more important gain friendship whole Bulgarian people than merely assure Communist Party be in power. Bulgarian opposition to establishment of purely Communist regime was so strongly expressed at elections as result in officially recorded Opposition vote million and quarter Bulgarians. Surely all of these and many more whose votes probably counted in govt party columns cannot be traitors, Fascists and reactionaries "who should be led to pillory". Only 158,000 votes of total four and quarter million cast were for non-Communists, non-Agrarian Parties of FF. In my opinion it would be deplorable if this scanty voice were allowed in formation new govt to offset million and quarter voice registered for opposition. Perhaps these simple facts could be used in friendly talk with Molotov and Vishinsky as to cause Moscow tell Georgi Dimitrov to "get along" with Opposition and perhaps even accept its collaboration for betterment of country. At any rate I submit that new set facts brought about by elections suggest further and immediate talks with Molotov and Vishinsky on Bulgarian problem.

It may well be argued that any assurances given by Communists to "get on" with Opposition would cease to have meaning for Dimitrov once govt were recognized by US and UK. In this connection suggest that guarantee of some real meaning would be revision of law for defense of people's authority and press law by mutual compromise between Communists and Opposition. With moderation these laws to benefit of Opposition road to recognition should be somewhat cleared.

From foregoing Dept will perceive that I do not hold with views expressed by Obbov, and reported mytel 885 November 1. On other hand should Bulgarian Communists be told from Moscow to accept existence of Opposition and perhaps even agree to its collaboration in Govt I am sure no difficulties would be made by Obbov to formation of Communist-Agrarian coalition govt. Foregoing of course presupposes satisfactory solution of all Bulgarian treaty issues by CFM.

Sent Dept, repeated London 207, Moscow 364.

BARNES

711.74/11-546

*Memorandum of Conversation, by the Assistant Chief of the Division  
of Southern European Affairs (Barbour)*

[WASHINGTON,] November 5, 1946.

Lt. General Vladimir Stoichev, Bulgarian Political Representative here, called at his request to pay his respects upon his return from three months' vacation in Bulgaria.

After the usual amenities, General Stoichev inquired concerning United States reaction toward elections in Bulgaria which he said took place after his departure. He particularly asked what effect the elections would have upon US recognition of his country and the signature of a peace treaty with Bulgaria. In reply, I informed him that this Government was watching developments in Bulgaria with interest but that I had no indication to give him at this time concerning our future course in regard to that country. I added, however, that it was at least encouraging that the Opposition parties would have some representation in the Grand National Assembly.

I then asked the General what his impressions were on the situation in Bulgaria as a result of his visit to that country. In an obvious effort to put forward the Government's best foot but also, I thought, with some degree of personal conviction, he replied that he found a larger measure of freedom of political expression in Bulgaria than he had anticipated when he left the United States three months ago. However, he ignored the acts of terrorism which have been so widely reported. As regards the elections, he admitted that the Fatherland Front majority included probably 30% windfall which always accrues to Government candidates in Bulgaria but he maintained that even without that 30% the FF still had a majority of genuine support. As to freedom in the elections, he stated that an indication of such freedom was the failure of the FF parties other than the Communists to obtain any substantial backing. In his opinion, the Communists would have seen to it in fraudulent elections that their friends in the FF obtained more mandates.

The General informed me that he is disturbed by developments in the Army in Bulgaria and since he feels that it is his duty to do so he has asked for reinstatement in the Army and believes that he will be leaving the United States to take up an Army position within the next two months.

874.00/11-846

*The Deputy Director of the Office of European Affairs (Hickerson) to the Director of the Office of European Affairs (Matthews)* <sup>1</sup>

TOP SECRET

WASHINGTON, November 8, 1946.

DEAR DOC. I refer to our telephone conversation of a couple days ago about Maynard Barnes' suggestion in his telegram no. 888 of November 5 that the Secretary discuss the Bulgarian situation with Mr. Molotov. This telegram was repeated to you in New York and you probably have its text before you. For easy reference purposes, however, I enclose a copy of this telegram as well as Barnes' 859 of October 25 <sup>2</sup> and his 885 of November 4, both of which are referred to in his telegram of November 5.

Wally Barbour and I have given a good bit of thought to this whole matter. We agree with Barnes' proposal in his telegram 888 of November 5 that on balance it would be desirable for the Bulgarian opposition to be represented in the Bulgarian Government. We also agree that it would be useful if this matter could be discussed with the Soviet representatives in New York. I know how busy the Secretary is and I realize that it would be out of the question to expect him to take up this matter at this time with Mr. Molotov. I wonder, however, whether it might not be possible for you and Ben Cohen <sup>3</sup> to discuss it with Mr. Vyshinsky.<sup>4</sup>

Yours sincerely,

JOHN HICKERSON

874.00/11-1446

*Memorandum of Conversation, by Mr. George L. West of the Division of Southern European Affairs*

CONFIDENTIAL

[WASHINGTON,] November 15, 1946.

Participants: Mr. Herbert M. Sichel, First Secretary of the British Embassy  
Mr. Barbour, SE  
Mr. West, SE

<sup>1</sup> Mr. Matthews was serving as Special Political Adviser to the United States delegation at the Third Session of the Council of Foreign Ministers at New York, November 4-December 11, 1946.

<sup>2</sup> Not printed, but see the second paragraph of telegram 888, November 5, from Sofia, p. 166.

<sup>3</sup> Cohen served as Counselor to the United States delegation at the Third Session of the Council of Foreign Ministers at New York.

<sup>4</sup> Attached to the source text, which is the signed copy received by Matthews, are two handwritten, undated memoranda exchanged between Matthews and Cohen. Matthews' memorandum to Cohen reads as follows: "I am *not* inclined to feel that any useful purpose would be served by approaching the Russians re Bulgaria now. However, I pass the suggestion on for your reaction." Cohen's memorandum reads as follows: "I think we will just have to bide our time for the right opportunity. In many ways it is a good time for the move to be made by the Bulgarian Govt. The problem is how we can help."



Mr. Sichel called at his request yesterday afternoon and presented the attached memorandum. Mr. Barbour expressed his general concurrence with the memorandum and its conclusion and pointed out, with respect to the statement that the recent Bulgarian elections "do not make ultimate recognition any more difficult", that the election of 101 Opposition representatives to the Grand National Assembly at least had the merit of making the situation more fluid than it had been at any time since the Cabinet reshuffle of last Spring. The participation of the Opposition in the elections and its acquisition of 101 seats in the Grand National Assembly could now be used by the Soviets and their Fatherland Front confederates—if they so chose—as justification for including representatives of the Opposition in the Government.

With reference to the British Embassy's *aide-mémoire* of October 9, 1946<sup>5</sup> (which expressed the view that the British Government considered it best to recognize the Bulgarian Government at the time of the signature of the peace treaty), Mr. Sichel stated that the legal experts of the Foreign Office were endeavoring to determine whether the British Government could sign and ratify a treaty with a government which it did not recognize *de jure*, and that until the experts had arrived at their conclusions the Foreign Office would defer the definite formulation of British policy with respect to recognition of the Bulgarian Government. Mr. Barbour observed that we—in EUR, at least—were perhaps somewhat less concerned with the legal niceties involved, and that we would probably make up our minds on the basis of practical considerations and then see if the legal points did not conform to the selected pattern. He stated that both the Secretary and Mr. Cohen took a personal interest in this matter, and that if any decision with respect to the Department's course was arrived at during the present session of the Council of Foreign Ministers, it would undoubtedly be reached at New York. We are therefore keeping the Secretary currently informed concerning developments in Bulgaria.

[Annex]

*The British Embassy to the Department of State*

WASHINGTON, 14 November, 1946.

MEMORANDUM

His Majesty's Government have received reports from Sofia which show that conditions on polling day itself were relatively satisfactory and certainly no worse than is usual on Balkan election days. The

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<sup>5</sup> For substance of the British Embassy *aide-mémoire* of October 9, see telegram 5412, Secdel 1084, October 9, to Paris, p. 152.

reports show, however, that the result of the elections cannot be considered to give a true indication of the Bulgarian people's views owing to the steps taken by the Government before polling day to make sure that they should be successful.

As for the actual results of the elections, the fact that the Government allowed the opposition to win as many as 100 seats is possibly due to the sustained Anglo-American interest in the matter and possibly to a dawning realisation by the Communists that a 100% vote in their favour is not always convincing to the outside world. Probably also the Bulgarian Government wished to do what they can to convince waverers in the United Kingdom and the United States of America as to the Bulgarian Government's respectability and thus make it more difficult for the British and United States Governments to secure public support for a policy of continued non-recognition. Any good effects, however, which the election may have had in this direction are likely to be obliterated by developments such as the report that Mr. Lulchev and 22 other Social Democrats were recently arrested on charges under the Law for the Defence of the People's Power.

The election results would seem to call for little change in the policy of His Majesty's Government and the United States Government towards Bulgaria. They clearly do not provide any justification for early recognition. On the other hand, they do not make ultimate recognition any more difficult should we and the Americans decide that on other grounds it was desirable to accord recognition.

874.00/11-1546 : Telegram

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*The Acting Secretary of State to the Representative in Bulgaria  
(Barnes)*

SECRET

WASHINGTON, November 21, 1946.

384. Brit Emb informed Dept 18th that FonOff was considering desirability proposing that ACC conduct inquiry re preparations for and conduct of GNA elections. Emb stated that advantage such proposal would be to put on record official dissatisfaction of UK and US Govts with conduct of elections.

In reply Dept stated that, in view Biryusov's rejection Robertson's pre-election proposals and of Emb statement in preceding sentence, it presumed Brit Govt did not take sanguine view of prospects for proposal's implementation and question therefore appeared to be whether it was desirable at this time to place on record in such fashion US and UK views re elections. Reply further stated that although Dept did not consider elections represented accurate and free expression Bulgarian peoples' views, Dept did feel election 101 Opposition Reps to GNA contributed to creation more fluid situation within which

FF might conceivably find it easier than heretofore to concede Opposition some share in Govt. While Dept had thus far recd no indication FF was inclined to utilize post-election possibilities, Dept considered it particularly desirable that during present CFM meeting we maintain maximum possible degree of maneuverability. As Brit proposal would not contribute to such maneuverability and seemed unlikely to lead to practical accomplishment, Dept preferred defer for time being expression its views by such means.

Urtel 905 Nov 15<sup>6</sup> and previous on subject were rptd to Secdel New York. Dept. has been informed that owing to situation in CFM it has thus far appeared inadvisable for Secretary or Cohen to discuss Bulgaria with Molotov or Vyshinsky but it might be possible later.

Sent Sofia 384 Rptd London 7844.

ACHESON

874.00/11-2546 : Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

RESTRICTED

SOPIA, November 25, 1946—3 p. m.

[Received November 26—10:28 p. m.]

923. In lengthy conversation some days ago on subject of formation new Bulgarian government,<sup>7</sup> Kolarov answered question by me as to whether Communist Party willing to accept existence of and work with Opposition members of GNA by stating "that will depend on whether Opposition adopts loyal attitude toward Communists". He then criticized Opposition leadership for not having contacted him and expressed to him their views on formation new government.

Shortly thereafter (November 21) Petkov sent Asen Pavlov, one of his close collaborators and a leading Agrarian member of Assembly, to see Kolarov and to say that recent declarations and speeches of Communist leaders, especially action of Georgi Dimitrov reported mytel 919, November 21, had encouraged Opposition "and that sincere desire exists for understanding and collaboration". Pavlov was told in reply, among other things, that Bulgarian Communist Party could not tolerate such slogans on part FF Opposition as "new elections for National Assembly" and "down with Communist dictator-

<sup>6</sup> Not printed; it reported that 10 days had passed since political conversations looking to the formation of a new government were begun by the Communists with the leaders of the other parties of the Fatherland Front. Barnes expressed the opinion that the caution with which the conversations were being conducted indicated that the situation was ripe for a conciliatory directive from Moscow regarding the formation of a government including members of Petkov's party (874.00/11-1546).

<sup>7</sup> Telegram 921, November 23, 1946, from Sofia, reported that a new government had been formed under the Prime Ministership of Communist leader Georgi Dimitrov (874.00/11-2346).

ship". Pavlov replied that these were "tactics" which would disappear if formula for collaboration between Government and Opposition were found.

Kolarov then asked that Opposition vote for resolution setting forth national demands of Bulgaria in connection with consideration of Bulgarian peace treaty by CFM. Pavlov and Petkov himself subsequently in conversation with Kolarov on subject of resolution explained that it would be difficult for opposition to vote "in any way that might subsequently be distorted by Government for propaganda purposes as expression of approval by Opposition of governmental situation resulting from elections". His reserve seems to have been justified as few days after Pavlov-Kolarov conversation [he] publicly represented Pavlov's approach as "complete capitulation on part of Opposition".

When resolution in question came up for vote on floor of Assembly, Petkov was refused right to speak but by dint of persistence and strong voice he was able to explain that as good Bulgarians Opposition would vote for measure but that vote could in no way be construed as expression of confidence in Government of Kimon Georgiev or government that was about to replace it.

Dimitrov's first public [apparent omission] as Prime Minister has been to issue statement that new government is third FF government. In this statement he says that "leaders of Opposition continue their destructive policy and have failed to manifest desire to collaborate in building of republic; that it is probably for this reason that they did not approach presidency of Republic or Prime Minister charged to form new cabinet and did not make any proposals for collaboration with FF or for participation in Government". He concluded his remarks on opposition by stating "it is evident that FF meeting will be required for leaders of Opposition to rid themselves of harmful foreign trusteeship which makes it impossible for them to think and act as real Bulgarians".

From foregoing it seems obvious that Communist demand for "loyalty" remains one-way proposition and will continue to do so until Russian influence here has been reduced or until Moscow is brought really to collaborate with West. In this connection, I feel compelled to express opinion that as Prime Minister of Bulgaria, US and UK should be less tolerant of gibes by Georgi Dimitrov at expense of "dollar and sterling diplomacy" and charges of "foreign tutelage of Opposition" than has been case in past when he was officially no more than leader of Communist Party.

874.00/11-2546: Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*

RESTRICTED

SOFIA, November 25, 1946—6 p. m.

[Received November 28—2:45 p. m.]

927. With formation new Govt Communist domination all aspects State control over country's life complete. Chief of State and presiding officer of Parliament is Communist. So are Prime Minister, Minister of Interior, Minister of Finance, Minister of War, Minister of Education, Minister of Public Health, Minister of Commerce and Supplies; Minister of Electrification, Water Supply and Natural Resources, and President of Supreme Economic Council of State. Thus is belied contention that present Govt is still FF. Non-Communist, non-Agrarian parties of Front that were discredited by electorate on October 27, have no important portfolios. Kimon Georgiev is Minister of Foreign Affairs merely further to compromise him as Communist stooge. Of Govt Agrarians only two received posts of any importance, namely Ministries of Agriculture and Justice. These two Ministries are well under control of Communists.

Even official newspaper of FF must point out that Prime Ministership of Dimitrov completely changes character of Govt as he is "such authoritative person in life of country" as to justify term "Dimitrov gov't". According to this newspaper "his name is not only known and beloved in Bulgaria but by all peoples of the whole world; his name is emblem for democratic peoples of world". Official newspaper of Communist Party also emphasizes "authority" of new Govt because of "authority, qualities and merits of Georgi Dimitrov". Opposition leader Nikola Petkov agrees in his newspaper, but out of concern for what purely Communist Govt may mean for future of his country. He says that "in language of [apparent omission] may be called Dimitrov gov't; its only purpose is to create new Dimitrov Bulgaria by enacting Communist constitution".

It is my own personal opinion that US and UK can now expect even more disregard for their point of view with respect to political conditions in Bulgaria than formerly. Dimitrov and all those who played part in formation of present Govt have long known views of US and UK in favor of gov't formed on basis of principles adopted at Yalta. This knowledge in no way restrained them from complete disregard of Yalta principles. We may therefore expect present masters of Bulgaria to shout even more loudly and vituperatively against "foreign interference in Bulgarian domestic affairs" against "tutelage of Opposition" against "fascist reaction and black mar-

keteers" against "dollar and sterling diplomacy" and "imperialism of capitalistic nations". At same time emphasis on benefits to be received only from Russians, on intimate collaboration with Russia in every sphere of Bulgarian people's life, and of irresistible strength and limitless benefits of Pan-Slavism will increase. Already as seen from mytel 925<sup>a</sup> this intensification of fealty to Russia and Slav consciousness is apparent. At an open air mass meeting held 2 days ago by Bulgarian-Soviet Society resolution was passed which said in brief that "Bulgarian-Soviet friendship is granite rock, against which all attempts of internal and foreign enemies would burst asunder; that this friendship has historical importance for future of Bulgarian people, for its freedom and national independence; that no fire under sky can destroy this unity and century long attachment; that broadening and deepening of this friendship with USSR is needed by Bulgarian people as the very air and sun". In today's Govt newspaper (Monday morning daily) it is stated that new Govt is most authoritative abroad; it is welcomed in Soviet Union and in all Slav countries; it will be able to consolidate international situation of country; it will strengthen unbreakable ties with Soviet Union, Yugoslavia and other Slav countries; it will develop friendship with all other peoples". I have yet to note since formation of new Govt any statement in support of development of friendship with non-Slavs that was not couched in terms of "friendship with other peoples", not friendship with other govts. Communist leaders here have frequently told me that they were amply justified in making distinction between US Govt and US people in connection with "bad press" that Bulgarian Govt has in US. In this connection it is interesting to note that Communist Party has recently called back from US 10 or 12 young Bulgarians who have spent number of years in US and who have been educated there largely through generosity of Americans and US educational institutions. All tell Party that American public entertains no such reserve with respect to Bulgarian Govt as does US Govt. These young people are to occupy posts of confidence and importance in Communist Party and within new Govt. It is reasonable to suppose they will be used to aid Communists in their propaganda calculated to prove that any reservations in US with respect to Bulgarian Govt are only on part of "fascists reactionaries and imperialists".

Dept please repeat to Moscow if desirable.

BARNES

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<sup>a</sup> Not printed.

874.00/11-3046 : Telegram

*The Representative in Bulgaria (Barnes) to the Secretary of State*TOP SECRET  
URGENTSOFIA, November 30, 1946—noon.  
[Received December 1—3: 19 p. m.]

937. Fact that observations by US and UK Governments on political conditions in Bulgaria expressed from time to time during past 18 months have not brought about broader basis for newly formed Government does not justify conclusion that US and UK have failed to modify for better political conditions in Bulgaria, or have not restrained dominant element in Government from extremes they might otherwise have gone to.

In recent talks with Kolarov and others close to Dimitrov I have stressed pernicious effects of more drastic provisions of law for defense of people's authority and press law. On at least one recent occasion Kolarov agreed that strength of "Fascism and Reaction" in country no longer sufficient to require such extreme legislation. It is to be noted that in his speech November 28 setting forth new Government's program, Dimitrov spoke of revising some laws that in first stage of peoples victory were necessary to protect and perpetuate that victory. I have very good reason for believing that he definitely had in mind law for defense of people's authority; also that this point was included in Government's declaration of policy largely because of past observations by US and UK on restriction of personal and civil liberties. It is also fact that plans now underway to revise law on illegal gains into fiscal measure, which would deal with this problem on taxation basis and largely eliminate feature of punitive confiscation.

Another encouraging sign in local situation is that on November 24 my Russian colleague received Opposition leaders Petkov, Stoyanov and Lulchev, to thank them in person in accordance with instructions received from his Government for their telegram of congratulations sent to Stalin on occasion of Soviet anniversary. Much publicity was given to this Russian "gesture", and it should now be somewhat difficult for new Government to persist in contention that these leaders are not patriotic Bulgarians but agents of foreign reaction.

I do not suggest that these tender shoots are bound to develop into sturdy plants in Communist bramble patch; they may well be suffocated before they grow high enough to reach warming rays of sun. Nevertheless, they do suggest that while outwardly Bulgarian Communist Party may wish show itself indifferent to US and UK observations, underneath there is concern over unsatisfactory state of Bulgarian relations with western Democracies.

In this connection it may be worth while to record that I sometimes wonder whether problem reflected by state of affairs that is developing in northern Greece, by suspicions of project for south Slav Federation, by Bulgarian persistence at this time in pressing claim for western Thrace, in fact problem of entire complex of Russia's suspected but unspecified aims in southeastern Europe should not be brought out into light of official day and subjected to frank discussion between three Great Powers. I believe that on plane of Bulgarian domestic political affairs we are approaching turning in road that will lead to recognition. I anticipate that Dimitrov government will try to accomplish sufficient in field of personal and civil liberties to facilitate recognition. Even so there will remain what may prove even greater stumbling block, namely, complex of Russia's aims in southeastern Europe as reflected by conditions developing in northern Greece suspected South Slav Federation and Bulgaria's claim western Thrace.

These are only preliminary, speculative ideas and estimates. To know what Department is thinking on points thus briefly raised would greatly facilitate Mission's task of evaluating and reporting related developments.

Sent Department ; repeated London 216, Moscow 375.

BARNES



## CZECHOSLOVAKIA

### ECONOMIC ASSISTANCE TO CZECHOSLOVAKIA; CONCLUSION OF AN AGREEMENT ON COMMERCIAL POLICY AND COMPENSATION FOR NATIONALIZED PROPERTIES

760F.61/1-2546 : Telegram

*The Ambassador in Czechoslovakia (Steinhardt) to the Secretary of State*

SECRET

PRAHA, January 25, 1946—6 p. m.

OPERATIONAL PRIORITY

[Received January 28—3 p. m.]

133. Since his return from his recent visit to Moscow, Laušman, Minister of Industry, has been secretive and evasive as to the purport of his talks with high Soviet officials. Notwithstanding his denials I have come to the conclusion that his visit was of major significance in connection with future Soviet Zecho trade relations. I have reason to believe that Laušman failed to disclose to the Ministers of Foreign Affairs and Foreign Trade<sup>1</sup> the full extent of the engagements assumed by him in Moscow.<sup>2</sup>

On Jan 20 Kopecky, Minister of Information, who is notoriously loquacious and indiscreet, in the course of a casual public appearance at the town of Chomutov while he was discussing the expulsion of the Sudeten Germans from Zecho, enthusiastically interpolated the following remark: "In the event that the plan brought back by Minister Laušman materializes we are to be included in the 5-year economic plan of the USSR which would mean much to us."

In connection with the foregoing I should add that of late the chasm between the moderates such as Masaryk, Stransky, Ursiny, Ripka, Zenkl, Drtina, Prochazka and Hala<sup>3</sup> on the one hand and the radicals

<sup>1</sup> Jan Masaryk and Hubert Ripka, respectively.

<sup>2</sup> Telegram 167, January 31, 1946, from Praha, reported on a conversation between Ambassador Steinhardt and Czechoslovak President Eduard Beneš who minimized the importance of Laušman's talks in Moscow. Beneš indicated that while his Government was desirous of ascertaining what the Soviet Government expected in the way of economic relations with Czechoslovakia, there was no expectation that the Soviet Government would insist on disrupting Czechoslovakia's trade relations with the West. (660F.6131/1-3146)

<sup>3</sup> The persons enumerated here and not otherwise identified are: Jaroslav Stránský, Deputy Prime Minister; Jan Ursiny, Deputy Prime Minister; Peter Zenkl; Prokop Drtina, Minister of Justice; Adolf Procházka, Minister of Health; and František Hála. Of those mentioned here, Zenkl, Stránský, Ripka, and Drtina were leaders in the Czechoslovak National Socialist Party, Ursiny was Chairman of the Slovak Democratic Party, Procházka and Hála were leaders in the People's Party, and Masaryk had no party allegiance.

such as Fierlinger, Gottwald, Laušman, Nosek, Nejedlý, Kopecký, Duris and Soltesz <sup>4</sup> on the other hand has perceptibly widened. Every effort by Clementis, Svoboda and Majer <sup>5</sup> to shift from radicalism to a more moderate course is bitterly resented by the radicals which tends to keep them in line.

During the past month a combination of tangible and intangible factors has lead me to the conclusion that those members of the Government who favor even closer political and economic relations with the Soviet Union than already exist are at the same time disposed to seek to evade the payment of fair compensation to nationalized foreign capital. While they admit the obligation and profess the intention to make payment they have been making efforts and some progress in the direction of undermining both the justice and the amounts of the foreign claims. Their progress has been largely the result of a lack of coordination within the Government coupled with the timidity of the moderate elements in giving expression to their point of view. In potential influence the moderates could readily overcome this drift were they to assert themselves. It is, however, becoming more and more apparent that the moderate elements have not yet thrown off their fear complex. It is difficult to determine whether this fear complex reflects the country's recent release from nearly 7 years of Gestapo operations or whether this a new fear that the radicals will be supported by Moscow to the extent that the moderates may be subjected to personal reprisals. I am inclined to the latter view. In Zecho where the charge of collaboration is easy to make and difficult to disprove and where thousands are still in prison without having been accorded even a preliminary hearing, where the Communists control the press, the radio and the police and the courts are functioning only to the extent permitted by Government police, this fear is not without some justification, particularly in the light of increasingly aggressive tactics by the Communists.

In view of this recent trend and until the situation is clarified, and particularly having regard to the numerous appropriation of \$275

<sup>4</sup>The persons enumerated here and not otherwise identified are: Zdeněk Fierlinger, Czechoslovak Prime Minister, April 1945–May 1946; Klement Gottwald, Deputy Prime Minister until May 1946, after which he became Prime Minister; Václav Nosek, Minister of the Interior; Zdeněk Nejedlý, Minister of Education; Júlíus Ďuriš, Minister of Agriculture; and Joseph Šoltész, Minister of Social Welfare. Gottwald was Chairman of the Czechoslovak Communist Party, Nosek and Kopecký were leaders in that party, Nejedlý soon became a leader in that party, Ďuriš and Šoltész were leaders in the Slovak Communist Party and Fierlinger and Laušman were leaders in the Czechoslovak Social Democratic Party.

<sup>5</sup>Vladimír Clementis was Under Secretary in the Czechoslovak Foreign Ministry and a Communist, General Ludvík Svoboda was Minister of National Defense and unaffiliated with any party, and Václav Majer, Minister of Food, was a leader in the Social Democratic Party.

million by UNRRA for Zecho, which is the equivalent of Zecho's imports from the US for nearly 10 years or of 1 billion, 375 million dollars of exports on a 20 percent profit basis, I am disposed to advise caution on the part of the Exim Bank in extending any loan at this time for reconstruction purposes. In any event I recommend that should a loan be made at this time full disclosure should be required first by the Zecho Govt of its commitments to the Soviet Union in connection with trade, industry and finance and that the loan be conditioned on the payment in dollars to American citizens who acquired their citizenship prior to an agreed date of the full value of their nationalized property as well as the payment of any other claims by American citizens.

STEINHARDT

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860F.5034/1-3046 : Telegram

*The Ambassador in Czechoslovakia (Steinhardt) to the Secretary of State*

PRAHA, January 30, 1946.

[Received January 30—11:08 p. m.]

153. In note dated January 25 Czech Foreign Office states its position on nationalization of certain Czech industries which is summarized as follows:

Presidential decrees of October 24, 1945<sup>6</sup> which were in uniformity with the will of the great majority, were brought about by the economic losses resulting from enemy occupation, making state intervention inevitable.

Compensation to former owners for losses through nationalization of their properties is to be provided without discrimination between Czech and foreign subjects and it is not the intention of the Czech Government to treat the latter worse than local subjects or concerns.

The Government has already taken measures to ascertain the value of nationalized concerns in which there is foreign capital. It asks the assistance of the Embassy in obtaining as soon as possible a complete list of concerns in which American interest exists, giving amounts together with exact data as to when interests were acquired and present value.

When the amount of compensation is known the Czech Government, on the basis of full reciprocity, will be ready to begin negotiations with US Government regarding manner of payment. It anticipates that

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<sup>6</sup>These decrees dealt with the nationalization of mines and larger industries, food industries, and insurance companies.

there may be a difference between cases representing genuine foreign investments and those which are really an export of Czech capital.

Czech Government does not intend to seclude itself from economic cooperation with other countries. It believes that the measures will induce full and lasting employment, prevent the restrictive activities of cartels and contribute to expansion of world trade. It is ready to enter negotiations with other governments toward cooperation in industrial and other spheres and believes there are possibilities for mutual benefits.

Czech Government desires economic development and observes that the question of compensation depends partly on the facilities granted to Czech export trade inasmuch as present decrees provide that compensation will be paid from special fund accruing from surplus profits of nationalized concerns.

Note concludes with hope that US Government will consider Czechoslovakia's difficult economic and financial situation caused by 7 years of enemy occupation and that it will contribute toward solution of the questions connected with nationalization in spirit of friendly understanding.

Full text airmailed.<sup>7</sup>

STEINHARDT

860F.51/1-3146 : Telegram

*The Ambassador in Czechoslovakia (Steinhardt) to the Secretary of State*

RESTRICTED

PRAHA, January 31, 1946—5 p. m.

[Received February 1—11:50 p. m.]

158. In a note of January 25, Czechoslovakian Foreign Office states that Czechoslovakian Govt considers it highly necessary that the credit of 10 million dollars already offered by US Govt to cover purchase of American war surplus property be increased to 50 million dollars and that US Govt should extend the credit under the following conditions:

(1) The total amount of the credit of 50 million dollars would be repaid in annual installments extending over a period of not less than 30 years.

(2) The first payment of amortization will be effected 5 years after the conclusion of the credit agreement.

(3) Interest rate will not exceed 2½ percent per annum.

(4) The Govt of the Czechoslovakian Republic will have the right to repay the equivalent of 10 million dollars of the credit in crowns.

(5) The Czechoslovakian Govt will be entitled to make purchases

<sup>7</sup>Text of the Czechoslovak note was transmitted to the Department with despatch 459, January 29, 1946, from Praha, neither printed (860F.5034/1-2946).

from American war surplus property wherever located and within the limits of the credit to make purchases in the US as well especially as regards materials necessary for the maintenance of goods acquired or purchased".<sup>8</sup>

STEINHARDT

860F.51/2-746: Telegram

*The Secretary of State to the Ambassador in Czechoslovakia  
(Steinhardt)*

SECRET

WASHINGTON, February 7, 1946—8 p. m.

U.S. URGENT

82. For the Ambassador. Urtel 133, Jan. 25. 1. For your confidential information, National Advisory Council on International Monetary and Financial Programs has approved at meeting January 29, negotiation of an Eximbank reconstruction loan to Czecho of approximately \$50 (fifty) million, with understanding that loan negotiations may result in data showing need for larger credit.

2. Since official application by Czecho Ambassador<sup>9</sup> to Dept for \$300 million Eximbank loan, dated September 1, and initial discussions with Czecho Commercial Counselor<sup>10</sup> here (Deptels 291, Oct. 5, and 348, Oct. 31<sup>11</sup>), Czecho Embassy has taken no initiative on either reconstruction loan or \$25 million cotton credit. They have not entered into negotiations with Eximbank and have not submitted statement of requirements for reconstruction loan. Czecho explanation for delay is that special mission from Praha, possibly headed by Masaryk, would arrive Washington to negotiate loan. (Urtel 735, Dec. 14<sup>12</sup>). No recent information available in Dept on possible arrival of mission. Czecho Embassy apparently not in close touch with Praha. Embassy has not received sufficient instructions or even authority to submit statement of requirements prepared by them.

3. Pending receipt of definite information concerning engagements assumed by Laušman in Moscow (urtel 133, Jan. 25) Dept considers that negotiations for Eximbank loan should proceed. In view of

<sup>8</sup> In his telegram 330, March 5, 1946, from Praha, Ambassador Steinhardt indicated that he did not approve of the Czechoslovak request that the credit for surplus property be increased to 50 million dollars (860F.51/3-546). Telegram 204, March 15, to Praha, stated that the 50 million dollar credit being negotiated by the Foreign Liquidation Commission was for surplus property only and was in no way related to the contemplated Export-Import Bank loan to Czechoslovakia. The Department did not regard the 50 million credit excessive in view of similar credits to other countries and the desire of the Foreign Liquidation Commission to dispose of the maximum amount of surplus property (860F.51/3-546).

<sup>9</sup> Vladimír Hurban.

<sup>10</sup> Emanuel Jan Hajný.

<sup>11</sup> *Foreign Relations*, 1945, vol. iv, pp. 553 and 554, respectively.

<sup>12</sup> *Ibid.*, p. 556.

your comments, however, and report in urtels 153, Jan. 30; 146, Jan. 29; 144, Jan. 29; and 114, Jan. 22,<sup>13</sup> Dept proposes to address note to Czecho Gov't if and when loan negotiations are begun. Substance of note should provide that due respect is shown to rights of American citizens in Czecho and provision is made for adequate and effective (i.e. dollar) compensation to American owners of properties subject to nationalization in Czecho (your 153). Do you consider that Dept should include in note provision for establishment of mixed U. S.-Czecho Commission to determine basis and nature of compensation or is agreement in principle by Czecho Gov't a sufficient guarantee?

4. Proposed note would also provide for commitment by Czecho Gov't to abstain from adopting measures of a long-range character which would conflict with Proposals for Expansion of World Trade and Employment, pending participation by Czecho in preliminary International Conference.<sup>14</sup> Note would further include Czecho agreement to make available to this Gov't full information concerning Czecho's international economic relations and commitments (your 133). Final conclusion of loan agreement would therefore be dependent on satisfactory Czecho reply to our note on above and related subjects.

5. Subject to satisfactory assurances by Czecho Gov't mentioned above, Dept considers that U.S. economic assistance to Czecho is necessary if Czecho Gov't resists inclusion in any economic plan reported in your 133. Dept requests your advice on prompt initiation of loan negotiations by Czecho Gov't. In your discretion you are authorized to discuss subject informally and unofficially with Czecho ForMin or other appropriate key officials. Please report results of your discussion urgently to Dept.

6. Czecho Foreign Office note on nationalization of Jan. 25 (urtel 153, Jan. 30) is being carefully considered in Dept. Reply will be forthcoming upon receipt of full text.

BYRNES

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<sup>13</sup> None printed, except No. 153, January 30. Telegram 146, January 29, listed those American-controlled enterprises affected by a Czechoslovak Government decree nationalizing 115 metal working enterprises (860F.5034/1-2946). Telegram 114, January 22, reported on the nationalization of 7 leather firms in Czechoslovakia (860F.5034/1-2246).

<sup>14</sup> For documentation regarding the proposals of the United States for the expansion of world trade, see vol. I.

860F.51/2-1946 : Telegram

*The Secretary of State to the Ambassador in Czechoslovakia  
(Steinhardt)*

SECRET

WASHINGTON, February 19, 1946—1 p. m.

U.S. URGENT

119. For the Ambassador. Deptel 82, Feb. 7. After discussion with Diamond of AmEmbassy,<sup>15</sup> Dept considers advisable to clarify situation regarding Eximbank loan negotiations.

You should make clear to Czech Govt. that the Eximbank reconstruction loan is not likely to exceed approximately \$50 million (plus a possible cotton credit of about \$25 million) in view of Bank's other commitments and limitation on its funds. Further Czecho credit needs would probably have to be taken care of by the International Bank for Reconstruction and Development after it begins operations.

Dept understands that Czecho Govt. considers that a loan of only about \$30 million would be considered a failure of Masaryk's mission and would result in unfavorable political repercussions. If that is the situation, you are authorized to inform Masaryk informally and unofficially that perhaps he should reconsider the advisability of his coming here and entrust loan negotiations to other officials. Dept wishes to avoid situation which would result in lessening of Masaryk's prestige and thus weakening of democratic forces in Czecho Govt.

Dept wishes to know whether Czecho delegation which will attend meeting at Savannah (Mladek, Pazman, Kral and Hanč) will also be authorized to negotiate Eximbank loan. Urtel 215, Feb. 9.<sup>16</sup>

<sup>15</sup> On February 13, 1946, officers of the Department met with William Diamond, Senior Economic Analyst of the American Embassy in Praha, who had just returned from Czechoslovakia, to discuss the proposed Export-Import Bank loan to Czechoslovakia in relation to other pending economic questions (860F.51/2-1946).

<sup>16</sup> Telegram 215, February 9, 1946, from Praha, listed the members of the Czechoslovak delegation to the inaugural meetings of the Boards of Governors of the International Monetary Fund and the International Bank for Reconstruction and Development, held at Savannah, Georgia, March 8-18, 1946 (800.515-BWA/2-946). Telegram 245, March 28, to Praha, stated that Mladek, Kral, and Pazman had met with Department officers on March 21 and had been informed of those questions regarded by the Department as important in connection with an Export-Import Bank loan, viz. information of Czechoslovakia's international economic agreements and commitments, early conclusion of an interim commercial agreement between Czechoslovakia and the United States, and an agreement with Czechoslovakia on adequate and effective compensation for nationalized American properties (860F.51/3-2846). Jan Mladek was an officer in the Czechoslovak Ministry of Finance and Czechoslovak Governor on the International Monetary Fund. Julius Pázman was Governor of the National Bank of Slovakia and Czechoslovak Alternate Governor on the IMF. Alois Kral was an officer of the Czechoslovak National Bank and was Czechoslovak Governor on the International Bank of Reconstruction and Development. Joseph Hanč was Czechoslovak Counselor of Embassy in Washington and Czechoslovak Alternate Governor on the IBRD.

Dept considers essential that Czecho loan delegation should have complete economic program showing in detail purposes for which reconstruction loan is to be used, Czecho import requirements, and data substantiating need for credit and ability to repay. You are authorized to impress this fact strongly upon appropriate officials.

Dept urgently requests your comments on loan situation. Dept also awaits your comments on Deptel 82, Feb. 7.

BYRNES

860F.51/2-2646 : Telegram

*The Ambassador in Czechoslovakia (Steinhardt) to the Secretary of State*

SECRET

PRAHA, February 26, 1946—6 p. m.

US URGENT

[Received February 27—6:45 p. m.]

299. I desire to express my appreciation for the comprehensive outline of the present status of the Zecho loan negotiations set forth in Dept's 82, February 7 which unfortunately was delayed 10 days in transmission.

In my opinion the failure of the Zecho Govt to follow up its original application for a 300 million dollar Eximbank loan by taking the initiative in pressing for all or part of a reconstruction loan or in seeking to close the 25 million dollar cotton credit, has been occasioned by the following:

(a) Disagreement within the Govt as between those members who favor an orientation exclusively to the east and those who favor continued financial and commercial relations with the west.

(b) Uncertainty as to the attitude of the Soviet Govt toward a large loan from the US to Zecho which would inevitably carry conditions with it and which would reestablish Zecho purchasing power in the US and result in greatly expanded trade between the two countries.

(c) Uncertainty as to the scope of Zecho-Soviet economic and commercial relations in the immediate future and the demands the Soviet Govt may make of Zecho.

(d) Hesitation by the moderates in the Govt to incur large dollar obligations before the spending proclivities of the Communists have been curbed, as is anticipated after the elections in May.

(e) The unwillingness of Masaryk to subject himself to criticism by the Communists should he fail to obtain substantially the entire 300 million dollars, which he knows is not possible at this time.

As a basis for opening the negotiations I concur in the Dept's proposal that a note should be addressed to the Zecho Govt which should request a detailed statement by the Czechs of all of their postwar trade agreements, particularly the engagements assumed by Laušman in Moscow. I also agree that commitments should be sought from the Czechs to abstain from long range policies which would conflict with



the expansion of world trade and employment, and to compensate American owners of nationalized property in dollars. As no substantial amount of dollar exchange is available to the Czechs, compensation to American owners of nationalized property, other than in Czech crowns, could only be paid (1) out of the proceeds of a dollar loan (2) over a long period of years as a result of a favorable balance of trade which is as yet uncertain, or (3) by the physical acquisition of exportable merchandise. For the Dept's information, while it has not as yet been possible to arrive at any satisfactory estimate of the total American claims for nationalized property, I doubt that the total amount will exceed 30 million dollars. I see little to be gained by including a provision for the establishment of a mixed US-Czecho commission to determine the basis and nature of compensation, as an expert assigned to the Embassy would serve substantially the same purpose as an unwieldy mixed commission, the functioning of which inevitably would involve delay. I should be disposed to regard the agreement in principle of the Czecho Govt to make payment for American nationalized property as a sufficient guarantee provided the means of payment is assured the Czecho Govt. There will, of course, be the inevitable disputes as to the value of individual properties but once the means of payment has been assured, the valuations should not present insurmountable difficulties and should not require the services of a special commission.

After the foregoing basis for negotiations has been laid, the following principal factors seem to me to be pertinent in considering the amount and nature of any loan. There is a negligible amount of gold and dollar-sterling exchange available to the Czechs. The Germans stripped the banks of their foreign exchange and liquid assets and flooded the country with paper money. On the other hand, approximately 80 percent of this paper money has been immobilized by the new currency law and the national debt is moderate, not exceeding roughly one billion dollars at the present rate of exchange. The physical damage in the country as a whole was relatively light and in this connection I have been convinced for some time that the Czechs have made a highly successful effort to exaggerate the extent of the damage. The purpose of this exaggeration has been to reduce Soviet demands and to gain a greater measure of assistance from UNRRA as well as loans and credits from the US, British, Canada and other countries. There is also the factor that the US is making a gift—as distinguished from loans—of over 200 million dollars to Czecho through UNRRA, the American Red Cross, American Relief for Czecho, etc. As I pointed out in one of my previous telegrams, these gifts are the equivalent of nearly 7 years normal peacetime imports

from the US or a handsome profit on over one billion dollars of exports.

I have been given to understand that in some circles in the US it is being argued that "American loans to foreign countries tend to deter the spread of Communism". To my mind this argument fails to take into consideration the fact that the Communists are already so strongly entrenched within the Govts of many European countries that large American loans to such countries are more likely to help than to harm the Communist cause. It is my considered judgment that a large American loan to any foreign Govt in which the Communist Party is strongly represented will be availed of by them indirectly to entrench their position and extend their grip.

While I favor the cotton credit as a more or less routine commercial transaction which is as much in our interest i.e. disposing of surplus cotton as it is in the interest of Czecho to resume the manufacture of textiles on a large scale, I do not favor a large loan for reconstruction purposes at this time and certainly not unless and until the elections in May evidence the desire of the people of Czecho to rid themselves of the very real threat that now exists of virtually complete Communist domination, nor until tangible evidence exists that American properties which have been nationalized will be paid for in dollars or exportable merchandise as distinguished from the vague promises of Lausman who has already intimated that because the British have a Labor Govt they will be expected to accept Czech crowns on reduced values for their properties.

In connection with that I have said above, I am not unmindful of the disastrous experience of the American public after the first World War in making excessive loans to foreign govts. I had hoped that this experience would constitute a warning to many individuals in the US to abandon the practice of measuring the requirements and capacity to repay of other countries by American standards. I can find no need at this time for a reconstruction loan to Czecho of more than 30 million dollars. This is an amount sufficient for the Govt's present needs, which not even a Communist-dominated Govt after the elections, in my opinion, would find it worth defaulting on. If later in the year or next year it is deemed necessary or desirable to loan an additional 20 million dollars, it seems to me that there is no present necessity for mortgaging our future decision. Obviously the present Czech Govt will seek as large a loan as it can obtain. This does not appeal to me as a valid reason for surrendering our judgment as to the present needs of the country.

I have discussed the substance of Depts 119, February 19 with Masaryk who fully understands the situation and who has authorized

Mladek to "make soundings" in Washington on the loan situation and report to him. Masaryk does not seem over anxious to press for a large dollar loan at this time and assured me he would not think of proceeding to Washington for that purpose without first discussing the matter further with me.

STEINHARDT

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860F.5034/1-3046 : Telegram

*The Secretary of State to the Ambassador in Czechoslovakia  
(Steinhardt)*

SECRET

WASHINGTON, March 14, 1946—8 p. m.

US URGENT

197. Urtel 153, Jan 30; Despatches 459, Jan 29, and 466, Jan 30; <sup>17</sup> Deptel 82, Feb. 7, paragraph 6. Please communicate to FonOff note based on following:

US Govt ready enter into negotiations with Zecho Govt, as proposed in FonOff note Jan. 25, on manner in which compensation will be paid to US citizens or concerns for any properties nationalized under recent decrees; and notes Zecho Govt's assurance that US citizens or concerns will not be subject to discrimination or treated less favorably than citizens or concerns of Zecho or of any other country.

In view of this Govt, nationals of US are entitled to adequate and effective compensation for such of their property as is nationalized by Zecho Govt. This Govt hopes that Zecho Govt will recognize significance of adequate and effective compensation for development of mutually beneficial economic relations between US and Zecho.

This Govt notes FonOff assurance that Zecho does not intend seclude herself from economic cooperation with other countries and is ready enter negotiations with other Govts re such cooperation. From FonOff statement that solution of question how compensation for nationalized concerns might be transferred depends on facilities granted Zecho export trade, US Govt infers that Zecho Govt appreciates importance and agrees with principle of effective compensation.

US desirous aiding people of Zecho in their efforts repair war damages due enemy occupation. Similarly US hopes Zecho Govt will recognize that agreement on adequate and effective compensation will benefit economic relations between US and Zecho.

For your info, Dept considers negotiations on compensation should start between AmEmbassy and FonOff soonest practicable. Zecho Ambassador being advised contents our note.<sup>18</sup> Public announcement

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<sup>17</sup> Neither despatch printed.

<sup>18</sup> The Czechoslovak Embassy was so advised in a memorandum dated March 18, 1946 (860F.5034/3-1846).

US note not believed necessary, unless Zecho note Jan 25 made public by FonOff or you deem publication our note in US interest. If so, advise Dept, so simultaneous release can be arranged in Washington and Praha.

For your confidential info, Dept considers compensation cases classified in FonOff note as "export of Zecho capital" (as distinct from "genuine foreign investment") may be satisfactorily settled in your negotiations on basis of compensation in local currency, provided original investment was in local currency. Where original investment was in dols, compensation should be in dols or currencies freely convertible into dols.

BYRNES

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660F.6131/4-2046 : Telegram

*The Ambassador in Czechoslovakia (Steinhardt) to the Secretary of State*

SECRET

PRAHA, April 20, 1946—8 p. m.  
[Received April 20—2: 20 p. m.]

595. In conversation this afternoon with Ripka, Min for Foreign Trade, he gave me the following information in strict confidence with respect to his negotiations in Moscow which resulted in a trade agreement (see my 584 April 18<sup>19</sup>). For sake of brevity his comments are enumerated below.

1. At no time did the Russians endeavor to exercise any pressure or coercion on Ripka.
2. The negotiations were confined to purely economic matters and politics did not enter into any of the decisions.
3. The Russians indicated little interest in consumers goods making it clear that their principal concern was to obtain machinery with which to manufacture their own consumers goods.
4. The principal commodities sought by the Russians were locomotives, all types of heavy machinery, machine tools, etc.
5. The principal commodities offered by the Russians were iron ore, manganese, aluminum, lead, zinc, salt, and cotton (Ripka indicated that the Russians would not be able to supply more than one-third of Czechos requirements of cotton).
6. Although stating that it was a novelty to them the Russians accepted Ripka's proposal that no quantities be specified but that individual contracts be entered into on a clearing basis and that the two Govts confine their participation to mutual assurances of performance. All financial settlements are to be made in Zech crowns.
7. As transportation is regarded by both countries as the principal obstacle to a substantial expansion in their trade relations a great deal of consideration was given to improving means of transport.

<sup>19</sup>Not printed; it reported on the trade agreement between Czechoslovakia and the Soviet Union, signed in Moscow April 12, 1946 (660F.6131/4-1846).

8. In response to an inquiry by Mikoyan<sup>20</sup> as to whether Zecho had as yet entered into a commercial agreement with the United States and Ripka's reply that no such agreement existed, Mikoyan inquired "why not" indicating that the Soviet Govt would welcome an expansion of trade relations between Zecho and the US.

9. No reference was made at any time to inclusion of Zecho in the Soviet Govt's new "5-year" plan.

10. In response to my inquiry as to whether Lausman had entered into any engagements at the time of his visit to Moscow some two or three months ago which had proved embarrassing to Ripka's negotiations, he replied that the Russians had informed him that Lausman had confined his remarks to vague generalities and that his visit had been inconclusive.

Ripka appeared to be more than satisfied with the outcome of his visit to Moscow in that he had not been obliged to enter into any commitments which might interfere with the development of Zecho's trade with the west particularly with the US. He pointed out that the commodities Zecho is to receive from the Soviet Union are not the kind that could readily be imported from the US and that Zecho's prospective exports to the Soviet Union were not readily salable in the US.

In view of Ripka's well known reputation as a moderate with strong pro-western leanings, I am inclined to attach considerable importance to his optimism as to the prospects of satisfactory trade relations between Zecho and the United States.

Sent Dept as 595, rptd. Moscow as 11.

STEINHARDT

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611.60F31/4-2646: Telegram

*The Ambassador in Czechoslovakia (Steinhardt) to the Secretary of State*

SECRET

PRAHA, April 26, 1946—6 p. m.

U.S. URGENT

[Received 10:45 p. m.]

637. Department's 360, April 25.<sup>21</sup> The Embassy has at no time undertaken any discussions or negotiations looking toward a commercial agreement between the United States and Czechoslovakia as no instructions to undertake the same have ever been received from the Department.

Insofar as concerns Kunosi's proposal that an interim commercial arrangement be negotiated in Washington next week I suspect that

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<sup>20</sup> Anastas Ivanovich Mikoyan, Minister for Foreign Trade of the Soviet Union.

<sup>21</sup> Not printed; it stated that Alexander Kunosi, Deputy Director of the Economic Section of the Czechoslovak Foreign Ministry, had requested the negotiation of an interim commercial arrangement. The Department urgently requested Steinhardt's views and a report on the progress of negotiations on the matter in Praha. (611.60F31/4-2546)

Kunosi, who has pronounced Communist leanings, is motivated by a desire to enable the Communist party to announce to the Czechoslovak public before the general elections on May 26 the conclusion of a commercial agreement with the US and claim the same as having been achieved by it. Since the Czechoslovak authorities have not up to the present time shown any haste in seeking to conclude a commercial agreement with the US, I can place no other interpretation on Kunosi's desire for action "next week" than the political motive outlined above.

In my opinion an interim commercial arrangement would be both undesirable and unsatisfactory particularly as most-favored-nation treatment is now in effect.

I am also of the opinion that any negotiations looking to a commercial agreement should be carried on in Washington between the Department and the Czechoslovak Embassy because of the highly technical nature of such negotiations and the presence in Washington of American experts familiar with our tariff schedules.

STEINHARDT

611.60F30/5-146 : Telegram

*The Ambassador in Czechoslovakia (Steinhardt) to the Secretary of State*

RESTRICTED

PRAHA, May 1, 1946—2 p. m.  
[Received 11 : 29 p. m.]

670. Re Embassy's despatch No. 100 dated September 14, 1945 transmitting copies of *aide-mémoire* of Czechoslovak Government dated September 13, 1945,<sup>22</sup> Embassy has now received memorandum from the Czechoslovak Ministry of Foreign Affairs, the text of which follows:

"With reference to the Embassy's note No. 483 of December 12, 1945,<sup>23</sup> the Ministry has the honor to state that Czechoslovakia has already started making preparations for the preliminary international conference on trade and employment at which discussions are to be held regarding the removal of obstacles to international trade.

Despite these preparations the Czechoslovak Government is of the opinion that by an arrangement between Czechoslovakia and the USA the mutual trade between both countries should, for a temporary period, be regulated on the basis of the most-favored-nation clause so that mutual trade should not suffer from the existing nontreaty con-

<sup>22</sup> Despatch 100 not printed; for text of the Czechoslovak *aide-mémoire* of September 13, 1945, see *Foreign Relations*, 1945, vol. iv, p. 548.

<sup>23</sup> Not printed; it set forth the response of the United States Government to the Czechoslovak *aide-mémoire* of September 13, 1945. Instructions to deliver the note were contained in telegram 441, December 5, 1945, to Praha, *Foreign Relations*, 1945, vol. iv, p. 548.

ditions even in the transitory period until a detailed arrangement as to customs tariff rates is made.

For this arrangement to be made for a transitory period it seems expedient, according to the views of the Czechoslovak Government, that negotiations on the basis of the *aide-mémoire* of the State Department of 29 June 1945<sup>24</sup> be abandoned, since the said *aide-mémoire* contains certain proposals which are to be decided upon at the preliminary international conference on trade and employment. Negotiations relative to these questions would at present time, when economic relations with many countries are still very obscure, still require a certain time. As, however, the Czechoslovak Government greatly desires that at least a temporary agreement providing for mutual commercial relations be arrived at as quickly as possible, the Ministry of Foreign Affairs is of the opinion that through an interchange of notes in accordance with one of the two following alternatives, this aim might be achieved :

Alternative A ; (the text has been taken from article XI of the former trade agreement between Czechoslovakia and the USA of March 7, 1938) : 'With respect to customs duties or charges of any kind imposed on or in connection with importation or exportation, and with respect to the method of levying such duties or charges, and with respect to all rules and formalities in connection with importation or exportation, and with respect to all laws or regulations affecting the sale, taxation or use of imported goods within the country, any advantage, favor, privilege or immunity which has been or may hereafter be granted by the USA or by the Czechoslovak Republic to any article originating in or destined for any third country, shall be accorded immediately and unconditionally to the like article originating in or destined for the Czechoslovak Republic or the USA, respectively.'

Alternative B (the usual text worked out by the former League of Nations before the Second World War) : 'The contracting parties agree to grant mutually unconditional and unlimited treatment of the most-favored-nation in regard to customs and duties and all charges connected therewith and the manner of their collection as well as the regulations, formalities and charges to which their customs system might be subject.

By virtue of this agreement the products of the soil and of industry of one of the contracting parties, imported into the territory of the other, shall not be burdened in any case by duties, taxes or charges other or higher, nor by regulations or formalities other or more onerous, than those to which products of the same nature from any other country are or may be subject.

In the same manner, the products of the soil and of industry, exported from the territory of one of the contracting parties and destined for the territory of the other, shall not be subject to duties, taxes or charges, nor to regulations and formalities more onerous, than the

<sup>24</sup> *Foreign Relations*, 1945, vol. iv, p. 543.

same products destined to be exported to the territory of any other country.

All advantages, favours, privileges and exemptions which are or may be granted by one of the contracting parties in the aforesaid manner to products of the soil and of industry coming from any other country or destined to be exported to its territory, shall be applied immediately and without compensation to products of the same nature coming from the other contracting party or destined to be exported to the territory of that party.

Excepted from the engagements formulated in the present agreement are the favours which are or may be granted to adjacent countries in order to facilitate trade across the boundary.<sup>25</sup>

In the notes suggested (alternative A, B) it should also be stipulated that the arrangement shall remain in force until such time as commercial relations between Czechoslovakia and the USA shall have been regulated in another way, unless it be terminated earlier by 6 months notice.

As regards the agreement concerning exposed motion picture films, reached by the exchange of notes at 18 May, 1938, the Ministry of Foreign Affairs begs—in reply to the Embassy's note No. 727 of February 25, 1946—<sup>25</sup> to refer to the first paragraph of its *aide-mémoire* No. 32.611/IV-3/45 of September 13, 1945 in which it was stated that the Czechoslovak Government considers this agreement as terminated. Although the Czechoslovak Government cannot alter its standpoint in view of the changes that have taken place in the Czechoslovak production and distribution of films since 1938 and also in view of the fact that the film agreement was made in connection with the trade agreement of March 7, 1938, which has been declared terminated by the Government of USA, it nevertheless wishes that before long an agreement be reached relative to the actual importation of American films under conditions that would be financially as advantageous for the American exporters as any that Czechoslovakia grants to any other country and such importation to be on a scale that would be of advantage to and would satisfy both parties. The Czechoslovak Government has therefore submitted to investigation the latest proposal made by the American side in this matter.

The Ministry of Foreign Affairs would greatly appreciate it if the American Embassy would kindly obtain as soon as possible the standpoint of the State Department with regard to these proposals.<sup>27</sup>

In connection with the above it is believed that this further supports the position taken in this Embassy's telegram No. 637 dated April 26, 1946 in reply to Department's telegram No. 360 dated April 25, 1946.<sup>26</sup>

STEINHARDT

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<sup>25</sup> Not printed.

<sup>26</sup> Latter not printed, but see footnote 21, p. 190.



611.60F31/5-346: Telegram

*The Ambassador in Czechoslovakia (Steinhardt) to the Secretary of State*

SECRET

PRAHA, May 3, 1946—8 p. m.  
[Received May 4—4:10 a. m.]

694. The misunderstanding referred to in Department's 397, May first,<sup>27</sup> appears to have arisen out of the following circumstances.

The Embassy was informed through the medium of Department's instruction No. 5, June 21, 1945<sup>28</sup> that negotiations for a commercial agreement had been initiated in Washington. The memorandum of conversation annexed<sup>28</sup> to the instruction stated that "it was agreed that respective drafts of the most-favored-nation type of statement be drawn up for discussion". The Department's instruction No. 19, July 6 transmitted a memorandum of a further conversation held in the Department and a copy of an *aide-mémoire* handed to the Commercial Counselor of the Czechoslovak Embassy in Washington.<sup>29</sup> The Embassy's 348, September 15 transmitted to the Department the text of an *aide-mémoire* from the Minister of Foreign Affairs<sup>30</sup> which the Embassy, having received no instructions to approach the Ministry on the subject, assumed related to the negotiations in Washington. Dept's 441 and 442, December 5,<sup>31</sup> the substance of which was immediately conveyed to the Foreign Office by note,<sup>32</sup> specifically stated that the Czechoslovakian Embassy in Washington was being informed of the Department's views with respect to the Czechoslovakian *aide-mémoire*. The Embassy's 180, February 2 transmitted a note from the Foreign Office<sup>33</sup> to the effect that the wording of proposed paragraph 12 was not sufficiently clear and that the Minister would appreciate an explanation. Department's 128, February 21 giving the desired explanation was immediately transmitted to the Foreign Office by note.<sup>33</sup> On March 5 (No. 155)<sup>34</sup> the Department telegraphed the Embassy that it was considering informing the Czechoslovakian

<sup>27</sup> Not printed; in it the Department sought to clarify what it believed was a misunderstanding on the subjects discussed in telegram 637, April 26, from Praha, p. 190.

<sup>28</sup> Not printed.

<sup>29</sup> Neither instruction 19, July 6, 1945, to Praha, nor the enclosed memorandum of conversation is printed. For text of the *aide-mémoire* of June 29, 1945, to the Czechoslovak Embassy, see *Foreign Relations*, 1945, vol. iv, p. 543.

<sup>30</sup> Telegram 348 not printed. For text of the Czechoslovak Government's *aide-mémoire* of September 13, 1945, contained therein, see *ibid.*, p. 548.

<sup>31</sup> Telegram 441, December 5, 1945, to Praha, is printed *ibid.*, p. 548. Telegram 442, December 5, 1945, to Praha, not printed, but see footnote 2, *ibid.*, p. 549.

<sup>32</sup> Embassy's note of December 12, 1945, to the Czechoslovak Government, not printed.

<sup>33</sup> Neither printed.

<sup>34</sup> Not printed.

Embassy on the occasion of opening negotiations for an Exim Bank loan that it desired the conclusion of an interim commercial agreement prior to or simultaneously with the conclusion of a loan agreement and requesting my views. I concurred in my 361, March 12.<sup>35</sup> As up to this time the Embassy had been requested merely to transmit occasional messages which did not reflect the full scope of the negotiations in Washington, we were puzzled on receiving a request (Department's 360, April 18 [25]<sup>36</sup>) "for an exact statement of the position and progress of the negotiations in Praha".

I have not changed the opinion expressed in my 361, March 12 that we should insist on an interim commercial agreement prior to or simultaneously with a loan. Had it been possible, as I anticipated, to conclude the interim commercial agreement in Washington prior to April 1 or even April 15, I would have favored doing so. In telegraphing on April 26 that I regarded an interim commercial arrangement as undesirable and unsatisfactory, I assumed the Department would connect this change in my point of view with the statement in the preceding paragraph of the same telegram that Kunosi's sudden proposal was undoubtedly motivated by a desire to enable the Communist Party to claim credit with the Czechoslovakian public, before the general elections on May 26, for the conclusion of a commercial agreement with US. In other words, I see little advantage to US in concluding an interim commercial arrangement 2 or 3 weeks before the general elections, as against a very great political advantage to the Communist Party in Czechoslovakia. To further clarify my position, I should add that I will again favor the conclusion of an interim commercial arrangement immediately after the general elections. I also still favor pressing the Czechoslovakians for an interim commercial agreement prior to or simultaneously with an Exim Bank loan.

Insofar as concerns the Department's request for a progress report, I assume that my 670, May 1 crossed the Department's 397, May 1. Other than the *aide-mémoire* from the Foreign Office transmitted in my 670 and which was received by the Embassy April 30, there is nothing further to report.

If the Department desires the Embassy to conclude the interim commercial agreement in Praha, I estimate that it should not require more than 1 or 2 weeks in which to do so from the date on which we receive the final text from the Department. Time could be saved if the Department would send us the text immediately as, unless instructed to the contrary, I would not sign before May 27.

STEINHARDT

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<sup>35</sup> Not printed.

<sup>36</sup> Not printed, but see footnote 21, p. 190.

860F.51/5-646 : Telegram

*The Acting Secretary of State to the Ambassador in Czechoslovakia  
(Steinhardt)*SECRET US URGENT  
NIACT

WASHINGTON, May 9, 1946—6 p. m.

477. Board Directors Eximbank May 8 approved \$50 million credit to Zecho subject to notification by Dept that prerequisites have been met.

Prerequisites are Zecho notes stating agreement (1) to give US full info re its international economic relations similar to info made public by US; (2) to make adequate and effective compensation to nationals and corporations of US whose properties are requisitioned or nationalized; (3) that economic relations between two countries will be organized on principles contained Article VII Mutual Aid Agreement<sup>37</sup> so as to result in elimination all forms discrimination in international commerce and reduction tariffs and other trade barriers; (4) agreement with general tenor Proposals Expansion World Trade and undertake to abstain, pending participation international trade conference, from adopting new measures prejudicial to conference objectives; and (5) to enter negotiations at early date to conclude with US comprehensive treaty friendship, commerce and navigation.

Interim commercial agreement tentatively dropped as credit prerequisite because Dept believes (a) points 3 to 5 above preferable to Zecho proposals urtel 670, May 1 and acceptable for present; (b) Zecho will experience difficulty living up to terms proposed interim commercial agreement, especially para 3 and 5, should Dept insist on present language; (c) conclusion of workable agreement acceptable to both parties would require considerable time since Zecho Embassy informally advises that para 3 and 6 are objectionable; and (d) it may be in US interest to announce loan agreement next week if possible.

Reasons for (d) are reported Soviet grain deliveries to Zecho scheduled begin May 15 and your urgent recommendation (urtel 704, May 6<sup>38</sup>) cotton credit be granted as soon as possible. This matter

<sup>37</sup> Agreement between the United States and Czechoslovakia regarding mutual aid and the prosecution of war against aggression, signed July 11, 1942; for text, see Department of State Executive Agreement Series No. 261, or 56 Stat. (pt. 2) 1562.

<sup>38</sup> In telegram 704, May 6, 1946, from Praha, Ambassador Steinhardt reported that the Czechoslovak Minister of Foreign Trade had requested a 24-month repayment period rather than the 15-month period proposed under the contemplated Export-Import Bank cotton credit to Czechoslovakia. Steinhardt added the following comment: "I urgently recommend that the concession be granted in order to start the commercial movement of cotton to Czechoslovakia as soon

under discussion with Eximbank. For your info, Eximbank loan agreement and notes embodying prerequisites would be negotiated with Hurban, Hanc, Hajny representing Zecho Embassy.

Dept aware views para 3 urtel 694, May 3 and urgently requests your views on advisability of announcing Eximbank loan agreement, on above prerequisites, next week.<sup>39</sup>

ACHESON

860F.24/5-1346

*The Czechoslovak Ambassador (Hurban) to the Acting Secretary of State*<sup>40</sup>

The Czechoslovak Ambassador presents his compliments to His Excellency, the Acting Secretary of State, and has the honor to approach His Excellency in the following matter:

Expecting that Germany would strike against Czechoslovakia with the first opportunity, the Czechoslovak Government and people made great national and individual sacrifices to build up a military force that would contribute worthily to the defense of their independence, of the security of central Europe, and thus of all Europe against German domination. In view of the well known developments in 1938 and thereafter, these great efforts and the financial hardships which they involved were largely frustrated, and after the occupation of Prague in March of 1939, Hitler seized all of the military equipment and installations of the country. The damage thus inflicted on Czechoslovakia by the enemy spoliation amounted to many billions.

During the war Czechoslovakia took an active part in the common struggle of the United Nations and her soldiers and air men fought

as possible . . . the arrival of American commercial cotton in Czechoslovakia will have the immediate effect of relieving the textile industry from its dependence on Soviet." (860F.51/5-646) Telegram 556, May 29, to Praha, stated that the Board of Directors had, on May 29, approved a cotton credit of \$20 million for which the repayment period would be 24 months (860F.51/5-1346).

<sup>39</sup> In telegram 750, May 11, 1946, from Praha, Ambassador Steinhardt urgently recommended that no announcement regarding the Export-Import loan to Czechoslovakia be made until after the Czechoslovak elections on May 26. Steinhardt added: "The Communist Party in Czechoslovakia which is by far the best organized and most aggressive and which controls the key Ministries including the Ministry of Information in my opinion would immediately claim that the loan had been made as a result of the efforts of the Communist Party and would thereby gain a decided political advantage among the masses who are susceptible to this kind of distortion after so many years of a controlled press." (860F.-51/5-1146)

<sup>40</sup> In a note of June 29, 1946, to Ambassador Hurban, the Acting Secretary of State expressed the regrets of the United States Government that it was not possible to comply with the request contained in this note from the Ambassador. The Acting Secretary explained that in accordance with previous instructions to the Commanding General, United States Forces, European Theater, directing that all captured German ground forces material be destroyed, a very substantial part of the material had already been destroyed and the remainder had deteriorated to the point where it was not considered serviceable. (860F.24/5-1346)

alongside the great Allies, whenever possible, that is in nearly every theater of war, not only in Europe but also in Africa and the Middle East.

When the war was brought to its inevitable victory of the United Nations over the Axis, and the Czechoslovak Republic was liberated from the Germans, the country found itself in an unenviable position, especially with regard to her military forces. Again, as prior to the war, the Czechoslovak Government and people have begun the organization of their armed forces in order to safeguard the victory, strengthen the peace in their part of Europe, and eventually contribute to the defensive and peace-maintaining potential of the United Nations. Facing the task, Czechoslovakia is in urgent need of certain combatant materials, such as small arms and equipment to organize her armed forces in the initial period, and to train her new army.

As the result of their victorious struggle in Europe, the United States Armed Forces captured a considerable quantity of German war material as war booty. Much of this material has no military and very limited civilian value for the Allies, and as such is being largely destroyed or earmarked for ultimate destruction. The Czechoslovak Government is convinced that it would be of no special cost to the Allies and to the United States Armed Forces if a part of this material and equipment was transferred to Czechoslovakia for the above mentioned purpose.

Due to the definition of the term of restitution, as accepted by the Paris Conference on German reparations, Czechoslovakia was prevented from basing her claim of a share of the captured military material on the title of restitution, as she had not had the possibility to identify the material which Germany seized from her in 1939 and subsequently consumed.

Under such circumstances the Czechoslovak Government believes that it is appropriate to approach the Government of the United States with a request to kindly intercede on their behalf by instructing the proper authorities in the occupation zone of Germany to make arrangements with the proper Czechoslovak authorities for the transfer to Czechoslovakia of such combat material (small arms) and equipment as is not needed by the United States Army of Occupation.

The Czechoslovak Ambassador wishes to point out that compliance with this request would be of distinct help to the reconstruction of Czechoslovakia, as it would help her during the difficult period of transition when the country is painstakingly recovering from the losses caused by enemy occupation and more particularly by the enemy seizure of all her military equipment of pre-war date.

WASHINGTON, May 13, 1946.

860F.00/5-2746 : Telegram

*The Ambassador in Czechoslovakia (Steinhardt) to the Secretary of State*

SECRET

PRAHA, May 27, 1946—5 p. m.

[Received 10:14 p. m.]

893. The election yesterday was held without incidents or disorder of any kind throughout the country. Whatever the influences may have been that prevailed upon the voters to cast their ballots as they did, all experienced observers are agreed that the vote recorded was the expression of the will of the people in a democratic manner.<sup>41</sup>

According to practically complete returns the Communist strength in Bohemia and Moravia including the rural areas was considerably greater than anticipated. While the exact division of seats may vary by one or two deputies for each party, dependent upon the final count, the Communists appear to have elected 93 deputies in Bohemia and Moravia and 21 in Slovakia or a total of 114. The National Socialists appear to have elected 55 deputies in Bohemia and Moravia, The Peoples Party 48 in Bohemia and Moravia, the Social Democrats 36 in Bohemia and Moravia, the Slovak Democrats 42, the Slovak Freedom Party 3 and the Slovak Labor Party 2.

Thus the Communist Party failed to achieve its objective of a majority in the new assembly in spite of the unexpectedly large vote the Party received. Even with the support of the Social Democrats and the two Slovak Labor deputies, they will hold the barest majority of seats, which could be constantly disturbed by absence, death or defection on the part of individual Social Democratic deputies who will hold the balance of power.

Since the Communist Party has polled the largest vote the Prime Ministership will probably be offered to Gottwald. There is some doubt as to his willingness to accept the responsibility, particularly as he would be at all times dependent on the Social Democrats. On the other hand, as the Social Democrats hold the balance of power, Fierlinger's continuance in office is by no means out of the question. Perhaps the most interesting, while at the same time the most important

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<sup>41</sup> Ambassador Steinhardt submitted a more detailed analysis of the elections in despatch 936, May 29, 1946. He reported in part as follows: "The election was held in an atmosphere of order and relative calm. The voting was for parties and not for personalities. While the superior organization of the Communist Party through its control of the Ministry of the Interior may have gained a substantial number of votes for that party, there have been no aspersions of unfairness and it cannot be said that the rather strong Communist trend is attributable to intimidation by the Communists or its control of the election machinery. Leading persons are convinced that it was a secret and fair ballot, having been controlled at the polling places by representatives of all the leading parties." (860F.00/5-2946)

result of the election, will be the struggle for control of the Social Democratic Party, in which there is a strong difference of opinion between the left wing and the right wing.

There is little doubt that the Government of the national front in which all of the parties are represented will continue, and while there will be changes in personalities and perhaps some shifting about in the assignment of the Ministries, there is little probability of any material change in the character of the Government or its policies. As the present Provisional Government has had pronounced leftist tendencies with the most important posts held by the Communists, the result of the election will not essentially alter the character of the Government.

STEINHARDT

860F.51/5-2846

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*The Foreign Liquidation Commissioner (McCabe) to the  
Czechoslovak Ambassador (Hurban)*

WASHINGTON, 28 May, 1946.

MY DEAR MR. AMBASSADOR: Representatives of your Government have expressed an interest in the purchase of United States surplus property. I am glad to inform you that the Office of the Foreign Liquidation Commissioner has surplus property available which may be acquired by your Government. The quantities and types of such surplus property, the prices thereof and other terms of sale, including provision for exchanges of property, are matters for agreement between the Office of the Foreign Liquidation Commissioner, or its Field Commissioners, and the representatives of your Government. For the purposes of any purchases which are made by your Government prior to January 1, 1948 of surplus property made available by the Office of the Foreign Liquidation Commissioner, we would be willing to extend a line of credit to your Government for an aggregate amount not in excess of \$50,000,000 subject to the following conditions and terms of payment:

(1) A sum in United States dollars, equal to the total purchase price of individual sales of such surplus property shall be paid in twenty-five (25) equal annual installments beginning on July 1, 1952 and continuing thereafter on July 1, of each year up to and including July 1, 1976, subject to the provisions of paragraphs (4), (5) and (6) of this letter.

(2) Interest shall accrue from the respective dates specified in the individual sales contracts for the taking of delivery by the Government of Czechoslovakia, and shall be paid on the outstanding unpaid balance of the total purchase price. The rate of interest shall be two and three-eighths percent ( $2\frac{3}{8}\%$ ) per annum, payable on July 1 of each year, the first payment to be made on July 1, 1947.

(3) Except as otherwise provided herein, all payments of principal and interest shall be made in United States dollars to the Treasurer of the United States, through the Federal Reserve Bank of New York.

(4) (a) In the event the Government of the United States wishes to receive local currency of the Government of Czechoslovakia for the payment of any or all expenditures in Czechoslovakia of the Government of the United States and its agencies (but not including expenditures of or for its armed forces, except by mutual agreement of both governments), the Government of the United States may request at any time or times, and the Government of Czechoslovakia agrees to furnish at such time or times, Czechoslovakian currency at an exchange rate as provided in sub-paragraph (4) (b), in any amount not in excess of the net outstanding balance of principal (whether or not then due in United States dollars) plus interest (then due in United States dollars) payable under the terms of this letter; provided, however, that the amount of local currency which the Government of the United States shall be entitled to receive in any single calendar year under the terms of this paragraph shall be limited as provided in sub-paragraph (4) (c). In the event that local currency is received by the Government of the United States under the terms of this paragraph, the United States dollar equivalent of the amount received shall be credited first to past due interest, if any, and then pro rata to all remaining unpaid installments of principal.

(4) (b) The exchange rate shall be that established by the International Monetary Fund, provided that, if no such rate exists, the rate shall be that rate most favorable to the United States which was used in any Czechoslovakian Government transactions with any party during the preceding twelve months period.

(4) (c) Except by mutual agreement between the Government of the United States and the Government of Czechoslovakia, the Government of the United States shall not be entitled to receive in any single calendar year under the terms of this paragraph (4) and paragraph (6) any local currency or property the combined total value of which is in excess of an amount to be computed as follows:

In 1946	No local currency or property.
In 1947 and in each year thereafter.	\$200,000,000 or 10 percent of the total purchase price of individual sales, whichever is greater.

(5) The Government of Czechoslovakia may anticipate the payment, in United States dollars, of any installment of principal, or any part thereof, provided that this right of anticipation may not be exercised when any installment of principal or interest is past due and unpaid.

(6) When the Government of the United States wishes to acquire any property, real or personal, tangible or intangible, or to improve any property in which it has an interest, at the expense of the Government of Czechoslovakia, the Government of the United States will request at any time or times and the Government of Czechoslovakia agrees at any such time or times to enter into negotiations with the Government of the United States and to use its best efforts to consummate without any undue delay appropriate contracts by mutual agreement wherein the Government of Czechoslovakia will furnish to the



Government of the United States the properties or improvements it desires or which its representatives have selected. Representatives of the Government of the United States may at their discretion conduct discussions directly with owners of property or with contractors for improvements as to fair terms and price prior to the acquisition of such property or improvements by the Government of Czechoslovakia for delivery to the Government of the United States. When performance of any such contract is made by the Government of Czechoslovakia, the Government of the United States shall credit the Government of Czechoslovakia with the United States dollar equivalent of the fair value received at an exchange rate as provided in sub-paragraph (4) (b), such credit being applied first to past due interest, if any, and then pro rata to all remaining unpaid installments of principal. The total value of property to be delivered by the Government of Czechoslovakia in any calendar year shall be subject to the annual limitations specified in sub-paragraph (4) (c).

(7) It is understood that the provisions of this letter do not restrict the right of the Government of Czechoslovakia to regulate, in a non-discriminatory manner, expenditures within Czechoslovakia.

(8) If these terms are agreeable to your government it is requested that you indicate its acceptance thereof by signing and returning to me the enclosed duplicate original of this letter. When this has been done I shall inform my Field Commissioners as to the terms in order that they may be appropriately incorporated or referred to in any contracts for the sale or exchange of surplus property which may be executed between my Field Commissioners and representatives of your Government.

As we have explained in our informal discussions with representatives of your Government, the purpose of this letter is to facilitate our surplus property transactions by arriving at an overall understanding as to a maximum line of credit, credit terms and exchanges of property.

It is understood that upon your acceptance of the terms outlined in this letter, the existing arrangement whereby the Government of the United States has agreed to accept up to \$10,000,000 in Czechoslovakian crowns in payment for surplus property will be terminated immediately, any Czechoslovakian crowns which may have been received thereunder by the Government of the United States will be returned to the Government of Czechoslovakia and any purchases of surplus property which may have been made under such prior arrangement will be paid for in United States dollars or otherwise credited in accordance with the terms of this letter (in which case the exchange rate used in computing the United States dollar obligation of the Government of Czechoslovakia shall be the same rate which was used in computing the original obligation in Czechoslovakian currency).

My letter to you dated February 12, 1946 regarding a dollar credit agreement for surplus property sales is hereby withdrawn.

Sincerely yours,

THOMAS B. McCABE

*Special Assistant to the Secretary of State  
and Foreign Liquidation Commissioner*

The terms of the foregoing  
letter are hereby accepted.

V. I. Hurban

(Date) 28 V 46.

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860F.51/5-3146

*Press Release Issued by the Export-Import Bank of Washington,  
May 31, 1946*

#### EXPORT-IMPORT BANK ANNOUNCES COTTON CREDIT TO CZECHOSLOVAKIA

Approval by the Board of Directors of the Export-Import Bank of a credit of \$20 million to the Republic of Czechoslovakia to finance the purchase of raw cotton in the United States was announced today by Mr. William McChesney Martin, Jr., Chairman of the Board.

This cotton credit to Czechoslovakia is the fourth allocation to be made from a general credit of \$100 million established by the Export-Import Bank in October 1945 to finance the shipment of cotton to European countries. The earlier allocations under this credit were \$5 million to Finland, \$25 million to Italy, and \$10 million to the Netherlands. The Bank has also extended a special cotton credit of \$33 million to China.

The terms of the credit to Czechoslovakia are in general similar to those of other cotton credits established by the Bank. The rate of interest is 2½%. The maturity of drafts under the credit will be 26 months from the date of issuance in the United States, in consideration of the time required for inland transportation and the special difficulties facing the production and marketing of cotton textiles by Czechoslovakia.

The cotton credit to Czechoslovakia is designed to assist that country in reconstructing its economy. It will supply the raw materials for one of its important industries and help to make possible the resumption of its former position in world trade. If the entire amount of the credit is utilized, it will provide for the shipment of approximately 130,000 bales of cotton. This is more than half the volume of cotton imported annually by Czechoslovakia from the United States in the years immediately preceding the war and is estimated to equal about two-thirds of the current annual cotton requirements of the country.

In making the announcement of the cotton credit to Czechoslovakia, officials of the Export-Import Bank emphasized that the credit will

not become operative until the necessary loan agreement has been signed.<sup>42</sup> A further announcement of the details of the credit will be made at that time.

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860F.00/6-1046: Telegram

*The Chargé in Czechoslovakia (Bruins) to the Secretary of State*

SECRET

PRAHA, June 10, 1946—midnight.

[Received June 11—6:30 p. m.]

1011. Leaders of the more moderate parties in private conversation display uncertainty as to the future of the Communist strength in Czechoslovakia. All recognize two possibilities:

(1) That the Communists may be at the peak of their popularity and that a gradual decline may be expected as a result of economic difficulties which may increase as the result of the sweeping nationalization program.

(2) That because the Communists are now the strongest party, they will be in a good position to consolidate their gains and can obtain a reasonably permanent hold over the electorate.

The more judical minded of the moderates believe that no satisfactory prediction can be made as to which trend will prevail. They think that the answer must be found in political developments outside of Czechoslovakia, particularly, the future relations between Russia and Western Powers. The moderates point out that their position would be greatly weakened if Western Powers were to adopt an attitude of indifference and noncooperation toward Czechoslovakia. At the same time, they recognize that the Western Powers may well adopt a cooler attitude toward humanitarian relief and loans to Czechoslovakia as long as present degree of Communist control continues.

BRUINS

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860F.00/7-346: Telegram

*The Ambassador in Czechoslovakia (Steinhardt) to the Secretary of State*

SECRET

PRAHA, July 3, 1946—3 p. m.

[Received July 5—10:42 a. m.]

1221. My 1220, July 3.<sup>43</sup> New Czechoslovak Cabinet includes 9 Communists, 4 National Socialists, 4 Peoples Party, 4 Slovak Democrats, 3 Social Democrats and 2 non-party members, total 26. If

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<sup>42</sup> Telegram 872, July 8, 1946, to Praha, reported that the Export-Import cotton credit agreement had been signed by Czechoslovak representatives on July 3 (860F.51/7-346).

<sup>43</sup> Not printed; it reported the formation of a new Czechoslovak Cabinet under Prime Minister Klement Gottwald (860F.00/7-346).

Social Democrats can continue to be counted as Leftists which is increasingly doubtful, this makes total of 12 Leftist members and 12 Moderate members. Of the two non-party members Masaryk has western orientation and Svoboda eastern, thus on paper the Cabinet is well balanced.

As indicated in my previous telegrams there are no surprising changes in character of the Government or membership of the new Cabinet. Communists continue to hold key post of Interior, Information, Agriculture, Labor and Social Welfare to which are now added the Prime Ministership, Finance and International Trade, the National Socialists having refused Finance. On the other hand they have given up Ministry Education. Clementis a Slovak Communist continues as State Secretary in Ministry Foreign Affairs.

While positions held by Communists are obviously key posts from which effective working control over most important phases of economy and labor can be exercised, I believe new Govt will concern itself primarily with execution of program of nationalization of industry and other liberal economic measures already begun rather than with initiation of additional radical moves. I regard new PriMin as man of common sense and native shrewdness willing to learn, a thorough Czechoslovak patriot, as a person unlikely to embark on further extremist ventures and as more reliable than Fierlinger.

STEINHARDT

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860F.51/7-1946 : Telegram

*The Secretary of State to the Ambassador in Czechoslovakia  
(Steinhardt)*

SECRET

WASHINGTON, July 19, 1946—4 p. m.

912. Deptel 477, May 9. Negotiations on prerequisites Eximbank reconstruction loan approaching satisfactory completion. Texts of notes to be exchanged will be cabled shortly.

Note will cover points 1 through 5 Deptel 477, May 9, and (6) undertaking that Govt monopolies shall be influenced solely by commercial considerations in making purchases or sales; (7) declaration that bilateralism likely to restrict world trade if continued beyond transitional period and that ultimate objective is multilateralism; (8) agreement for nondiscriminatory application of quantitative import controls within limits of bilateral arrangements.

Re compensation for nationalized properties, note will contain undertaking on mutual basis to make adequate and effective compen-

sation to nationals or corporations of one party whose property is nationalized or otherwise taken over by the other party. Dept proposes to add reference that US Govt pleased that negotiations on compensation will begin shortly in Praha (urtel 1214, July 3<sup>44</sup>).

Dept considers that (1) granting of loan to Zecho desirable now as foreign policy objective; (2) conditions should not exceed those required of Poland re compensation question; (3) special conditions re compensation should not be attached to note, especially since Zechs have shown greater willingness to negotiate than Poland; and (4) conditions re compensation should not exceed those officially stated by Dept in negotiations with Zecho representatives Mar 21 (Deptel 245, Mar 28), Apr 25 (Deptel 477, May 9), May 29 (Deptel 675, June 10), June 24 (Deptel 813, June 27), and July 8.<sup>45</sup> Dept concludes you agree with these conditions in view urtels 750, May 11; 894, May 27; and 1095, June 20.<sup>46</sup> In view approval of loan by Board Directors Eximbank May 8 (Deptel 477, May 9) and pressure of other applicants on limited funds available, Dept believes undesirable to delay loan further after Czechs have met conditions stated by Dept.

Re urtel 1214, do you require further instructions or information re compensation negotiations? Dept considers announcement by Zecho that compensaiton negotiations will begin Praha simultaneously with announcement loan agreement Washington would be desirable.

BYRNES

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<sup>44</sup> Not printed; in it Ambassador Steinhardt reported having agreed with Foreign Minister Masaryk and Deputy Foreign Minister Clementis that discussions regarding compensation for American property nationalized in Czechoslovakia would begin one month after the new Czechoslovak Cabinet assumed office (860F.5034/7-346).

<sup>45</sup> Telegram 245, March 28, to Praha, not printed, but see footnote 16, p. 184. Telegrams 675, June 10, and 813, June 27, to Praha, reiterated the Department's position that the conclusion of the Export-Import loan to Czechoslovakia was contingent upon the ability of the Czechoslovak Government to meet the conditions outlined in telegram 477, May 9, to Praha, p. 196. (860F51/5-2746 and /6-2046, respectively).

<sup>46</sup> None printed. In telegram 1095, June 20, Ambassador Steinhardt sent the following appraisal to the Department: "Since election on May 26 there has been an unmistakable though indefinable tendency on part of some officials of Czech Govt to show increasing indifference towards western powers. This tendency unleashed by the election is being fostered by the satisfactory conditions that prevail throughout the country which result primarily from the more than sufficient UNRRA shipments of food, gasoline and other commodities, coupled with the official seizures of all of the property of the richest one-fifth of the population and the relatively small war damage sustained." Steinhardt went on to emphasize the necessity of obtaining definite commitments from the Czechoslovak Government in connection with the proposed reconstruction loan "in view of the self-satisfied attitude which has developed in official circles where little credit is given to extensive assistance already received from US and British Empire." (860F.51/6-2046)

560.AL/6-2046 : Airgram

*The Secretary of State to the Ambassador in the United Kingdom  
(Harriman)*

SECRET

WASHINGTON, July 23, 1946.

A-1038. For Hawkins.<sup>47</sup> Following is information on discussions referred to by Czechs as outlined in paragraph 5 of your airgram A-712 of June 20, 1946.<sup>48</sup>

(1) On May 29, Mladek, Kunosi and Hanc discussed with officers of Dept prerequisites to an Eximbank loan. Among prerequisites discussed was the question of Czechoslovakia providing the US with info concerning its international economic relations similar in scope and character to that normally made public by the US. Kunosi said the Czech Govt would be willing to enter into a general undertaking to supply economic info on an agreed basis to be specified in a separate exchange of letters.

(2) Article 3 of draft interim commercial arrangement proposed to Czechs June 29, 1945 included substantially provisions of Article VIII of 1938 trade agreement.<sup>49</sup> This would require public notice and non-discriminatory administration of quantitative import or export regulations. In loan discussions here Czechs have expressed inability to assume this obligation under current conditions (it cannot strictly be called "new and unusual") as well as Article 5 of draft interim commercial arrangement providing unconditional mfn treatment respecting exchange control. They point out necessity for bilateral trade agreements and problem of resulting inconvertible currency balances, while subscribing to ultimate objective of multilateralism.

(3) Article 6 of interim commercial arrangement provided that Govt monopolies or enterprises shall be influenced solely by commercial considerations in their operations. While this was also covered in old trade agreement Article IX, Czechs were concerned over possible implications for film monopoly.

In view of Czech position outlined during loan negotiations here, further discussion of matters included in old trade agreement or draft

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<sup>47</sup> Harry C. Hawkins, Counselor of Embassy for Economic Affairs at London and Vice Chairman of the United States delegation to the First Meeting of the Preparatory Committee of the United Nations International Conference on Trade and Employment.

<sup>48</sup> Not printed; it reported the views of Czechoslovak officials with regard to American proposals to be considered at the forthcoming United Nations Trade and Employment Conference in London (560.AL/6-2046). For documentation on the participation by the Commercial States in that conference, see vol. I.

<sup>49</sup> The draft interim commercial arrangement proposed by the United States was contained in the *aide-mémoire* of June 29, 1945, to the Czechoslovak Embassy, *Foreign Relations*, 1945, vol. IV, p. 543. For documentation relative to the reciprocal trade agreement between the United States and Czechoslovakia, signed March 7, 1938, see *ibid.*, 1938, vol. II, pp. 223 ff.

interim commercial arrangement will be postponed pending more appropriate multilateral discussions at conference on world trade and employment. Czechs here have, however, agreed subject to approval in Prague to include in exchange of notes accompanying loan the following: (1) affirmation of transitional nature of bilateral barter agreements and undertaking to seek to augment earnings in convertible currencies attributable to Czechoslovak exports; (2) pledge of non-discriminatory administration of import controls during transitional period subject to limitations imposed by Czech holdings of inconvertible currencies; (3) substance of Article 6 above on commercial considerations.

BYRNES

760F.61/7-2646: Telegram

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

TOP SECRET  
URGENT

Moscow, July 26, 1946—noon.  
[Received July 26—8:44 a. m.]

2297. Masaryk visited me yesterday for a short confidential talk just before going to dinner which Stalin gave for Czek delegation.<sup>50</sup> He said atmosphere of talks had been very cordial. Czeks raised question of repatriation of Hungarians now in Czechoslovakia, and Soviet Govt agreed to Czek proposals. Economic questions were discussed, primarily transfer of raw materials to Czechoslovakia in exchange for manufactured products. Hope to have details later. Masaryk said, however, textiles predominated. So far the cotton they had received from Soviet Union was of such relatively poor quality that they could not use it.

In reply to my direct question, he said that military subjects had not been discussed at length, but implied that Soviet Govt had raised question of military agreements. He stated definitely, however, that Soviet Govt had offered to give Czek Govt equipment for 10 divisions and that Czeks had accepted. I asked him if Czeks proposed to equip all of their forces with Soviet equipment or if, on the contrary, they intended to develop their own ordnance production. He replied that they did not intend to equip Czek Army exclusively with Soviet equipment, that they were buying aircraft from England and would build their own trucks and tractors. They did not, however, intend to re-develop an armaments industry as they considered that productive capacity required could be put to better use.

<sup>50</sup> Between July 20 and July 25, 1946, a Czechoslovak Government delegation headed by Prime Minister Gottwald, Foreign Minister Masaryk, and Deputy Foreign Minister Clementis conferred in Moscow with Soviet officials on a wide variety of political, military, and economic topics.

Masaryk said that while it was inevitable that there would be close association and cooperation between Czechoslovakia and Soviet Union, the Czecks did not, as he put it, intend to "sell their souls", nor did they intend to turn their backs on the West. He remarked that the Russians did not trust him. He had not yet been informed of the details of the Czek Prime Minister's talk with Stalin, but would learn en route to Paris and would give me the information there, including more details on the above.

Dept repeat to Prague as Moscow's 24.

SMITH

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860F.51/7-3046 : Telegram

*The Ambassador in Czechoslovakia (Steinhardt) to the Secretary of State*

SECRET

PRAHA, July 30, 1946—4 p. m.

[Received July 31—1 a. m.]

1437. I assume Department will give consideration to probability that if an Exim Bank \$50,000,000 reconstruction loan is made available to Zecho Government on a mere promise to make adequate and effective compensation for American nationalized properties there will doubtless be unreasonable delays and extreme difficulty in reaching an agreement with Zecho Government as to the basic principles which shall constitute adequate and effective compensation. Department may therefore wish to consider the advisability of a reservation, which if necessary could be by an exchange of letters, to the effect that no part of the loan after it has been made shall be available to Zecho Government until agreement has been reached as to basic principles governing compensation for nationalized properties. To make the loan or any part thereof available before we have the slightest inkling of what Zecho Government regards as adequate and effective compensation would constitute a complete surrender of our bargaining position. As the \$20,000,000 cotton credit, \$50,000,000 surplus war material credit, \$2,500,000 American relief for Zecho, \$2,000,000 American Red Cross, \$1,000,000 Catholic welfare and \$275,000,000 UNRRA gift have been made available without any move by Zecho Government other than vague general promises to compensate American citizens for their properties which have been nationalized, I am disturbed at the prospect of our last trump, the \$50,000,000 reconstruction loan, being played before we have a definite commitment from the Czechs that adequate and effective compensation means to them what it means to us. (Dept's 912, July 19).

I feel fortified in the views expressed above by the knowledge that conditions in Zecho are improving so rapidly that a reconstruction



loan, while desirable, is not imperatively needed at this time and that no harm would result if the loan though made could not be used by Zecho Government until basic principles of what shall constitute adequate and effective compensation for American citizens have been defined.

In connection with the compensation negotiations, it is essential that we receive as soon as possible a detailed list of all claims filed with Department together with a statement of dollar value of each claim. While it will be possible to commence the negotiations without detailed knowledge of the different categories of claims and dollar value of each, the negotiations can make little progress until we are in a position to give Czech authorities an estimate of the total dollar value of our claims and the different categories into which they fall.

As the responsible officials of the Government have been in Moscow and on their return departed immediately for Paris, I have been unable to ascertain their willingness to announce that compensation negotiations will begin in Praha simultaneously with announcement of a loan agreement in Washington. I have little doubt, however, that they will agree to such an announcement.

STEINHARDT

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760F.61/8-246 : Telegram

*The Chargé in the Soviet Union (Durbrow) to the Secretary of State*

SECRET

Moscow, August 2, 1946—9 a. m.

[Received 1:40 p. m.]

3075. Embtel 2297, July 26, and 3004, July 27.<sup>51</sup> Surface indications are Czechoslovaks did fairly well in their recent conversations in Moscow particularly with respect to economic concessions published in joint communiqué. Yet there appear to be factors which would point to less favorable relationship in what concerns implementation of the agreement.

Soviet commitment to turn over large German built synthetic gasoline plant to Czechoslovaks and leave machinery from other German plants in Czechoslovakia will certainly involve favorable reaction in Czechoslovakia and abroad. This apparent generosity presumably reflects substantial Czechoslovak Communist vote recent elections. Gesture was probably made not only to bolster prestige of Communist Party over other Czechoslovak elements who have been looking westward for trade and assistance, but also as example to other governments such as Austria and Hungary of Soviet benevolence to those who do not resist Soviet policies. It may reflect as well belief, pred-

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<sup>51</sup> Latter not printed.

icated on continued predominance of Soviet influence in Czechoslovakia that efficient Czechoslovak operation of these plants is of more immediate benefit to Soviet economy than would be their removal at this time to USSR. Factors in this connection would be patent shortage of skilled labor here and increasing backlog of as yet unassimilated equipment already moved from Eastern Europe and Manchuria.

According to official of Czechoslovak Embassy here, agreement relating to Czechoslovak property abroad in Soviet occupied zones arose out of difficulties experienced by Czechoslovaks during past year. Russians have been treating property of Czechoslovak citizens of German or Hungarian nationality (race) as enemy property and have been arbitrary in their ruling on individual cases of this kind. Under agreement, Soviet Govt now recognizes such property as Czechoslovak. Despite program for withdrawing citizenship from many of these people, Czechoslovak Govt considers itself as still holding sovereign rights over their property and insisted on this principle in negotiations with Russians. Informant, who was not too sanguine over prospects of successful implementation of this undertaking, stated that most of property involved industrial and commercial establishments in Bulgaria and Rumania.

Declaration of need for replacing temporary trade agreement with long term undertaking to reflect requirements of Czechoslovak two year economic plan is obscure. Current trade agreement signed in April is to run 1 year and is subject to renewal. Background of proposed long term agreement may possibly be connected with recent rumors that USSR desires extensive integration of Czechoslovak productive capacity in current Stalin 5-year plan.

Agreement regarding equipping of Czechoslovak Army (reported to involve equipment for 10 divisions) on credit terms is similar to agreements with Poland and Yugoslavia and underlines fact that although Czechoslovak armament industry can be diverted, in part at least, to civilian production Czechoslovak Army is not to be permitted to fall below standards apparently being set for "friendly neighbors" of Soviet Union. At same time it constitutes important step in direction of increasing dependence Czechoslovak Army on Red Army.

No details available here on air and rail communications agreements. Embassy would appreciate receiving any information obtainable in Prague.

Repeated to Paris as 277, Prague as 27.

DURBROW

860F.24/8-1446 : Telegram

*The Ambassador in Czechoslovakia (Steinhardt) to the Secretary of State*

RESTRICTED

PRAHA, August 14, 1946—11 p. m.

[Received August 16—7:40 p. m.]

1511. Embassy is today in receipt of a note from Foreign Office dated August 3 which reads as follows:

“Minister of Foreign Affairs presents its [*his?*] compliments to Embassy of the United States and has the honor to draw the attention of the Embassy to several cases of discrimination in connection with purchases of American surplus war property.

While the Czechoslovak Government applied to the Government of the United States for a loan of \$50,000,000 to purchase American surplus war property and negotiations took place in Washington, the Government of the United States concluded a commercial and financial agreement with the Government of France ceding at exceedingly favorable terms all surplus war property which was on the territory of France at the date of conclusion of that agreement.<sup>52</sup>

As under these circumstances the surplus war property on territory of France is no longer accessible to other states, the purchase possibilities for Czechoslovakia have been considerably reduced. Minister of Foreign Affairs further wishes to point out that, despite the credit agreement between Government of the United States and Government of Czechoslovakia for purchasing American surplus war property, an agreement which covers all American military stores on European continent, the French Government has been granted priority rights for purchases of American war surplus property on territory of Belgium, Germany and Italy.

Further the Minister of Foreign Affairs wishes to point out that Czechoslovak delegates at United States of America Office of Foreign Liquidation in Paris have several times endeavored to obtain from that office a contract for delivery of a large quantity of tires.

So far, however, their demand has not been granted though in the meantime delegates Swedish and Swiss Governments have secured contracts for delivery of tires.

The Czechoslovak Government welcomed at the time with satisfaction the understanding shown once more by the Government of the United States for the economic difficulties of Czechoslovak Republic in granting a loan to amount of \$50,000,000 for purchase of American war surplus property. Czechoslovakia concluded that credit agreement with intention of using whole amount of \$50,000,000 for purchases out of abundant American surplus war property to cover at favorable terms its most important needs for the economic reconstruction of the country. In view of above mentioned discriminations, however, the purchase possibilities for Czechoslovakia have

<sup>52</sup> For texts of the financial and commercial agreements between the United States and France, signed at Washington on May 28, 1946, see Department of State, *Treaties and Other International Acts Series (TIAS) No. 1928*; United Nations Treaty Series (UNTS) No. 84, p. 59; or 61 Stat. (pt. 4) 4175.

been considerably reduced, and there is reason to fear that the loan will not be used up completely, and consequently fail to serve its purpose.

The Minister of Foreign Affairs therefore takes the liberty to ask the Embassy of the United States kindly to convey to the American Government the desire of Czechoslovak Government that the obstacles be removed which so far have prevented Czechoslovakia from successfully completing its purchasing program."

My comments follow in next succeeding number telegram.

STEINHARDT

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860F.24/8-1446: Telegram

*The Ambassador in Czechoslovakia (Steinhardt) to the Secretary of State*

SECRET

PRAHA, August 14, 1946—midnight.

[Received August 16—8:10 a. m.]

1512. The note regarding surplus war property credit quoted in my last numbered telegram<sup>53</sup> has been transmitted by me telegraphically so that Dept may give me appropriate instructions as to reply I should make to Czechoslovak Foreign Office.

In my opinion the note is further evidence of a developing aggressive tendency on part of Czechoslovak Govt to dictate to United States extent to which assistance should be rendered Czechoslovakia. It fits into the pattern of making use of individual Czechoslovaks who are moderates as a front for the purpose of extracting from United States maximum benefits for Czechoslovakia the Leftist elements simultaneously belittle the assistance already assured, play down our aid and at the same time threaten United States with a further orientation to the East if additional aid is not forthcoming. The note in question affords us an opportunity to express our displeasure with these tactics.

In view of the prolonged absence of Masaryk and Clementis from Praha it is reasonable to suppose that the note in question was drafted by the Leftist element in Foreign Office. A prompt and sharp answer would, I believe, have a sobering and salutary effect on the Leftists who are at present in charge of Foreign Office. While we probably would not have received this note had either Masaryk or Clementis been in Praha it is nevertheless significant of the trend of thought of the elements which in the last analysis control the Govt.

As Dept will doubtless deal with the charge of discrimination, particularly in respect of the agreement with France and sales of tires to Sweden and Switzerland, the only comment necessary from me is to invite Dept's attention to the absurdity of the contention that

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<sup>53</sup> Telegram 1511, *supra*.

Czechoslovak Govt intended to or could have used "the whole amount of 50 million dollars for purchases of American surplus war property".

STEINHARDT

860F.24/8-1446: Telegram

*The Acting Secretary of State to the Ambassador in Czechoslovakia  
(Steinhardt)*

RESTRICTED

WASHINGTON, August 26, 1946—6 p. m.

US URGENT

1067. Urtel 1511 Aug 14. Please utilize following info in presenting note to Zecho Govt.

US rejects as without foundation charges of discrimination on sale of surplus property under line of credit of 50 million dollars to Czech Govt. Agreement of May 28, 1946 represented line of credit \$50 million for surplus property and not a loan. Public announcement at time as well as text of credit agreement made clear US did not guarantee to deliver surplus goods to amount of \$50 million.

Czech Govt own delay in purchasing surplus property is reason for lack of success in comparison other countries. On Oct 19 last year this Govt offered to give Zecho Govt rights to purchase surplus up to 500,000,000 crowns. Negotiations on this offer were protracted and it was agreed on Feb 18 extend Zecho 50 million dollar line of credit repayable over 30 year term with interest at 2 $\frac{3}{8}$  per cent. This line of credit not accepted by Zecho Govt until May 28. Since Feb 23 however this Govt has been selling surplus property and making sales commitments to Zecho Govt in belief it would eventually sign credit agreement. Prior to agreement \$1,137,567 had been sold and delivered and \$412,000 more committed for sale.

Surplus sale to France made on same date as signing of Zecho agreement was subject to all prior commitments to other govts including Zecho Govt up to limit of their line of credit. It did include however only \$412,000 of commitments to Zecho Govt. French sale was part of general settlement of war accounts and was greatly to US advantage since other buyers including Zecho Govt were unable, or did not for other reasons, take advantage of opportunity to purchase US surplus in France. Incidental to French sale a commitment was made to sell to France from surplus a selected list of rehabilitation and reconstruction items wherever located abroad. We are informed all European surpluses applicable to this list have been committed and remainder of list is now being completed, so far as possible, from Pacific area surpluses.

European surpluses far from being exhausted, are now or shortly will be available for commitment amounting to upwards of \$1 billion in Belgium, Italy and Germany. Our latest reports indicate US surpluses of tires, tubes, medical supplies and gloves to amount of \$751,321 have been committed to Zecho Govt. While uncertain what part this commitment is for tires, so far as such tires were actually available at agreed prices at time of Zecho bid, it would be regarded by this Govt as binding contract.

Though Zecho Govt has by its own delays risked loss of considerable part of the \$50 million credit extended them for surplus property purchases, they have already received or committed upwards of \$10 million and still have opportunity if it is pursued aggressively to use approximately \$40 million remaining for purchases from over \$2 billion of surpluses in Europe and in Pacific area. *End Summary.*

Please transmit to Dept exact text as delivered to FonOff.<sup>54</sup>

Dept. assumes in light of comments urtel 1512, August 14, that note will be written in strong terms.

ACHESON

860F.51/8-2946 : Telegram

*The Acting Secretary of State to the Ambassador in Czechoslovakia  
(Steinhardt)*

SECRET

WASHINGTON, August 29, 1946—11 a. m.

1075. In meeting Aug 13 Hanč stated several reservations Zecho Govt re proposed notes to be exchanged re Eximbank credit. Memo conversation being sent pouch.<sup>55</sup> Zechs object to inclusion properties "otherwise taken over" re compensation, wish implication future additional Eximbank credits included note, and raise several commercial policy questions. Dept intends maintain position re compensation or restitution properties otherwise taken over and will not agree implication additional credits. Thus conclusion loan agreement obviously delayed month or two by Zecho objections. Urtels 1436 and 1437, July 30.<sup>56</sup>

Dept considers attitude Praha, as distinct attitude Hanč, definitely intransigent and indicates no urgency concluding loan agreement Zecho part. Dept therefore intends maintain position all major questions as stated Deptel 912, July 19, and while not increasing conditions or adding additional conditions, will not reduce any major conditions, which it believes extremely reasonable.

<sup>54</sup> The exact text of the Embassy's note of August 30 to the Czechoslovak Foreign Ministry was transmitted to the Department with despatch 1220, August 30, from Praha, neither printed.

<sup>55</sup> Not printed.

<sup>56</sup> In telegram 1436, July 30, from Praha, Ambassador Steinhardt expressed his conviction that determined action by the Czechoslovak Government could have resulted in the return of "confiscated" American properties (as distinguished from nationalized properties). Steinhardt went on to make the following recommendation: "I attribute the failure of the central government to take action in most of the cases of illegal or improper seizure to an unwillingness to create the impression locally that it is defending 'American capitalistic interests' and I think it should be required to take the necessary action to restore these properties to their American owners before the reconstruction loan is made available. Our failure to insist on such action, which if taken would have a salutary effect throughout the country in many other respects, will be regarded by Zecho Government as a signal of weakness and will in my opinion have unfavorable repercussions in the negotiations for compensation for nationalized properties." (860F.51/7-3046)

Would appreciate your efforts have compensation negotiations begin Praha soonest possible. Urtel 1214, July 3,<sup>57</sup> stated Zecho promised negotiations would start before Aug. 3. Absence Masaryk and Clementis not believed obstacle starting negotiations with other Zecho ministries interested compensation question. Please advise urgently status negotiations.

ACHESON

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740.00119 Council/8-3046: Telegram

*The Secretary of State to the Acting Secretary of State*<sup>58</sup>

TOP SECRET

PARIS, August 30, 1946—5 p. m.  
[Received 6:47 p. m.]

4368. Delsec 877. From the Secretary for Clayton. You will recall that Vyshinsky made much propaganda use of his pretension that the United States is trying to bring about the economic enslavement of Europe through a policy of handouts.<sup>59</sup> This viewpoint has been applauded and supported by the Czechoslovak delegation here. I understand that we have extended a line of credit up to 50 million dollars to Czechoslovakia for the purchase of surplus property in Europe, of which only roughly 9 million dollars have been utilized. In view of the foregoing and of the general trend of the Communist-dominated government in Czechoslovakia I want you to look into the situation to determine whether there might be any proper way of preventing the unused portion of this Czechoslovak credit from being utilized in practice. I do not want to cancel a contract but merely to see to it that we are not making new contracts subsidizing the Communist control of Czechoslovakia. I am convinced that the time has come when we should endeavor by all fair means to assist our friends in western Europe and Italy in the matter of surplus property sales and such other means as are feasible rather than to continue to extend material aid to those countries of eastern Europe at present engaged in the campaign of vilification of the United States and distortion of

<sup>57</sup> Not printed, but see footnote 44, p. 206.

<sup>58</sup> The substance of this telegram was transmitted to Praha in telegram 1100, September 6, which also asked Ambassador Steinhardt for his comments on the situation and any recommendations he might wish to make concerning the proposed Export-Import Bank credit to Czechoslovakia in the light of the Secretary's comments and the present trend of the Czechoslovak Government (860F.24/9-646). The Secretary of State was at this time in Paris at the head of the United States delegation to the Paris Peace Conference.

<sup>59</sup> Reference presumably is to the remarks made by Soviet Deputy Foreign Minister Vyshinsky during the 18th Plenary Meeting of the Paris Peace Conference, August 15. For documentation regarding the participation by the United States in the Paris Peace Conference, see vols. III and IV.

our motives and policies. Any other course I am sure will not be understood by the American people.<sup>60</sup>

[BYRNES]

860F.51/9-646 : Telegram

*The Ambassador in Czechoslovakia (Steinhardt) to the Secretary of State*

SECRET

PRAHA, September 6, 1946—8 p. m.

US URGENT

[Received September 6—5:25 p. m.]

1634. Dept's 1075, August 29. I am wholly in accord with Dept's view that the attitude of Czechoslovakian Govt in Praha as distinguished from the attitude of Hanč in Washington evidences increasing *intransigence* and little urgency with respect to the Eximbank reconstruction loan. This attitude doubtless reflects lack of an urgent necessity for the loan in a country only slightly damaged by war, where much plant and equipment was added by the Germans, which is enjoying a bountiful harvest and which at the same time has effected a reduction of 15 percent in its total population to 12 million and has confiscated without compensation the property of these expellees valued at one-fourth of the wealth of all of its inhabitants. In addition 65 per cent of the entire industry of the country has been nationalized.

The increasing hostility of the party-owned left wing press and recent articles critical of the United States in other party newspapers indicate that the radical members of the Govt either regard the loan as already assured or as not immediately essential. I am, therefore, pleased to note that Dept intends to maintain its position on all major questions as stated in its 912, July 19 and will not reduce any major conditions.

Insofar as concerns the opening of negotiations for compensation to American citizens for their nationalized properties, the assurance given me by Masaryk and Clementis jointly as reported in my 1214, July 3<sup>61</sup> that the negotiations would start before August 3 was based

<sup>60</sup> Telegram 4653, September 6, to Paris, reported that the Deputy Commissioner of the Office of the Foreign Liquidation Commissioner in Washington was instructing the OFLC Central Field Commissioner for Europe to avoid any further commitments to the Czechoslovak Government where legally possible until the Czechoslovak Government, to the satisfaction of the Secretary of State, had abandoned its campaign of vilification of United States motives and policies (860F.24/9-646). This message was repeated to Praha as telegram 1101. In telegram 1685, September 17, from Praha, Ambassador Steinhardt said in part: "I am fully in accord with the policy which the Secretary and you have decided to adopt of avoiding any further commitments to the Czechoslovak Government where legally possible until the Czechoslovak Government has to our satisfaction brought about an abandonment of the campaign of vilification of US motives and policies." (860F.51/9-1746)

<sup>61</sup> Not printed, but see footnote 44, p. 206.



on the expectation that either or both of them would be available at that time. Officials of the Ministry of Finance and Foreign Trade and Kunosi, Acting Chief of Economic Section of Foreign Office to whom we have expressed our desire to open the negotiations immediately exhibit confusion and have expressed opinion that certain principles must first be settled between the Minister Foreign Affairs and the Embassy before negotiations can commence. These principles no one in Foreign Office seems disposed to discuss pending the return from Paris of either Masaryk or Clementis.<sup>62</sup>

Furthermore, I am becoming increasingly concerned at the steadily mounting currency in circulation. As Dept is aware when bank deposits were frozen last November and a new currency placed in circulation, the amount thereof was approximately 24 billion crowns. For some time thereafter the increase in currency in circulation appears to have been accurately reported by the National Bank. During the past month, persistent rumors, some of which have emanated from high sources, place the currency in circulation at from 50 to 55 billion crowns as against the last weekly report of National Bank indicating somewhat over 34 billion crowns. There seems little doubt that the increase in currency in circulation reflects the continuing huge losses resulting from Govt's operation of the nationalized industries, losses which it has thus far made no serious effort to curtail. The indifference of Czechoslovakian Govt during past year to providing compensation for the vast amount of foreign property nationalized by it and its failure to make partial provision therefor or even reference thereto in the proposed budget, coupled with its failure to take the necessary steps to prevent an unreasonable increase in the new currency in circulation thus risking a financial collapse at a future date, makes it all the more imperative, in my opinion, that we secure satisfactory assurances of adequate and effective compensation for American property interests before the loan is made. The assurances received to date insofar as they are known to me are not, in my opinion, adequate.

STEINHARDT

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611.60F31/8-646 : Telegram

*The Acting Secretary of State to the Ambassador in Czechoslovakia  
(Steinhardt)*

TOP SECRET

WASHINGTON, September 7, 1946—3 p. m.

1104. ReEmb 1484, Aug. 6.<sup>63</sup> Dept appreciates your judgment

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<sup>62</sup> Masaryk and Clementis were members of the Czechoslovak delegation to the Paris Peace Conference.

<sup>63</sup> Not printed; in it Ambassador Steinhardt asked whether the Department wished to consider the advisability of an interim commercial agreement which, the Ambassador believed, would result in a favorable reaction in Czechoslovakia and would serve to stimulate trade with the United States (611.60F31/8-646).

political value of interim commercial agreement but feels that such agreement would not stimulate trade with U.S. in view of fact Czech exports to U.S. already receive benefit most-favored-nation treatment and U.S. exports to Czecho handicapped by factors not likely be removed by any possible commercial agreement. In view talks here, proposed exchange notes accompanying loan will contain most mutually satisfactory undertakings on commercial policy possible at present.<sup>64</sup> Dept believes clauses on commercial policy included in proposed exchange of notes with Czechs accompanying loan as much as Czechs will be willing undertake in any interim commercial agreement on exchange control and quantitative import controls. Moreover, note contains additional undertaking re commercial considerations in conduct of govt enterprises.

Czechs unwilling agree to accord non-discriminatory treatment respecting exchange control and quantitative import controls (cf minutes meetings May 29, June 24, July 8, July 15, airgram A-1038 to London of July 23, repeated Prague, and instruction 873 Aug. 21<sup>65</sup>).

Since Czech customs duties seem likely continue for some time to be relatively unimportant means of import control, Dept feels mere mfn commitment on customs duties by Czech Govt would not be adequate *quid pro quo* for like reciprocal contractual undertaking by U.S. Consequently, it was agreed in discussions here to postpone

<sup>64</sup> During October 1946, United States and Czechoslovak officials agreed that all references to a loan be removed from the draft exchange of notes covering commercial policy and compensation. The notes were exchanged on November 14, 1946; see bracketed note, p. 236.

<sup>65</sup> At a meeting with Czechoslovak representatives on May 29 on the question of an interim commercial agreement between the United States and Czechoslovakia, Department officers explained their desire to begin discussions on the basis of the draft interim commercial agreement proposed by the United States on June 29, 1945 (see *Foreign Relations*, 1945, vol. iv, p. 543) and the inability of the United States to accept the Czechoslovak counterproposal of April 27, 1946 (see telegram 670, May 1, from Praha, p. 191). At a meeting with the Department officers on June 24, Czechoslovak representatives explained the unreadiness of their Government to negotiate a full commercial treaty and presented the text of an interim commercial agreement based largely upon the United States proposal of June 1945 (611.60F31/6-2446). On July 8, the Department proposed to the Czechoslovak negotiators that the notes to be exchanged between the United States and Czechoslovakia in connection with the contemplated Export-Import Bank loan should be extended to cover significant points of an interim commercial arrangement between the two Governments (860F.51/7-846). A draft of such an exchange of notes was presented to the Czechoslovak representatives on July 15 (860F.51/7-1546). This draft was discussed at subsequent meetings with the Czechoslovak representatives on August 13, August 23, and September 4 (860F.51/8-1346, 8-2346, and 9-446). The draft notes of July 15 and the revised draft of September 4 are not printed. The notes, from which all references to a loan had been removed, were signed and exchanged in Washington on November 14, 1946, as an agreement between the United States and Czechoslovakia regarding commercial policy and compensation. See bracketed note, p. 236.

Instruction 873, August 21, to Praha, transmitted a copy of a memorandum on the attitude of the Czechoslovak Government toward American proposals for the expansion of world trade (560.AL/8-2146).

further consideration of matters included in proposed interim commercial agreement pending multilateral discussions of proposed ITO charter.

[Here follows text and Department's explanation of the revised wording of certain paragraphs in the proposed exchange of notes to accompany the Export-Import Bank loan to Czechoslovakia. The revisions were those agreed upon by Czechoslovak and American negotiators at a meeting on September 4.]

CLAYTON

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740.00119 Council/9-1746: Telegram

*The Secretary of State to the Acting Secretary of State*

TOP SECRET

PARIS, September 17, 1946—2 p. m.

[Received 2:14 p. m.]

4658. Delsec 957. For Clayton from the Secretary. Instructions to OFLC have been carried out and further sales of surplus property to Czech Govt suspended September 13. Czech representatives have been informed of this action. Goods will be delivered in fulfillment of specific contracts concluded prior to issuance of OFLC suspension order.

In light of recommendation in mytel 4368, Delsec 877 August 30, I wish you would give serious consideration to pending Ex-Im credit to Czech Govt. I do not consider it desirable to subsidize present government or contribute in any way to official propaganda presenting US financial assistance as imperialist move to "enslave" Eastern European states. If you consider current negotiations with Hanč have not reached the state of a definite commitment on our part to proceed with loan I wish to suspend further negotiations for loan.

Repeated Praha as 117.

[BYRNES]

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860F.24/9-1846: Telegram

*The Ambassador in Czechoslovakia (Steinhardt) to the Secretary of State*<sup>66</sup>

TOP SECRET

PRAHA, September 18, 1946—10 a. m.

URGENT

[Received 1:50 p. m.]

1686. Personal for Clayton from the Ambassador. The "confidential enclosure" is a brief statement referring to the protocol of September 14, 1946 specifying "that the goods Rumania is seeking to obtain for its own consumption are the goods from surpluses of Ameri-

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<sup>66</sup> The text of this telegram was transmitted to the Secretary of State in telegram 5061, Secdel 980, September 24, to Paris, not printed.

can war material on the European Continent or in Pacific Ocean respectively.<sup>67</sup> The protocol is not concerned with other goods". The confidential enclosure closes with statement that it will be communicated by both Govts to the Govt of United States and that "the protocol will come into force as soon as the Govt of United States announces that there are no objections".

The note transmits the protocol and confidential enclosure to the Embassy with the request that the American authorities concerned be informed of contents of both enclosures and their consent obtained. It points out that the time limit for purchases of American surplus war material "is comparatively short as far as material located in Europe is concerned" and expresses the desire of the Ministry for an early reply. The concluding paragraph of the note reads "the Minister for Foreign Affairs has the honor to remark that the possibility of the sale of goods for goods from these credits to other markets has been expressly indicated to Zecho in discussions held with representatives of US Treasury at the beginning of the year".

I informed the representative of the Ministry that I would of course immediately transmit the request of his Govt and the supporting documents to the Dept for reply but that speaking entirely on my own responsibility and without knowing the views of my Govt, I was astonished at the transaction. I indicated that in my opinion the Government of the United States was competent to sell its surplus war material to Rumanian Govt if it so desired without the intervention of Zecho Government. I also pointed out that the 50 million dollar surplus war credit had been extended to Zecho Govt for its own use and not with the intention that a part thereof should be transferred to their Government [*other Governments?*], and observed that it seemed obvious that the credit sought and obtained by Zecho Government for the purchase of American surplus war material had been far in excess of Zecho's requirements (your top secret 1100 September 6 to Praha and 1101 September 6 to the Secretary in Paris repeated to Praha<sup>68</sup>).

If the Secretary and you so desire, the action of Zecho Govt in entering into this formal contract with the Rumanian Govt subject only

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<sup>67</sup> The protocol under reference was an agreement signed at Praha on September 14, 1946 between the Czechoslovak and Rumanian Governments under the terms of which Czechoslovakia would extend to Rumania a credit of \$10 million for the acquisition of surplus American war material which Czechoslovakia would secure under the \$50 million credit from the United States. The protocol together with the "confidential supplement" thereto were communicated to the American Embassy in Praha under cover of a note from the Czechoslovak Foreign Ministry dated September 16. All three documents were transmitted to the Department with despatch 1298, September 18, from Praha, none printed.

<sup>68</sup> Telegram 1100, September 6, to Praha, contained the substance of telegram 4368, Delsec 877, August 30, from Paris, p. 216. Telegram 1101, September 6, to Praha, not printed, but see footnote 60, p. 217.

to the approval of US Govt would appear to afford an opportunity to suspend or even revoke, if legally permissible, all or part of the unused balance of the 50 million dollar war surplus credit of which I understand only approximate 10 million dollars has thus far been utilized.

A representative of Ministry Foreign Affairs called on me September 16 and left with me a note from FonOff together with copy of a protocol entered into under date of September 14 between the Zecho and Rumanian Govts, and a "confidential enclosure". The three documents are being transmitted to Dept by the next airmail pouch.

The protocol is in effect a contract between the Zecho and Rumanian Govts providing that "to enable the Rumanian Govt to obtain various goods from abroad" the Zecho Govt "will purchase abroad for the Rumanian Govt up to the amount of 10 million American dollars" of goods. All risks are to be borne by Rumanian Govt. Zecho Govt does not guarantee quality or delivery. If there are not enough goods to satisfy the requirements of both govts, "Zecho possesses priority". Rumanian Govt is to reimburse Zecho for cost of goods "plus a maximum of 7% to meet administrative cost" in five annual installments, 10% the first year, 15% the second year, 20% the third year, 25% the fourth year and 30% the fifth year. As soon as one million dollars of goods have been purchased Rumanian Govt will issue to Zecho Govt "cash bonds for dollars" to be guaranteed by Rumanian Minister of Finance as to "priority for cashing in free currency". All payments "of capital and interest" are to be made in American dollars to the credit of the Praha Credit Bank in New York. In the event of delays on payment Rumanian Govt is to pay 6% interest on delayed payments.

STEINHARDT

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[In a letter to Acting Secretary Acheson dated October 4, 1946, not printed, Secretary Byrnes said that he had discussed the Czechoslovak-Rumanian protocol with Czechoslovak Foreign Minister Masaryk who alleged that the idea had originated with an official of the United States Treasury Department in a conversation with a Czechoslovak Finance Ministry official. In a memorandum of October 29 to Secretary Byrnes, Under Secretary Clayton reviewed the information obtained from the Treasury Department on the matter. A Treasury Department official had visited Czechoslovakia in 1945 and 1946 on a number of occasions in connection with army financial problems. The Treasury Department official, in commenting to Czechoslovak Government representatives about conditions surrounding the purchase of American surplus property, stated that it was not his

understanding that surplus property acquired by Czechoslovakia would have to be used within the national boundaries of Czechoslovakia. The Treasury official further told the Czechoslovaks that American surplus property should not be re-exported to the United States, directly or indirectly. In a letter of October 22 to Clayton on this same subject, Secretary of the Treasury Snyder commented that he could see how it might be possible for Czechoslovak officials to jump to the conclusion that they could transfer surplus property to Rumania even though the Treasury Department official involved had never at any time made mention of geographical areas within which Czechoslovakia might dispose of American surplus property (860-F.24/10-2246).]

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740.00119 Council/8-3046 : Telegram

*The Acting Secretary of State to the United States Delegation to the Paris Peace Conference*

TOP SECRET  
US URGENT

WASHINGTON, September 20, 1946—7 p. m.

5008. Secdel 960. For Matthews. UK wishes sell Czecho one squadron estimated 24 mosquito fighter bomber aircraft. Their sale virtually completed but held in suspense pending consent of US to sale of US lend-lease propellers installed on planes and lend-lease components and spares for propellers and engines. Our consent necessary under Military Holdings Agreement with UK March 27.<sup>69</sup> Value lend-lease element small proportion and not in question. Department Policy Committee Arms and Armaments ruled this morning deny consent to sale of lend-lease element view of Secretary's policy toward Czecho surplus sales expressed Delsec 877 Aug 30. I feel this difficult decision requiring further interpretation Secretary's policy. British representations at high level here, view of embarrassment to British should consent be withheld. Czechs doubtless will know cause of suspension if sale stopped. Have promised British reply Monday if possible.<sup>70</sup>

CLAYTON

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<sup>69</sup> For text of this agreement, see TIAS 1509; 4 UNTS 2; or 60 Stat. (pt. 2) 1525.

<sup>70</sup> In telegram 4760, Delsec 980, September 23, from Paris, Matthews stated that the position taken by the Department was in full accord with the Secretary's policy. Matthews added: "We see no cause for embarrassment to US when the Czechs learn of reason of suspension if sale stopped. Czech delegation here has been frankly informed of our reasons for terminating unexpended portion of surplus property credit. Secretary advised Bevin of our position Saturday afternoon." (740.00119 Council/9-2346)

740.00119 Council/9-1746: Telegram

*The Acting Secretary of State to the Secretary of State, in Paris*

TOP SECRET

WASHINGTON, September 21, 1946—2 p. m.

5017. Secdel 966. For the Secretary. Reurtel 4658, Delsec 957, Sept. 17. For your consideration, status Eximbank credits Czecho, granted or pending, as follows.

1. \$20 million cotton credit approved Board Directors Eximbank May 29. Loan agreement signed July 3.

2. \$2 million Eximbank credit for purchase tobacco approved Board Directors Eximbank Aug 2, Dept concurring, prior urtel 4368 Delsec 877 Aug 30. Loan agreement signed pursuant above authorization Sept 16, as this represented prior commitment on part Eximbank and Dept.

3. Aug 26 Czecho Emb applied to Eximbank for \$2 million credit for purchase aircraft material, largely C-54 Skymasters to be operated in conjunction PAA on route NY-Praha. In view Delsec 877 and since this represents new credit request, Dept advised Eximbank to take no action this request. If you concur, Dept will advise Bank to reject application.

4. Pending Eximbank \$50 million reconstruction credit has been in process of negotiation with Czecho Emb since Sept 1, 1945, when Czecho Govt requested reconstruction loan of \$300 million. NAC approved \$50 million loan Jan 29 on Dept's motion. Board Directors Eximbank approved credit May 9, subject to notification by Dept that related negotiations satisfactorily concluded. Negotiations involved commercial policy questions and compensation for American properties nationalized by Czecho Govt. Sept 4 Dept and Hanč reached agreement on text of notes to be exchanged this connection. (Draft note and memo conversation sent letter 126 Sept 19 Catudal to Reinstein.)<sup>71</sup> Re compensation for American properties, draft note provides that Czecho Govt will make adequate and effective compensation to American nationals with respect to their rights or interests in properties which have been or may be nationalized or requisitioned by the Czecho Govt. Dept advised Hanč that loan agreement could not be concluded until negotiations in Praha re compensation for American properties have begun and made substantial progress. Hanč cabled substance note and above reservation to Praha. To date Dept has not heard from Hanč.

I believe above negotiations with Hanč, while they have not reached stage of legal commitment to make loan, do imply moral commitment if Czechs meet conditions mentioned above.

CLAYTON

<sup>71</sup> None printed.

740.00119 Council/9-2146: Telegram

*The Acting Secretary of State to the United States Delegation at the Paris Peace Conference*

TOP SECRET

WASHINGTON, September 21, 1946—2 p. m.

US URGENT

5019. Secdel 968. For Matthews from Hickerson. Hanc Czech Emb discussed with Gen Connolly OFLC late Sept 20 sale of surplus Zecho. Gen Connolly informed Hanc since this matter being reconsidered by US Govt FLC would carry out standing commitments but make no new ones to Zecho. In accordance with Dept's suggestions he avoided explanation of reasons for action.

Hanc is visibly disturbed by this development. After meeting with Connolly he endeavored to ascertain from Dept reasons for step and has requested appointment with me Monday for discussion of subject.

Dept desires guidance on course to follow in dealing with Czechs here particularly because of uncertainty re what has been said to their Paris representatives as to cancellation of further surplus property credit. My own inclination is to tell Hanc that US has been forced to halt further sale surplus in view of

1. Zecho campaign of vilification US objectives and policies especially as expressed in Zecho support of Vyshinsky statement concerning "economic enslavement of Europe through a policy of handouts".

2. Recent Zecho attempt to charge US with discrimination in sale of surplus property.

3. Lack of urgent need for further utilization surplus credit because of improved economic conditions in Zecho.

In this connection attention would be called to proposed contract between Zecho and Rumania for repurchase by Rumania of US surplus obtained by Zecho amounting to ten million dollars.

Request urgently comment regarding this position or suggestions as to alternative.<sup>72</sup>

CLAYTON

611.60F31/9-2346: Telegram

*The Ambassador in Czechoslovakia (Steinhardt) to the Secretary of State*

TOP SECRET

PRAHA, September 23, 1946—4 p. m.

US URGENT

[Received September 24—6: 29 a. m.]

1702. In my opinion the Czechoslovak Government should not be

<sup>72</sup> Telegram 4779, Delsec 984, September 24, from Paris (from Matthews for Hickerson), expressed agreement with the proposed explanation to Hanc and added: "Tell him from here on out we intend to assist our friends. . . . You should add that we will sell surplus to the Czechoslovaks for cash on the barrel-head. We do not wish to give credits to them and thus leave ourselves open to the charge of 'trying to enslave them with handouts'." (740.00119 Council/9-2446)



permitted to use the suspension by Secretary Byrnes of the negotiations for an Export-Import Bank reconstruction loan as a pretext for deferring an agreement regulating the economic and commercial relations between the two countries.

Since the end of the war the Czechoslovak Govt has entered into agreements regulating its economic and commercial relations with no less than 20 governments without, insofar as I am aware, obtaining loans or credits from any of these Governments as a consideration therefor. I can therefore see no valid reason why Czechoslovak Government should not regulate its commercial and economic relations with the United States without a credit or loan as a condition precedent or simultaneous therewith.

On the assumption that negotiations to regulate our economic and commercial relations with Czechoslovakia will continue without being contingent on a loan, I offer the following comments with respect to Department's 1104, September 7.

1. No commitment that might be obtained from Czechoslovak Government to stimulate trade with United States would be of any value as long as the Communist Minister of Finance declines to make an appreciable amount of dollars available for purchase in the United States. While he has of course made some dollars available and while the Czechoslovak Government undoubtedly suffer from an insufficiency of dollars, there is reason to believe that in the furtherance of the policies of Communist Party, control of all dollar exchange available to Czechoslovakia is being and will continue to be exercised more along political than economic lines.

2. I feel strongly that we should not grant most-favored-nation treatment unless we receive it.

3. In reply to Department's request for further details concerning US importers who allege failure of Czechoslovak manufacturers to fulfill their contracts, a survey of American importers in Praha indicates that the maximum deliveries on firm contracts with specified dates of delivery have not exceeded 30 percent. It is still too soon to determine whether the failure to deliver is attributable to excessive optimism concerning the rapidity of industrial recovery, inefficiency because of nationalization or a deliberate favoring of eastern European market by a preponderance of Communist national administrators.

4. I am at a loss to understand why the assurance to make adequate and effective compensation for property already or hereafter nationalized or requisitioned should be mutual. I do not know of any Czechoslovak property that has been nationalized or requisitioned by the Government of United States nor of any such intention. Under

these circumstances an assurance by Government of United States to compensate Czech nationals for property that has been or may be nationalized or requisitioned can only lead to the Leftist press in Czechoslovakia citing the agreement as evidence of the intention of Government of United States to nationalize or requisition Czech property, thereby justifying the nationalization program of Czechoslovak Government.

5. Insofar as concerns Department's thought that it may be necessary to justify a delay in the granting of an Export Import Bank credit, I do not feel that it should ever be necessary for the Government of United States to justify withholding a loan or credit to a foreign government.

STEINHARDT

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740.00119 Council/8-3046 : Telegram

*The Acting Secretary of State to the United States Delegation at the Paris Peace Conference*

TOP SECRET  
US URGENT

WASHINGTON, September 24, 1946—6 p. m.

5060. Secdel 979. For Matthews. Re proposed transfer by Zecho to Rumania of surplus property as contemplated in protocol reported Praha's topsec 1686 Sep 18 repeated to Paris and Bucharest in Dept's immediately following telegram. Transaction considered further reason for policy set forth in Delsec topsec 877 Aug 30 and Deptel topsec 4653 Sep 6<sup>73</sup> repeated to Praha as 1101. Although coming into force of protocol would not violate specific provisions of US surplus property contract with Zecho, and although we would not object to casual resales, the proposed resale of a substantial proportion of purchased surpluses in the manner contemplated weakens the justification of surplus credit to Zecho which was to furnish surpluses for reconstruction and rehabilitation that country.

Re Steinhardt's proposal to cancel unused balance surplus property credit further action to accomplish this purpose is believed unnecessary.

1. Bonner, Central Field Commissioner for Europe, OFLC Paris, has been instructed as of Sept 6 to avoid all commitments to Zecho where legally possible.

2. We are informed that value of goods delivered or unavoidably committed may not exceed 10 million dollars. In this case denial of additional contracts would make it impossible for Zecho to carry out protocol in full if it is minded to disregard US objections.

Accordingly if Secretary approves we think Steinhardt should be instructed reply FonOff note withholding US consent and indicating

<sup>73</sup> Telegram 4653 not printed, but see footnote 60, p. 217.

that substantial diversion of property by such method would be inconsistent with intent of the surplus credit arrangement.<sup>74</sup>

Sent to Paris as 5060 Secdel 979; repeated to Praha as 1169, and to Bucharest as 626.

ACHESON

860F.24/9-2846 : Telegram

*The Acting Secretary of State to the Ambassador in Czechoslovakia  
(Steinhardt)*

SECRET

WASHINGTON, September 28, 1946—3 p. m.

1184. In accordance with policy elaborated in Delsec 877 Aug 30, Delsec 957 Sept 17 repeated to Praha as 117, Secdel 979 Sep 24 repeated to Praha as 1169 and Delsec 997 Sep 26 repeated to Praha as 124,<sup>75</sup> Czech Emb has been informed US position re future credit sales surplus property.

Hanc advised Sep 20 by Gen Connolly (Deputy Commissioner OFLC) that his office had been instructed to make no further surplus sales for present to Czechoslovak Gov. When Hanč asked reasons for this decision, Connolly avoided explanation by suggesting inquiry of Secretary in Paris or Acting Secretary in Washington.

Hanc called by appointment Hickerson's office Sep 24 for frank discussion of matter (memo conversation follows<sup>76</sup>). He was informed again that US Gov will carry out existing commitments for surplus sales under 50 million dollar credit arrangement but would make no new commitments. Reasons stated for cancellation unused portion credit included:

1. Indications of Czech tendency to misinterpret US motives in extending economic assistance to European countries as evidence in support by Czech delegation in Paris of Vyshinky's viewpoint that US was attempting to bring about economic enslavement of Europe by policy of hand-outs;
2. Recent charge of discrimination in negotiation surplus property contracts;
3. Improvement in Czechoslovak economic conditions which place Zecho in considerably more favorable condition than such countries as Italy.
4. Protocol agreed to by Czechoslovak and Rumanian Govs providing for resale to Rumania of surplus purchased by Zecho amounting to 10 million dollars reurtel 1686, Sep 18.

<sup>74</sup> Telegram 4841, Delsec 997, September 26, from Matthews in Paris, stated that the Secretary approved the instructions to Steinhardt. The Secretary wished to maintain cancellation of the entire unused portion of the Czechoslovak surplus credit, irrespective of the contemplated Rumanian-Czechoslovak agreement. (740.00119 Council/9-2646)

<sup>75</sup> Telegram 4841, Delsec 997, September 26, from Paris, not printed, but see footnote 74, above.

<sup>76</sup> Not printed.

Upon inquiry whether suspension of surplus sales to Zecho might be lifted in future, Hanc was told that no such prospect could be foreseen.

CLAYTON

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860F.51/9-2846

*The Department of State to the Czechoslovak Embassy*<sup>77</sup>

MEMORANDUM

The Department of State refers to the negotiations initiated some time ago by the Czechoslovak Government looking toward a credit from the Export-Import Bank to Czechoslovakia of the sum of \$50,000,000 and to pending applications for other credit.

It has come to the attention of the Department of State that the objectives and policies of the Government of the United States in granting such credits might be misunderstood in Czechoslovakia. Under the circumstances and since no agreement has as yet been reached between the United States Government and the Czechoslovak Government with respect to compensation to American nationals for their rights and properties in Czechoslovakia or with respect to certain commercial policy questions, the Department of State has, with regret, advised the Export-Import Bank to suspend negotiations for the \$50,000,000 credit referred to above, and other credits for which applications are pending.

WASHINGTON, September 28, 1946.

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711.60F/10-746 : Telegram

*The Ambassador in Czechoslovakia (Steinhardt) to the Secretary of State*

SECRET

PRAHA, October 7, 1946—3 p. m.  
[Received 11:27 p. m.]

1745. I have had a long conversation with the Prime Minister in the course of which we discussed recent developments in the relations between the two Govts. I outlined to Gottwald the principal reasons for the suspension of the balance of the surplus property credit and the negotiations for Eximbank reconstruction loan. I referred to the press campaign against the US. I pointed out that no steps had been taken by the Zecho Government to restore American properties illegally seized or to open negotiations to compensate American owners of nationalized properties.

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<sup>77</sup> Marginal handwritten notation on the source text indicates that this memorandum was handed to Chargé Hanč by Mr. Hickerson on the morning of September 28.

Gottwald seemed impressed. He assured me that his desire and that of his Govt is to maintain the most friendly relations with the US. I gained the impression that as a result of our talk he will take action and make an earnest effort to improve the atmosphere. As evidence of his determination he telephoned the Minister of Information<sup>19</sup> in my presence and directed him to issue instructions immediately to the entire press including Slovak press to discontinue any articles "hostile to our American friends" and to report to him any breaches of the instruction for disciplinary action. He also telephoned the Foreign Office in my presence directing that a list be submitted to him immediately of all American property that has been seized or nationalized.

Gottwald's instructions to the press will afford us an opportunity to observe the extent to which as leader of the Communist Party in Zecho he exercises control over the Communist press.

Sent Dept 1745, repeated Paris for the Secretary 186.

STEINHARDT

711.60F/10-1146 : Telegram

*The Ambassador in Czechoslovakia (Steinhardt) to the Secretary of State*

SECRET

PRAHA, October 11, 1946—7 p. m.

[Received 9:40 p. m.]

1774. Masaryk requested me to call to see him this morning. He said subject of Czechoslovak-American relations had been discussed since my talk with Gottwald at two long sessions of cabinet. He stated frankly that Czechoslovak Government, including Communist Ministers, are seriously concerned at "changed attitude" of American Government towards Czechoslovakia and are determined to remove causes therefor without delay or equivocation. He then said that he is leaving for New York tomorrow to attend sessions of General Assembly of United Nations and that during his absence Fierlinger will be in charge of Foreign Office. He told me that Gottwald had stated categorically at meeting of Cabinet that there "must" be a "prompt settlement" of American claims arising out of illegally seized and nationalized properties and a discontinuance of newspaper articles offensive to US. Gottwald had informed cabinet that he had given strict orders that objectionable newspaper articles were to cease and that he was taking it upon himself to see that his orders are carried out. Masaryk added that somewhat to his surprise Fierlinger had supported Gottwald's insistence that causes of American dissatisfaction must be removed. Lausman, who is encountering serious difficulties

<sup>19</sup> Vaclav Kopecky.

in implementing nationalization program, had expressed his agreement with the course proposed by Prime Minister. Kopecky had gleefully observed that he had had no difficulty in resolving motion picture impasse by resorting to direct negotiations with Ambassador.

Inasmuch as little, if any, preparatory work with respect to American claims has been undertaken by executive departments of Czechoslovak Government, committee was designated by Cabinet with instructions to classify and study American claims and report back to cabinet in 3 weeks that it is prepared to negotiate with Embassy for a final settlement. Committee is to deal with cases of illegal seizure as well as with cases of nationalization. Gottwald informed Cabinet that should legislation be necessary to meet American claims the necessary legislation would be enacted.

For Department's information press attacks on US have ceased. In this connection Masaryk informed me that following Gottwald's order to press through Ministry of Information (my 1745, October 7), he had called conference of 52 leading editors and had told them that attacks on US by some of newspapers had done a great disservice to Czechoslovakia.

It is obvious that action taken by Secretary in suspending surplus property credit and loan negotiations has restored respect of Czechoslovak Government for US which had been dissipated over period of 6 months notwithstanding objections of Embassy by policy of large gifts, credits and prospective loans with little in return other than lip service (my 1685, September 17<sup>80</sup>).

In view of the fact that press campaign has been discontinued and that I anticipate that before end of the year we will have had complete satisfaction insofar as concerns American properties which have been illegally seized and an agreement for compensation of American nationalized properties and that at that time it may become desirable to extend an Exim Bank loan to Czechoslovakia, I deem it desirable that funds at present reserved by Exim Bank for this purpose continue to be earmarked for Czechoslovakia.

Sent Department as 1774, repeated to Paris for the Secretary as 192.

STEINHARDT

860F.24/10-1246

*The British Foreign Secretary (Bevin) to the Secretary of State*

TOP SECRET

PARIS, 12 October, 1946.

DEAR JAMES: You may remember that on the 25th September we discussed the question of the sale of Royal Air Force aircraft and

<sup>80</sup> Not printed; in it Ambassador Steinhardt reviewed his earlier 1946 telegrams with respect to United States policy on credits and loans to Czechoslovakia (860F.51/9-1746).

equipment to Czechoslovakia and that I left with you a note<sup>81</sup> on the subject which you kindly undertook to study.

The question, as you will recall, is whether certain lease-lend items may be included in an agreement which we were on the point of signing with the Czechoslovak Government for the sale to the Czechs of Royal Air Force aircraft and equipment. A great deal of the aircraft and equipment, notably three squadrons of Spitfires which flew with the Royal Air Force during the war, has been in Czechoslovakia for some time, though naturally without the lease-lend components. If only for this reason it would be difficult and indeed highly embarrassing for us to call off the agreement now nor would it be satisfactory, for various technical reasons, to conclude the agreement leaving out the few lease-lend items.

Indeed, if the agreement were not concluded in its present form, I think that the only result might well be that the Czechs would obtain their aeroplanes from the U.S.S.R. I feel sure that you will agree that this would not be to our advantage. The Czechoslovak Air Force at present looks westward and not east for guidance and advice and thus maintains many important contacts with western countries. It is our policy to preserve this connexion, though we have made sure that security requirements would not be infringed by the sale of this equipment.

When we discussed this question before, you mentioned that rumours had reached you that the Czechs might resell some of the R.A.F. aircraft to the Roumanians. We have asked our Embassy in Prague about this and, after going into the matter carefully and incidentally discussing it with the United States Ambassador there, they report that they have not been able to discover any foundation for these rumours. I really do not think there is any question of that happening in this case.

Our Embassy in Washington have also discussed the problem at some length with the State Department. You may already have heard about this.<sup>82</sup> In the light of all this I still think there are definite advantages for all concerned in our concluding the agreement and I greatly hope that you will see your way to approve, as an exceptional measure, the inclusion of the lease-lend items in our agreement with the Czechs.

May I ask you to be good enough to let me have a very early reply?

Yours sincerely,

ERNEST BEVIN

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<sup>81</sup> Not found in Department files.

<sup>82</sup> A British Embassy *aide-mémoire* of October 4, 1946, to the Department of State, explained the nature and purpose of the proposed sale of aircraft to Czechoslovakia in much the same terms as this letter from Foreign Secretary Bevin (860F.248/10-446).

711.60F/10-1446 : Telegram

*The Secretary of State to the Ambassador in Czechoslovakia  
(Steinhardt)*<sup>83</sup>

SECRET

PARIS, October 14, 1946—noon.

[Received October 15—12:33 p. m.]

5153. For the Ambassador from the Secretary. I am gratified to learn that the Czechoslovak Government is apparently beginning to realize that its policy of hostility toward the United States, of ignoring our just claims and of persistent press attacks may be productive of results as far as American economic assistance is concerned which are not in the interest of Czechoslovakia. You must bear in mind, however, that up to the very end of this conference Czechoslovakia has consistently opposed the United States and votes invariably with the Slav bloc on every important issue. We certainly could not expect any delegation to agree with us on all matters but when they disagree with us on every vote on every treaty it confirms the unfriendly attitude hitherto expressed in the press. I should wish to see much more substantial evidence of Czechoslovak independence and friendship toward the United States before resuming any form of economic assistance which some members of its delegation here profess to believe may lead to Czechoslovakia's "economic enslavement".

Because of your statements, we will withdraw the objection we made to the British selling some planes which have lend-lease parts to Czechoslovakia. The planes were negotiated before Britain knew of our new policy and we will withdraw objection.<sup>84</sup>

Sent Praha as 132; and to London as 725.

[BYRNES]

711.60F/10-2546 : Telegram

*The Ambassador in Czechoslovakia (Steinhardt) to the Secretary  
of State*

SECRET

PRAHA, October 25, 1946—11 a. m.

[Received 6:45 p. m.]

1822. For the Secretary from Ambassador. Your 132, October 14 from Paris. Our action in suspending credits and loans to Czechoslovakia having highly salutary effect. Suspension of loan negotia-

<sup>83</sup>This telegram was repeated to the Department as No. 5153; received October 15 at 12:33 p. m.

<sup>84</sup>Telegram 1266, October 17, 1946, to Praha (repeated to London as 7240), reported that the British Embassy had been informed on October 16 that the Secretary of State had authorized withdrawal of objection to the British sale of lend-lease aircraft parts to Czechoslovakia (711.60F/10-1446).



tions for reasons given in press has brought widespread public criticism of Czechoslovak delegation in Paris. Pro-Western members of Government are privately jubilant. Their opposition to Communist domination of Government stiffened noticeably. There is now general recognition among responsible Czech and Slovak Communist leaders that they have unnecessarily offended US.

The effect on Communist members of Government has been one of gloom, rather than irritation. They have sent Masaryk to US, in hope that he can soon talk you into relaxing ban while Communist-dominated Government in Praha shrewdly calculates minimum cost thereof. Should Masaryk fail to accomplish his purpose, Government has already decided eventually to take whatever steps may be necessary to remove our grievances. While preliminary measures are being taken to give consideration to our claims for American property that has been nationalized I doubt they will be implemented until outcome of Masaryk's effort is known.

In view of foregoing, I entirely agree with you that we should require more substantial evidence of Czechoslovak independence and friendship toward the US before any form of economic assistance is resumed.<sup>85</sup>

STEINHARDT

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860F.51/11-746 : Telegram

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

TOP SECRET

LONDON, November 7, 1946—noon.  
[Received November 7—8: 47 a. m.]

9336. Mytel 9261, November 5 and 89 to Praha.<sup>86</sup> FonOff official charged Czech Affairs states that when Attlee received Clementis latter immediately introduced question British credits to Czecho and afterwards sought to explain Czech position on US loan declaring "Czech Govt was convinced US action was solely on grounds of Czech attitude at Paris Conference" to which Attlee responded that he was

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<sup>85</sup> In telegram 1830, October 29, from Praha, Ambassador Steinhardt reported having been informed by a Czechoslovak Foreign Ministry official that Czechoslovak authorities estimated American claims for nationalized properties to have the value of \$2,340,000. Steinhardt concluded that "it would appear that Czechoslovak Government has in mind starting negotiations for compensation for American nationalized properties as soon as possible in hope that Export-Import Bank loan will thereupon be forthcoming but has no present intention of offering more than nominal amounts in settlement of claims." Steinhardt concluded that he was opposed to the resumption of loan negotiations until the matter of American nationalized properties had been satisfactorily settled. (860F.5034/10-2946)

<sup>86</sup> Not printed; it reported that Clementis, who was stopping 3 days in London en route to the United Nations meeting in New York, had paid a widely publicized call on Prime Minister Attlee (860F.51/11-546).

aware that "Secretary Byrnes and others were displeased with the action of Czechs at Paris" and concluded interview by counselling Clementis "upon his arrival in US to take steps at once to come to an understanding with US authorities."

Official added interview was very satisfactory from FonOff viewpoint, that Clementis in attitude and approach is typical of Soviet stooges in satellite Govts, and that he is being sent to UN meeting to "keep Masaryk in line."

Repeated Praha 91.

GALLMAN

860F.24/10-2946 : Telegram

*The Acting Secretary of State to the Ambassador in Czechoslovakia  
(Steinhardt)*

TOP SECRET

WASHINGTON, November 7, 1946—7 p. m.

1343. Urtel 1831 Oct 29.<sup>87</sup> Following sent London re proposed 10 million dollar UK credit Zecho for purchase surplus war material:

"In accordance suggestion made by Inverchapel in conversation with me, interested representatives Britemb and Dept held broad exchange views Nov 6 on economic policies two countries in Eastern Europe after which broad exchange group surveyed US and UK plans economic assistance for individual countries, including proposed UK agreement with Zecho for extension 10 million dollar surplus war material credit. (Reurtels 9083 Oct 25<sup>88</sup> and 9261 Nov. 5.<sup>88a</sup>) On latter point Dept took position that it would leave matter entirely Brit decision. Dept pointed out that at time suspension negotiations for 50 million dollar Eximbank credit it took no action concerning Zecho 20 million dollar cotton loan and 2 million dollar tobacco loan on grounds that these were firmly committed. Agreed it would be advisable co-ordinate US and UK programs economic assistance in Eastern Europe and henceforth there would be periodic consultation between appropriate officers Dept and Britemb. Britemb intends cable full account this discussion which FonOff will communicate Embassy."<sup>89</sup>

For your info in this connection, Secretary outlined Dept's general policy on US economic assistance in Europe (Delsec 986 Sep 24<sup>90</sup>) as follows:

<sup>87</sup> Not printed.

<sup>88</sup> Not printed; it reported that the understanding between the United Kingdom and Czechoslovakia relative to a £2,500,000 credit for delivery to Czechoslovakia of surplus British war stores had only been reached on a technical level. The agreement had not yet been considered on a political level, and a British Foreign Office official had suggested that American views regarding the extension of credits to Czechoslovakia might be helpful to the British in this consideration. (860F.51/10-2546)

<sup>88a</sup> See footnote 86, p. 234.

<sup>89</sup> The quoted message was sent to London as telegram 7601, November 7 (860F.51/11-746).

<sup>90</sup> For the complete text of telegram 4787, Delsec 986, September 24, from the Secretary of State in Paris, see vol. VII, p. 223.

"I feel that you should have a full realization with the Dept of the importance of world developments in recent months and their effect upon such earlier plans as may have been under consideration with regard to economic assistance in different forms to various countries in Europe and the Near East. It was natural that consideration of such assistance should some months ago have been determined largely on the basis of need, capacity to repay, and general attitude of the recipient country towards our important aims and methods of expanding world trade. The situation has so hardened that the time has now come, I am convinced, in the light of the attitude of the Soviet Govt and the neighboring states which it dominates in varying degrees, when the implementation of our general policies requires the closest coordination. In a word we must help our friends in every way and refrain from assisting those who either through helplessness or for other reasons are opposing the principles for which we stand. . . . The world is watching the support or lack thereof which we furnish our friends at this critical time and the future policies of many countries will be determined by their estimate of the seriousness or lack thereof with which the US upholds its principles and supports those of like mind."

ACHESON

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[On November 14, 1946, identical notes were exchanged between Czechoslovak Ambassador Slavik and Acting Secretary of State Acheson, embodying an agreement between the United States and Czechoslovakia on commercial policy, compensation for nationalized properties, and related matters. For text of the notes, see TIAS 1569; 7 UNTS 119; or 61 Stat. (pt. 3) 2431.]

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711.60F/10-1146: Telegram

*The Acting Secretary of State to the Ambassador in Czechoslovakia (Steinhardt)*

SECRET

WASHINGTON, November 27, 1946—1 p. m.

1420. Urtel 1774, Oct. 11. Re recommendation \$50 million Eximbank funds reconstruction credit should continue ear-marked for Zecho. Dept requested Bank suspend "until further notice" all negotiations with representatives Zecho Govt for credits. While NAC Jan 29 approved consideration by Eximbank credit Zecho and Board Directors Bank decided May 8 representatives Zecho Govt be informed Bank prepared extend credit when and if negotiations between US and Zecho on collateral issues successfully concluded, loan has not been formally authorized on records Bank.

Under these circumstances funds are now informally earmarked for Zecho and will continue held pending final action by Bank Board but with funds decreasing to low level, Dept cannot guarantee that

funds for Zecho loan will not be committed elsewhere for more urgent and important applications. Policy re further economic assistance Zecho moreover continues governed by considerations pointed out in Delsec 986 Sept 24 as quoted Deptel 1343 Nov 7.

ACHESON

860F.51/11-2946 : Telegram

*The Ambassador in Czechoslovakia (Steinhardt) to the Secretary of State*

SECRET

PRAHA, November 29, 1946—5 p. m.

[Received 7:23 p. m.]

1944. I have learned from reliable source that intensive steps are being taken at considerable cost to Czechoslovak Govt and notwithstanding anticipated budgetary deficit of 25 billion crowns for coming year to integrate Czechoslovakia within the military plans of Soviet Union. Banska Bystrica appears to have been selected as advance joint headquarters of Czechoslovak and Soviet armies.

As reported in my 1876 November 8,<sup>91</sup> air fields in Slovakia are being enlarged to provide for largest type of modern aircraft, which Czechoslovaks do not possess. New underground cables and telephone wires are being installed from Czechoslovak-Soviet frontier to Banska Bystrica. Radio stations at Zvolen and Banska Bystrica are undergoing alterations which when complete will double their capacity. Plans for new air field at Bratislava will make this field larger than international Ruzyn field in Prague. Work on underground factory near Obesovce in eastern Slovakia is continuing. According to my informant plans for complete integration of Czechoslovakia within Soviet military orbit are to be completed not later than 1949.

STEINHARDT

860F.5034/12-346

*Memorandum of Conversation, by the Chief of the Division of Central European Affairs (Riddleberger)*

SECRET

[WASHINGTON,] December 3, 1946.

The Czechoslovak Foreign Minister called by appointment upon Mr. Acheson this afternoon. The conversation was for the most part general in character, in which Mr. Masaryk explained the position of Czechoslovakia vis-à-vis the Soviet Union. As there was nothing particularly new in this part of the conversation it is not recorded here.

With respect to compensation for property of American citizens nationalized in Czechoslovakia, Mr. Masaryk said that he planned

<sup>91</sup> Not printed.

to give this matter his immediate attention and promised that machinery would shortly be set up in Praha to deal with this type of claim. In response to a question, he said that this machinery would handle claims arising out of nationalization for all countries.

With respect to compensation for United States owners he said that approximately \$30,000,000 would be involved and that Czechoslovakia could easily arrange to pay this amount once its foreign trade was revived. He said that he was toying with the idea of ten-year, dollar bonds, which would perhaps be paid off at the rate of roughly \$3,000,000 per year. The Czech dollar balances were low at present but presumably would rise as international trade revived.

With respect to the suspension of the loan negotiations, Mr. Masaryk said that he was not going to raise that question at this time. He recognized that Czechoslovak-American relations had been considerably disturbed by recent events but thought it better to let the whole question of loans be quiescent for the time being.<sup>92</sup> He was glad to note that press attacks in both countries had considerably diminished and expressed the opinion that the Czech press had behaved with great restraint.

The Foreign Minister said he hoped to see the President on a subsequent visit but quite realized how difficult it was for the President to receive him at this time.

JAMES W. RIDDLEBERGER

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860F.00/12-2346 : Telegram

*The Ambassador in Czechoslovakia (Steinhardt) to the Secretary of State*

SECRET

PRAHA, December 23, 1946—9 a. m.

[Received 8:10 p. m.]

2008. President Beneš asked me to call to see him this afternoon (December 20) for what he described as general talk. He first referred to personalities in Government. He excoriated Fierlinger and said that very few people were aware of fact that he had refused to sign decree appointing him Acting Foreign Minister during absence of Masaryk and Clementis. He had told Gottwald that should similar

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<sup>92</sup> Foreign Minister Masaryk together with Ambassador Slavik met with Francis T. Williamson of the Division of Central European Affairs. In the course of the conversation, Masaryk said essentially the same things he repeated to Acting Secretary Acheson later in the day. Williamson's memorandum of conversation does, however, record the following additional remarks by Masaryk. "He [Masaryk] pointed out the need for assistance, and stressed that unless that assistance were forthcoming the reconstruction of Czechoslovakia would be seriously affected. He hoped that Czechoslovak-American relations would improve to such an extent in the near future that he could re-open the entire question of American credits. He stated, however, that he did not believe it would be opportune to raise this question at the present time . . . ." (711.60F/12-346)

situation present itself in future he would insist on Gottwald assuming post of Acting Minister Foreign Affairs so that Heidrich would be in direct charge of Ministry—to which Gottwald had agreed. He described Fierlinger as “superficial, unreliable, tricky and ignorant”. I did not dissent. President said Fierlinger had become so disliked in all quarters that as soon as Social Democratic Party felt itself strong enough he hoped it would choose new leader. He then characterized Kopecky as “uncouth, garrulous, uneducated and totally devoid of good manners” but expressed doubt that Gottwald would take action in near future to replace him. As to Nejedly he said he was “troublesome old man for whose antics and speeches only excuse is his senility”. He described Duris as “young, inexperienced and dangerous demagogue” and said he wished Parliamentary pressure would become so strong as to oblige Gottwald to remove him. As to some of other Ministers including several of Communists he said they had grown measurably in stature during past year and with another year’s experience they should make valuable public servants. Among Communists whom he praised were Clementis, Nosek and Dolansky, saying that they were all good patriots and he was amused at extent to which they had gone “bourgeois”.

In discussing Ministry of National Defense Beneš remarked he had recently undertaken “major fight” to purge Ministry of so-called OBZ (secret police). He said this organization sponsored and heavily staffed by Soviet NKVD which had engaged in spying, intimidation, denunciation and unlawful arrests was menace to country and as Minister Svoboda lacked willingness or courage to clean house he had personally undertaken task and results would be apparent within three or four months.

President then referred to suspension of loan negotiations observing that public announcement had come to him as great shock. He deplored publicity given suspension saying it was first time in history of relations between the two countries that such difficulties as existed had been given wide publicity. On other hand he conceded that in many respects suspension had had salutary effect and it had materially strengthened his hand and those of moderates in government in dealing with Communist extremists. He said he had urged upon Gottwald immediate removal of all our grievances and Gottwald had assured him this was his policy. He said he had repeatedly cautioned radical members of government that press and radio attacks on United States and further procrastination in dealing with our claims might precipitate unpleasant consequences and that to this extent his predictions had been borne out although he would have preferred an opportunity prior to suspension to set matters right. He then said

he quite understood Secretary's irritation with voting record of Czech delegate ihoaris [*in Paris?*] remarking that if Secretary had had to deal with Soviet Government as representative of small contiguous country he would appreciate necessity of doing voluntarily what Soviet Government was in position to coerce in absence of voluntary action. He added Czechoslovakia had been so dependent on good will of Soviet Union until comparatively recently that to have voted against Soviet Union on any occasion that Poland and Yugoslavia voted with Soviet Union would have been to invite serious reprisals and to have aroused suspicions which could not have been allayed for long period of time to come. Under circumstances Masaryk had deemed it preferable to vote with Soviet Union on almost every occasion that Poland and Yugoslavia had done so, convinced that United States was not harmed thereby whereas Czechoslovakia might benefit. He pointed out that as result of Czechoslovakia's voting record Soviets had scrupulously refrained from interfering in Czechoslovakia's internal affairs and that in consequence moderates were making steady progress in leading country back to democratic ways. He argued that Czechoslovakia's return in near future to its pre-war standards of democracy made possible by non-interference by Soviets would in long run be of greater benefit to United States than meaningless votes at international conferences which changed no decisions.

President expressed hope that in coming negotiations concerning Germany consideration would be given by American Govt to Zechos claim to border rectifications. He was frank in saying Soviets had already intimated they would not support Zechos claims and was disposed to attribute their position to fact that they were having so many difficulties in Poland that they were not desirous of adding thereto. He is convinced however that if US and British support Czech position satisfactory compromise can be worked out to which Soviets would not seriously object. He argued that as US had supported Hungary, an Axis power, against Zecho one of its Allies, that to support Zecho against Poland and Germany would be no more than just. He said his govt was only too anxious to come to an agreement with Hungary by direct negotiation but Hungarians had become most *intransigent* since they had received support and encouragement from American Govt and that as it was obvious that their entire course was merely smoke screen to enlarge Hungary ultimately at expense of Zecho he was not hopeful an agreement could be reached by direct negotiation. He said that under no circumstances would Zecho play into hands of Hungary by again granting special rights and privileges to minorities and anyone who insisted that Zecho grant such rights was deliberately shutting his eyes to disaster to which this policy had led in past as

evidenced by Vienna award in 1938. He castigated those who do not bear responsibility of governing a country and keeping peace but who nevertheless actively support granting special rights and privileges to an ethnic minority whose loyalty should be to country and flag of which they are citizens and not to foreign power. He pictured disastrous consequences to country like US if each ethnic minority were granted special rights and privileges.<sup>88</sup>

As to general conditions in Zecho Beneš was optimistic that present rate of progress will continue. He said he was satisfied with food conditions and progress being made in fields of foreign trade and finance. As to industry he remarked that some of nationalized enterprises were doing quite well while others were doing very badly and that he had recently urged on Gottwald purge of managers who had already demonstrated their incompetence and whose appointment had been primarily political. He said that Gottwald had expressed himself as entirely in accord with imperative necessity of eliminating incompetent managers and subject would be thoroughly aired in near future both in Parliament and at meeting of Cabinet. As to our claims for nationalized and confiscated properties President said that on two separate occasions he had pointed out to Gottwald desirability of satisfying our claims as soon as possible and that Gottwald had assured him this would be done. Parenthetically Beneš remarked that Fierlinger was utterly incompetent to deal with foreign claims as he was lacking in any knowledge of economics or finance. He expressed doubt that we would make much progress until matter is taken out of Fierlinger's hands and placed in hands of Niederle whose appointment as "plenipotentiary" will probably be announced in course of next few days.

In conclusion President expressed hope that general impression of coolness in relations between our two countries resulting from public announcement of suspension of loan negotiations would soon be dissipated and that as result of sincere efforts his govt is making and will continue to make to remove all of our grievances normal extremely close and friendly relations between two countries would be restored.

STEINHARDT

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<sup>88</sup> For additional documentation regarding the interest of the United States in the dispute between Hungary and Czechoslovakia over the exchange of populations, see pp. 361 ff.



## FINLAND

### EXTENSION OF AN EXPORT-IMPORT BANK CREDIT TO FINLAND<sup>1</sup>

860d.51/1-1446 : Telegram

*The Secretary of State to the Chargé in Finland (Hulley)*

SECRET      US URGENT  
NIACT

WASHINGTON, January 28, 1946—7 p. m.

15. Deptel 218 Dec 12,<sup>2</sup> urtel 40, Jan 14.<sup>3</sup> Ex-Im Bank has approved 35 million dollar credit to Finland.<sup>4</sup>

Dept has weighed considerations mentioned in your 768, Dec 14,<sup>5</sup> but in view of indefinite duration of trials<sup>5</sup> and of uncertainty as to atmosphere which will prevail at their conclusion, does not feel that delay in announcement of credit is advisable.

You are instructed to inform Finnish authorities of Ex-Im Bank action. In doing so, you should carefully emphasize that the credit has no political implications but has been granted entirely on the basis economic considerations, and within the framework of our policy which you have repeatedly stressed to Finns that we do not propose to contribute directly or indirectly to reparations payment by Finland; that the purpose of the credit is to facilitate the resumption of US-Finnish trade within the foreseeable area of such trade; that in this connection account has been taken of Finnish reparations and other export commitments affecting the volume of Finnish exports available for US markets, transportation difficulties, and other factors which will limit the amount of US-Finnish trade during the coming months.

Eximbank announcing to press for immediate release.

BYRNES

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<sup>1</sup> For previous documentation on United States negotiations with Finland concerning this credit, see *Foreign Relations*, 1945, vol. iv, pp. 633 ff.

<sup>2</sup> *Foreign Relations*, 1945, vol. iv, p. 659.

<sup>3</sup> Not printed.

<sup>4</sup> The Board of Directors of the Bank approved the credit to Finland on January 16, 1946, and the agreement was signed on February 1 establishing this line of credit to finance the acquisition of United States products and services.

<sup>5</sup> The Finnish War Criminals Trial.

860d.51/8-946 : Telegram

*The Minister in Finland (Hamilton) to the Secretary of State*

CONFIDENTIAL

HELSINKI, August 9, 1946—9 a. m.

[Received 12:45 p. m.]

560. Graesbeck, head Finnish Financial Mission to USA last autumn and Matti Virkkunen, director Commercial Section FonOff called on me August 8. They said they came to advise me in person of their forthcoming visit to USA to give general outline Finland's present financial position and to bespeak my support. Finnish Govt has decided to send them to Washington to investigate possibilities obtaining further credits preferably from Ex-Im Bank but if not available there from private banks. Finnish Govt feels it must have additional credits this year. They said Ex-Im Bank was aware through Finnish Legation in Washington they are coming. Whole matter has been handled essentially by Finnish Legation and Ex-Im Bank had indicated it had some questions and could not indicate readiness to negotiate new credit but would of course, talk with them.<sup>6</sup> Finnish Govt realizes that Ex-Im Bank has many applications before it and that Bank's funds are limited. Because of this and Finland's urgent needs Finnish Govt feels it necessary to send experts who have most recent information on current economic and financial conditions here and are thus in better position than Finnish Legation to put Finland's case to and answer inquiries of American authorities.

I wondered whether Finland was doing all it could to increase its sales to USA. I think this aspect should be borne down on.

I told them I thought it would be a mistake for them to go to USA with too optimistic a feeling. Ex-Im Bank had many demands on it. Its funds were limited and they should not have unduly rosy expectations. They said they realized difficulties but petitioners were always optimistic. They plan to leave Helsinki August 14 and to travel by air from Stockholm to America stopping about 5 days in London, arriving Washington about August 25.

During their call I asked about proposed Ex-Im Bank credit to General Motors for sale trucks to Finland (urtel 163, August 1<sup>7</sup>). Virkkunen said Finnish Govt hoped obtain Ex-Im Bank credit to cover 25 percent cash down payment to be made by Finnish Govt. He said this proposition had arisen last October when Finland greatly needed trucks. Now due to purchases from Britain from US Army surplus

<sup>6</sup> Beginning in June 1946, the Finns expressed their wish to send a delegation to the United States to negotiate for an additional credit. The Export-Import Bank desired to clarify its view of the Finnish situation before discussing further credits for 1946, and the Department of State indicated its belief that further credit would be very doubtful because of the Bank's limited funds.

<sup>7</sup> Not printed.

stocks and elsewhere need was not as great and transaction had become principally General Motors' proposal. Naturally Finland needed all trucks it could get but if amount of funds available for extension credit to Finland was limited General Motors' proposition would not have as high priority as number of other items. They suggested General Motors proposition be held in abeyance until their arrival Washington.

On basis Virkkunen's statements trucks do not at present have top priority and I therefore could not recommend favorable action General Motors' proposition.

USA naturally desires as I told Graesbeck and Virkkunen, to see trade reestablished and expanded between USA and Finland and that Finland get back on healthy economic basis as soon as possible. Of course USA is not going to pay reparations. I feel that credits that our govt may be in position to extend to Finland should go as far as feasible to aid in purchasing high priority items most needed to aid Finland's economy. Exactly what those items are both as to Finland's need and USA's ability to supply are matters for Finnish and American experts. I therefore recommend that whole matter of extending further credits to Finland, including General Motors' proposal under consideration, be held in abeyance until Graesbeck and Virkkunen arrive and that whole credit situation be then canvassed.

HAMILTON

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860d.51/8-946 : Telegram

*The Acting Secretary of State to the Minister in Finland (Hamilton)*

CONFIDENTIAL

WASHINGTON, August 12, 1946—7 p. m.

U.S. URGENT

177. Urtel 560 Aug. 9. Further credit Eximbank out of question at this time. Visit of Mission to US most undesirable and should be indefinitely postponed. Dept and Eximbank fear reference to private bank financing merely pretext to open discussions with Eximbank. Bank not informed about proposed visit and is not prepared to negotiate.

ACHESON

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860d.51/8-1446 : Telegram

*The Minister in Finland (Hamilton) to the Secretary of State*

CONFIDENTIAL

HELSINKI, August 14, 1946—4 p. m.

[Received August 14—1 : 22 p. m.]

579. Yesterday afternoon shortly after receipt urtel 177, August 12, Hulley called on Virkkunen Foreign Office and communicated substance thereof. This morning I saw Associate Foreign Minister

Svento and went over same ground with him. When he raised question of Graesbeck proceeding now to USA in private capacity to look after his private business I strongly advised against it. Have now received assurances from Svento that Finnish financial mission will not be sent to USA at this time and also that Graesbeck will not proceed at this time even in private capacity. Foreign Minister<sup>8</sup> expressed hope that misunderstanding which had occurred would not affect adversely US goodwill toward Finland and I expressed personal view it would not.

As indicating importance Finnish Govt attaches to matter, it was taken up yesterday afternoon with Cabinet members now here and with President<sup>9</sup> and Foreign Minister took it up again with President this morning.

Virkkunen and Graesbeck left for Sweden today. Virkkunen will proceed London on other business and Graesbeck probably will go to Paris.

HAMILTON

860d.51/9-2746: Telegram

*The Minister in Finland (Hamilton) to the Secretary of State*

CONFIDENTIAL

HELSINKI, September 27, 1946—3 p. m.

[Received 4:06 p. m.]

709. At his request, I called on President Paasikivi September 25. He said that as President and banker of 20 years experience, he wanted to talk with me about Finland's financial position and need of credits. Graesbeck, head financial mission to USA last year, brought back impression he could return this autumn to discuss additional credit. Consequently, it was surprise when Legation told them in August Graesbeck's visit and further discussion with Export Import Bank at this time not regarded favorably by American Government. President asked reasons for American Government's attitude. I commented that Graesbeck's impression was evidently misunderstanding. I told President my advices in August were as stated urtel 177, August 12. While I had no precise statement of reasons, I knew in general that Export Import remaining resources very limited or perhaps already earmarked and as to credits in 1947, my Government thought International Bank was agency which should normally be approached.

President said that according their best computations, Finland very much needed additional credit to carry it through 1947. There was no use to talk about further credit for this year as time was too short.

<sup>8</sup> Carl J. H. Enckell.

<sup>9</sup> Juho K. Paasikivi.

Two years had passed since armistice and they, with 1947, would be Finland's hardest years. During this period, Finland needed to import annually 170 million dollars in goods at prewar valuations. After 1947, Finland would not need foreign credits but would have sufficient export to pay not only reparations but also needed imports. Finland had been greatly helped by initial American credit and by credits from Sweden. American credits had assisted in stabilizing currency and general economic situation. Sweden was a small country. It had already extended large assistance. It could not help much more. USA and Sweden were only possible sources of help.

President stressed and repeated number of times that Finland had gotten through 2 of 3 worst years and had one-third of way left to go, namely 1947.

He said Finland needs credit during 1947 to continue rebuilding Finland's industrial apparatus. As result of war, Finland had lost 40% electrical power stations. New stations were being built to restore electric power capacity. Transportation and industry in general needed credits for imports. Remainder of this cable will be sent separately in a few days.<sup>10</sup> Agriculture also needed to be restored and this would take another 4 years. Other factor making present most difficult period was need to relocate 460,000 Karelian evacuees.

HAMILTON

860d.51/9-3046 : Telegram

*The Minister in Finland (Hamilton) to the Secretary of State*

CONFIDENTIAL

HELSINKI, September 30, 1946—4 p. m.

[Received 9 : 29 p. m.]

713. This is continuation my 709, September 27. I commented that Finnish original estimate of 135,000,000 exports had risen now to 200,000,000 and asked whether this did not indicate less need for credit. President replied their imports had increased and indicated additional credits needed to obtain more imports to bring production above present 65 percent.

President said existing American credits and any further credits were not for use to pay reparations. They were for reconstruction Finland's economic apparatus so Finland could again be self supporting.

President emphasized Finland wanted to borrow only what it greatly needed and would repay whatever it got. Finnish people had not lost their strength.

Finland had not asked for credits from Soviet Union, as had Poland and, perhaps, other countries. It had made some commodity

<sup>10</sup> *Infra.*

exchange arrangements. (Next sentence should be regarded as Secret.) It was not Finland's policy to ask for assistance from Soviet Union.

As to International Bank, President said Finland would wish in due course to become member. Finland would probably have to have peace treaty first and would also have to subscribe capital and conform with other regulations. This would take time, and it would probably be 1948 before it could be done.

I mentioned that desire of American Government to see reestablishment of trade facilitated and interest of American people in Finland had been evidenced during especially critical postwar period by substantial credits and relief which I enumerated. All these forms of assistance could not continue indefinitely. Some were emergency. It was desirable to get back to normal arrangements. I had no information other than that which I received in August already communicated to Finnish Government regarding my Government's attitude toward any further credit to Finland. I would, of course, report what President had said and communicate to him my Government's reaction.

Paasikivi with marked earnestness again asked that careful consideration be given to Finland need for credits in 1947. Discussions regarding it would take time, and he would like to have them started in near future and have Graesbeck go USA for that purpose. Exactly how credits would be arranged was technical question. Credits needed for Finland were small compared with some countries. Finland would repay and wanted additional credit to make itself free.

He said no publicity would be given my call.

President had pile of statistical papers before him but talked only in general terms. Am sure Finnish Government would gladly supply any data our government might desire.

I should appreciate receiving reaction Department and Exim Bank and indication what reply Department desires I make to President Paasikivi. Any background factors including reaction of Exim Bank to data already presented by Finns would be helpful.

HAMILTON

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860d.51/9-3046 : Telegram

*The Acting Secretary of State to the Minister in Finland (Hamilton)*

CONFIDENTIAL

WASHINGTON, October 9, 1946—7 p. m.

262. Urtel 709, Sep 30 [27] and 713, Sep 30. Dept keenly aware Finland's need of credit. In July Eximbank asked Finnleg to present info on Finn situation (mytel July 9<sup>11</sup>) before deciding to receive Finn special delegation for discussion further 1946 credit. Bank felt data presented by Finnleg did not demonstrate sufficient need for

<sup>11</sup> Telegram 126, not printed.

further 1946 credit to justify discussion with special delegation. Bank indicated Finnleg info was not complete and Bank conclusion not final. If Finns wished to present further data, Bank would review it. Finnleg planned provide more info (mytel 166, Aug 2<sup>12</sup>). Then urtel 560, Aug 9 recd and mytel 177, Aug 12, sent to head off delegation to US.

Situation now is Eximbank always willing to examine critically and sympathetically any info re credit needs Finn Govt may present. In this spirit Graesbeck was told Dec 1945 Eximbank willing to enter further discussion at some future time if Finn Govt should request consideration additional credit. Eximbank prefers rec such info from Leg rather than special mission, to avoid any implication of commitment and possible disappointment and embarrassment to Finn Govt. Dept concurring.

When Finnleg asked if Bank would discuss 1947 credit requirements Bank replied (July 2) unless situation changed materially, this was function of International Bank. Now unlikely that Finland could become member of International Bank to obtain 1947 credit. In light of this situation Eximbank would be willing to review 1947 credit, if Dept consents.

So long as uncertainty re reparations exists, Dept most reluctant have Eximbank consider any loan application from Finland or discuss such application. Should it appear this uncertainty will continue indefinitely, and if loan needed to avoid economic crises in Finland, Dept will consider recommendation to Eximbank to proceed. Advice from Secdel, Paris,<sup>13</sup> being sought re reparations and Dept will advise you further. Prefer not inform Paasikivi until further advice received from Secdel.

Nobody at Bank or Dept, urtel 714, Sep 30,<sup>14</sup> is responsible for story or knows anything about it. Bank denied, Oct 7, another story that it had refused loan application, adding Finn situation being actively reviewed.

Repeated to Secdel Paris Dept's 5415.

ACHESON

<sup>12</sup> Not printed.

<sup>13</sup> Secretary of State Byrnes, who was head of the American delegation at the Paris Peace Conference which met from July 29 to October 15, 1946.

<sup>14</sup> Not printed. The telegram reported an item from Washington in the Finnish newspaper *Helsingin Sanomat* for September 29, attributed to a representative of the Export-Import Bank, which stated that the Bank was awaiting information from Finland on its need for credit, after which the Bank would decide whether there was any use for Finnish negotiators to come to discuss a new credit. (860d.51/9-3046)

860d.51/11-1846 : Telegram

*The Chargé in Finland (Hulley) to the Secretary of State*

CONFIDENTIAL

HELSINKI, November 18, 1946—5 p. m.

[Received November 18—2: 45 p. m.]

834. Visa issued Graesbeck today to leave tomorrow and sail from Goteborg November 22. I informed Paasikivi orally of Department's 308, November 15.<sup>15</sup> FonMin Enckell was present. Paasikivi expressed gratitude that Finland is not forgotten. He said it had come two-thirds or three-fourths of way through its troubles and needed help during last difficult phase which would be year 1947. He said as banker he knew that a firm needing 100 million credit was not put on sound basis if it received only 60 million. I emphasized that discussions might not result in credit. I understand Finnish Legation will conduct negotiations and may in course of them bring Graesbeck in as expert who has most up to date knowledge of Finnish economic conditions.

HULLEY

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<sup>15</sup> In this telegram the Department stated that in view of decisions at the Conference of Foreign Ministers at New York (November 4 to December 11, 1946) regarding Finnish reparations, it was now prepared to consider credits to Finland, although these discussions might result in no credit (860d.51/11-1246). A Finnish delegation arrived in Washington and held meetings with officers of the Department on December 4 and 12 (memoranda not printed), with regard to Finland's needs for credit in 1947 (860d.51/12-446, 12-1246).



## HUNGARY

### EFFORTS BY THE UNITED STATES TO ASSIST IN THE MAINTENANCE OF DEMOCRATIC GOVERNMENT IN HUNGARY

864.50/1-1146

*Memorandum of Conversation, by the Acting Chief of the Division of  
Southern European Affairs (Reber)*

CONFIDENTIAL

[WASHINGTON,] January 11, 1946.

Participants: Hungarian Minister-designate;<sup>1</sup>

Mr. Reber and Mr. McKisson of the Southern European  
Division.

The Hungarian Minister-designate to the United States called formally today on the Acting Chief of the Southern European Division to bring to the Department's attention several matters which the Hungarian Government considered of immediate and vital importance. The subjects included relief for Hungary, tripartite Allied assistance to Hungary in its present grave economic situation, and the return to Hungary of property, including industrial equipment, removed by the Germans upon their evacuation of Hungarian territory.

The Minister said that he had been pleased to learn, soon after his arrival, that the Central Committee of UNRRA had approved a \$4,000,000 relief program for Hungary.<sup>2</sup> He spoke of the extremely bad food situation in Hungary and its deleterious effects upon the national health and productive capacity. He said that, while the UNRRA program would meet only a small part of existing urgent needs, the psychological effects of such assistance would be considerable and would tend to bolster public morale. The Minister remarked that the current yield of wheat in Hungary was only a fraction of pre-war production and that, in view of the generally poor crop in other wheat-producing countries, it appeared unlikely that UNRRA would have

<sup>1</sup> Szegedy-Maszák presented his letters of credence to President Truman on January 18, 1946.

<sup>2</sup> The Hungarian Government's request for aid from the United Nations Relief and Rehabilitation Administration (UNRRA), which was strongly supported by the United States Government, was authorized by the UNRRA Central Committee on January 8, 1946, and was formally approved on February 4. The UNRRA Mission reached Hungary in April, and supplies began arriving there in May. For an account of UNRRA assistance to Hungary, see George Woodbridge, *UNRRA: The History of the United Nations Relief and Rehabilitation Administration* (New York: Columbia University Press, 1950), vol. II, chap. XIV.

available stocks to alleviate this deficiency. Mr. Reber remarked that the Department was pleased that UNRRA had reached a favorable decision on the extension of relief aid to Hungary, as we were fully aware of that country's critical human needs. He agreed that the prospects of obtaining wheat were unfavorable and pointed out that the lack of transport had further complicated this problem.

The Minister said that the second problem with which his Government was deeply concerned was its failure thus far to obtain ACC<sup>3</sup> action in setting up a tripartite Allied program for the rehabilitation of Hungarian industry, agriculture, and transport which would enable Hungary to meet its reparations, armistice, and other obligations. In this connection, he recalled that early in December the Hungarian Finance Minister (Gordon) had attempted to bring to the attention of the ACC Hungary a copy of a detailed report on the financial and economic situation in Hungary.<sup>4</sup> This report, which requested the appointment of an Allied Commission to survey the problem and prepare a program of rehabilitation was rejected without consideration by the Soviet chairman. Later, however, the ACC directed the Hungarian Government to submit an official statement of Hungary's economic and financial condition, together with the Government's proposals for improving the situation. The Minister expressed the fear that nothing would come of this unless the United States pressed strongly for the formation of a tripartite commission. Mr. Reber assured the Minister that this Government favored the creation by the ACC of a preliminary tripartite commission which would prepare recommendations, that we hoped the ACC would adopt such a proposal, and that the Department would continue to give close attention to the matter.

The Minister next referred to the desire of his Government to secure the return of Hungarian property, including vitally-needed industrial equipment, which was removed by the Nazis to Austria and Germany during their occupation and subsequent withdrawal from Hungary. He said that the Hungarian Communists were endeavoring to make political capital out of the non-recovery of this property and were using the situation to weaken pro-American sentiment in Hungary. He urged that at least Hungarian representatives be allowed

<sup>3</sup> Allied Control Commission (for Hungary).

<sup>4</sup> A copy of Finance Minister Ferenc Gordon's report on the financial and economic situation in Hungary, dated December 3, 1945, had been given informally to the United States Representative in Hungary and had been transmitted to the Department with despatch 678, December 10, 1945, from Budapest, not printed. The Gordon Report was commented upon in telegram 1028, December 5, 1945, from Budapest, *Foreign Relations*, 1945, vol. iv, p. 917. For text of the concluding paragraphs of the Gordon Report together with commentary on its disposition in the Allied Control Commission for Hungary, see telegram 1907, April 26, 1946, to Paris, *post*, p. 290.

to enter the American zone to investigate the status of such property. Mr. Reber said that we were aware of these various aspects of this problem, which was very complicated, and that the whole matter was currently under consideration.

In closing the conversation, the Minister called attention to the interpretation being placed by various newspapers and commentators upon the results of the recent Moscow Conference of Foreign Ministers<sup>5</sup> as effecting the division of Europe into spheres of Great Power influence. He said that this was a development greatly feared by Hungary, since it was in a position geographically and otherwise where it would be mercilessly ground between the opposing weights of such alignments, and enquired whether there was any basis for these estimates of the situation. Mr. Reber assured the Minister that this Government was strongly opposed to the establishment of any such arrangement, that the results of the Moscow meeting could not correctly be interpreted as a reversal of decisions reached at Potsdam and Yalta<sup>6</sup> but rather as supplementary agreements in essential harmony with those previous decisions. He cautioned the Minister against uncritical acceptance of such press comments and pointed out that statements in the free American press and over the radio should not be confused with official declarations by this Government or assumed to reflect the official views or position of the United States on various questions.

The Minister also called on Mr. Barbour<sup>7</sup> of the Southern European Division. The only new subject covered concerned the Hungarian Government's desire to establish a consulate in New York, where there is a large Hungarian population. The Minister indicated that the establishment of such an office in New York would greatly simplify the Legation's tasks in this country and facilitate the discharge of consular functions. A consular officer is to be attached to the Legation here for the present.

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<sup>5</sup> The Tripartite Conference of Foreign Ministers, held at Moscow, December 16-26, 1945. For documentation on this Conference, see *Foreign Relations, 1945*, vol. II, pp. 560 ff.

<sup>6</sup> The records of the conference between President Roosevelt, Prime Minister Churchill, and Marshal Stalin and their advisers at Yalta, February 4-11, 1945, are printed in *Foreign Relations, The Conferences at Malta and Yalta, 1945*. The records of the conference between President Truman, Prime Minister Churchill (later Prime Minister Attlee), and Generalissimo Stalin and their advisers at Berlin, July 17-August 2, 1945, are printed in *Foreign Relations, The Conference of Berlin (The Potsdam Conference), 1945*, 2 vols.

<sup>7</sup> Walworth Barbour, Assistant Chief of the Division of Southern European Affairs.

740.00119 Control (Hungary)/1-1946: Telegram

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

SECRET

Moscow, January 19, 1946—3 p. m.

[Received 3:37 p. m.]

183. Redeptel 2411, November 28.<sup>8</sup> Following letter dated January 17 received from Dekanozov:<sup>9</sup>

“As regards Ambassador Harriman’s letter of December 6, 1945 concerning entry into Hungary, Rumania and Bulgaria of members of US Military and Civilian Missions in these countries,<sup>10</sup> I am able to state following:

“According to information received from Soviet representatives ACC’s concerned, there have been no instances in which US officials who were members of staffs of US military and civilian representatives in Rumania, Bulgaria and Hungary have been denied entry into given country of appointment.

“With regard to cases cited in Mr. Harriman’s letter, following is known to Peoples Commissariat:

“Request for permission to enter Hungary for three officers of American Army and two civilian officials, coming to Budapest for purposes of carrying on negotiations about clearance of Danube, was not granted because Soviet occupation authorities had themselves already organized clearance of Danube on territory of Hungary, and accordingly no necessity was perceived for conducting special negotiations with these persons or for receiving their advice.

“Arrival in Hungary of Lieutenant Cdr [*Commander*] Reitzel and his group appeared superfluous for reason that question of supplying members of American Mission in Hungary, which was purpose of his journey to Budapest, was satisfactorily solved in Hungary itself. Furthermore, American Mission is being additionally supplied by provisions delivered by airplanes from abroad.

“Similarly there was no foundation for entry of Lieutenant Colonel Willcox, who intended to carry on negotiations with Hungarian Government on fuel questions, because American Mission on ACC in Hungary could itself carry on such negotiations through appropriate Soviet representatives on ACC.

“It follows from above that few cases cited in Mr. Harriman’s letter of negative decisions on question of entry into Budapest of several American officials concerned only those among them who are not members of military or civilian missions in Hungary. Together with this, it cannot but be admitted that numerous cases of applications by American representatives on ACC in these countries to Chairmen and Deputy Chairmen of ACC for permission for entry of considerable

<sup>8</sup> *Foreign Relations*, 1945, vol. iv, p. 913.

<sup>9</sup> Vladimir Georgyevich Dekanozov, Assistant People’s Commissar for Foreign Affairs of the Soviet Union.

<sup>10</sup> Ambassador Harriman’s letter of December 6, 1945, was delivered in pursuance of the instructions in telegram 2411, November 28, to Moscow.

number of American Military and civilian persons have received positive treatment and were decided upon favorably.”

As Department will note Dekanozov's reply begs the question but before replying we would appreciate receiving comments of Department and Missions in countries involved. Department please repeat to Vienna, Budapest, Sofia and Bucharest.<sup>11</sup>

HARRIMAN

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740.00119 Control (Hungary)/2-246: Telegram

*The Minister in Hungary (Schoenfeld)*<sup>12</sup> to the Secretary of State

SECRET

BUDAPEST, February 2, 1946—noon.

PRIORITY

[Received February 3—4: 15 p. m.]

235. Reference Department's telegram 96 of January 26.<sup>13</sup> While specific instances of Soviet refusal to clear official personnel for entry into Hungary have been few, Russian section ACC has regularly delayed action on clearance requests for days or weeks.

Soviets claim subparagraph G of paragraph 6 in Soviet directive of August 14, 1945 permits 7 days lag in handling clearances and assert American acceptance of this directive at Potsdam legalizes dilatory tactics.<sup>14</sup>

Resulting effective interference in accomplishment of assigned tasks of American Government officials has been specifically demonstrated this week in forced immobilization here of Francis Deak, Civil Air Attaché at Budapest and 7 other posts. (Reference Legation's telegram 192, January 29<sup>15</sup>) Deak was held 8 days by clearance lag despite urgent official assignments in Belgrade and Bern.

Clearance for Deak entry was originally requested January 4 and refused without comment January 11. Application was resubmitted January 14 and approved January 22. Total delay of 19 days in

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<sup>11</sup>Text of this telegram was repeated by the Department on January 26 to Budapest, Sofia, and Bucharest, as telegrams 96, 24, and 56, respectively (740-00119 Control (Hungary)/1-1946).

<sup>12</sup>H. F. Arthur Schoenfeld presented his credentials as Minister to Hungary on January 26, 1946. Effective as of that date, the office at Budapest was changed from a United States Mission to a Legation.

<sup>13</sup>See footnote 11, above.

<sup>14</sup>A Soviet draft statute for the Allied Control Commission for Hungary was transmitted to the United States Representative on the ACC on August 14, 1945; see *Foreign Relations*, 1945, vol. iv, p. 845. According to section XII (XI) of the Protocol of the Proceedings of the Berlin Conference, August 2, 1945, the American, British, and Soviet Governments agreed that the procedures of the Allied Control Commissions for Rumania, Bulgaria, and Hungary should be revised, and they accepted, as a basis, the Soviet Government's proposals for Hungary; see *Foreign Relations*, The Conference of Berlin (The Potsdam Conference) 1945, vol. II, p. 1494.

<sup>15</sup>Not printed.

handling entrance clearance seriously handicapped Deak in completing assignments here and elsewhere.

Immediately following arrival clearance for Deak's departure January 25 to permit his urgent consultation with Patterson<sup>16</sup> at Belgrade was requested. Despite efforts of Key's<sup>17</sup> staff action on exit permit was delayed until February 1.

Since delay in clearing Deak and similar incidents enumerated below have prejudiced accomplishment of assigned duties of this Legation I asked Key on January 30 to bring situation personally to attention of Voroshilov<sup>18</sup> and to hand him *aide-mémoire* containing following points:

1. Failure to clear Deak promptly represents unacceptable interference in activities of this Legation.

2. Handling of this and other cases demonstrates present clearance procedure impedes work of American Government officials and agencies in Hungary.

3. Our Government has not accepted and is not prepared to accept principle that size and composition of staff or free movement thereof are subject to control of veto by ACC.

4. American Government holds as matter of principle that all members of staff of Legation are entitled to full freedom of movement on official missions into, out of and within Hungary.

5. Legation is prepared to meet legitimate needs of ACC for information regarding movement of persons into and out of Hungary during present abnormal conditions and is agreeable to installation of practical procedure to this and which does not subject movement of Legation personnel to undue delay and inconvenience.

6. Legation accordingly recommends procedure be established under which all persons listed with ACC as permanent members of staff be cleared for entry into or exit from Hungary upon simple notification of date and place of entry or exit to ACC. Requests for entry or exit of other American officials shall be submitted individually to ACC and shall be handled with minimum delay not exceeding 24 hours.

Key replied January 31 suggesting unwillingness to submit clearance procedure to Voroshilov for reconsideration at this time and stressing that failure of American Government to follow up our non-acceptance of Soviet statutes for second period ACC and to insist on his proposal for statutes has made reconsideration except at government level impossible.

In view continuing interference of clearance delays in work of Legation and Key's unwillingness to press for improvements orally, I recommend strong pressure in Moscow along lines of procedure outlined above.

<sup>16</sup> Richard C. Patterson, Ambassador in Yugoslavia.

<sup>17</sup> Maj. Gen. William S. Key, Chief of the United States Representation on the Allied Control Commission for Hungary.

<sup>18</sup> Marshal of the Soviet Union Kliment Efremovich Voroshilov, Chairman of the Allied Control Commission for Hungary.

Following examples are considered typical of recent delays in granting clearance to official personnel:

Sent Department; repeated to Moscow as 54.

SCHOENFELD

800.24/2-946: Telegram

*The Minister in Hungary (Schoenfeld) to the Secretary of State*

SECRET

BUDAPEST, February 9, 1946—noon.

PRIORITY

[Received February 10—2:42 p. m.]

273. My 22 December 4 to American Embassy Paris for Virden, repeated Department as 1024.<sup>19</sup> This relates to Department's economic policy toward Hungary with immediate reference to desirability of extending credit to Hungarian Government for procurement of surplus army property.

Department is aware that the Communist minority in Hungary which is pressing for Soviet Hungarian economic collaboration continues to make effective use of argument that Western Powers including America are disinterested in this country's welfare and that therefore Hungary's survival depends only on Soviet good will. Those resisting exclusive Soviet orientation of Hungarian economy cannot effectively refute Communist allegations as long as alleged American policy of aloofness continues, despite fact that numerically they represent vast majority of population. In my view, success of continued Soviet efforts to gain monopolistic control of Hungarian economy will depend in part on degree of interest shown by US in Hungarian economy during immediate future.

American policies to participate in rehabilitation of Hungary only in cooperation with other powers and to provide assistance only if USSR gives assurance that such assistance will not be offset by increasing Russian removals from Hungary, should in my opinion be reexamined since they enable USSR to exclude US from Hungary by declining to cooperate in rehabilitation or provide required guarantees. Despite several assurances, ACC's request for report on Hungarian economic situation, for example, was never forwarded to Hungarian Government (my 94, January 17, 1946 repeated to London as 26 and Moscow as 19<sup>20</sup>).

I recognize that eventually US and Soviet will probably reach

<sup>19</sup> Not printed; it stated that Hungary had been left virtually without transportation by the German occupation and urgently needed motor transport. It recalled that Secretary Byrnes had advised that surplus military trucks and equipment be made available to Hungary on credit and asked what credit terms could be made available for the procurement by Hungary of 1000 surplus military trucks (800.24/12-445). John C. Virden was Central Field Commissioner for Europe, Office of the Foreign Liquidation Commissioner.

<sup>20</sup> Not printed.

agreement regarding southeastern Europe but fear that by that time horse will have been stolen.

In my opinion, American interests require that US take advantage of every opportunity to foster Hungarian cooperation in preventing development of Soviet monopoly in Hungary especially when such encouragement can be given at little cost to US and without compromising American principles. Surplus army stocks currently being disposed in Europe at large financial loss to American taxpayers provide such an opportunity. An announcement at this time that Foreign Liquidation Commission is prepared to discuss with Hungarian Government credit terms for procurement of surplus army properties would unquestionably have important bearing on current Soviet-Hungarian negotiations directed toward creation of Soviet controlled companies in Hungary possessing both express and implied monopolistic privileges in more important industrial fields. (My 267 February 8 repeated Moscow as 65, London 72<sup>21</sup>). Moreover such credit would enable Hungary to procure supplies perhaps more urgently needed here than in any other European country.

Repeated Moscow 66, London 74 and Paris for Virden 30.

SCHOENFELD

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740.00119 EW/2-1246 : Telegram

*The Minister in Hungary (Schoenfeld) to the Secretary of State*

URGENT

BUDAPEST, February 12, 1946.

[Received February 12—8: 10 p. m.]

299. Following is official translation of note dated February 9 from Hungarian Prime Minister<sup>22</sup> addressed to me:

“The Hungarian Government has submitted a plea through the agency of the Allied Control Commission to the Government of the United States asking for the restitution of Hungarian goods taken away by the Germans and the Hungarian Fascist ‘Arrowcross’ Party and being at present in the United States occupied zones.

Your Excellency will allow me to ask in the name of my Government your benevolent cooperation and the immediate support of your [*my*] plea with Your Excellency’s Government.

For Your Excellency, who may have observed for some time already the destruction and misery caused by the war, and the privations and suffering following in their wake, I need not stress the fact that the exertions of the Hungarian Government will remain almost fruitless until we do get back all those goods of primary importance, medical supplies, means of transport, gold, live stock, mechanical installations and other values which were robbed from private persons as well as

<sup>21</sup> Not printed.

<sup>22</sup> Ferenc Nagy.



from public institutions and carried beyond our frontiers. The restitution of these properties would be more urgent even than any help or relief from abroad.

My Government is making superhuman effort in the interest of the Country's reveal [*relief?*] and rehabilitation. The peasant and the working classes together with the intelligentsia, who are almost literally in want of their everyday bread, are sacrificing, so to speak, their last strength to ensure the future of the country, but we feel that all our sacrifices are in vain if the Government of the United States does not grant us its help by fulfilling our request.

Expressing my full confidence in the good will of your Government, allow me to beg once more Your Excellency's efficacious support. I remain."

Sent Dept; repeated to London as No. 82; to Moscow as No. 74; to Vienna as No. 45.

SCHOENFELD

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[In telegram 415, February 28, 1946, from Budapest, Schoenfeld reaffirmed his recommendation that positive steps be taken to safeguard Hungarian property in the American zone of occupation in Germany pending a decision as to its ultimate disposition, and further, that some of the Hungarian property, including medical and sanitary supplies, certain transport, and hospital and fire fighting equipment be restored if it would be helpful in facilitating Hungarian rehabilitation. Schoenfeld pointed out, however, that the unconditional return of Hungarian properties might be regarded as an endorsement of Soviet economic policy in Hungary. (740.00119 EW/2-2846)]

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864.50/2-1546 : Telegram

*The Minister in Hungary (Schoenfeld) to the Secretary of State*

SECRET

BUDAPEST, February 15, 1946—4 p. m.

PRIORITY

[Received February 16—9: 12 a. m.]

330. The manifest possibility of engulfment of Hungarian economy in USSR has led me to analyze significance of economic developments as currently reported during the first year of Russian occupation with particular reference to the dangers inherent in the situation.

Hungary's financial deterioration is now proceeding at runaway pace. This week American dollar increased from 800,000 to over 1,800,000 pengö, prices more than doubled and currency circulation passed 2 million millions. State expenditures in February are expected to pass 5 million millions financed almost entirely by new currency.

Time is rapidly and inevitably approaching when Hungarian currency will cease entirely to be acceptable as medium of exchange. All economic activity will then stop except that which can be trans-

acted on barter basis. Most of Hungarian population is agricultural and can survive under barter economy. Balance and particularly that part of urban population which relies on money income will be driven to desperation. In Budapest where most of population depends on money income complete loss of purchasing power of money can readily lead to civil rioting and looting, especially if labor is incited to action. Under these conditions and in absence of adequate Hungarian authority public order could only be restored by army of occupation.

This course of events could probably be avoided even at this late date by prompt rehabilitation measures. Such measures, however, are beyond power of Hungarian authorities and, in my opinion, include at least four essentials (my 945, November 22, 1945<sup>23</sup>):

1. Rescheduling Hungary's foreign obligations, especially reparations, over longer period of years to accord with country's present and prospective production capacity;
2. Reducing and regularizing claims made on country for provisioning army of occupation;
3. Providing foreign assistance in form of transport raw materials and equipment most urgently needed for resumption of production; and
4. Importing sufficient food and medical supplies to provide urban population until next harvest with minimum required for working efficiency.

During past month it has seemed evident that for the present USSR is not prepared to give Hungary assistance along lines indicated above and that apart from delayed consent to UNRRA and other minor relief Soviet policy seeks to prevent such assistance from other sources. Witness history of US offer to cooperate with UK and USSR in Hungarian rehabilitation.

Unwillingness of USSR to facilitate rehabilitation of Hungary at this time and its contribution to country's economic disintegration is palpably part of Soviet strategy of economic penetration of Hungary which has been in process since last summer and is now in full swing. It is evident to all local observers and cannot have escaped the attention of our eastern allies that resistance offered by Hungarians to such penetration varies directly with their morale. When future appears hopeful resistance is at maximum; when morale is low it is at minimum. The feeling of hopelessness in regard to financial situation now expressed so frequently by Hungarian leaders (see, for example, my 301, February 13<sup>23</sup>) is a strong indication that Hungarians will accept Soviet economic proposals currently under negotiation. (My 277, February 11.<sup>23</sup>)

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<sup>23</sup> Not printed.

I anticipate a start of Soviet interest in rehabilitation of Hungary just as soon as USSR's economic penetration program is substantially completed and no sooner. It will then be to Soviet interest to revive Hungarian economy and increase productivity of newly-acquired Soviet assets in Hungary. We may then expect Moscow to support view that Hungarian reconstruction requires foreign capital and that US should provide capital for that purpose. US will then be confronted with choice either of assisting a badly devastated area knowing that such assistance will primarily benefit USSR or of declining to render assistance with knowledge that there is still another area to threaten world peace.

In my view such Soviet strategy can be combated only along two lines: (a) unequivocal US effort to reach the earliest possible US-Soviet understanding re eastern Europe and (b) in anticipation of that eventual understanding giving Hungarians all assistance consistent with American policy and which promises to foster effort of Hungarians themselves to maintain some semblance of political and economic autonomy.

Vast majority of thinking Hungarians are, I believe, convinced that present Soviet penetration is more far-reaching and more likely to endure than recent German penetration and would strive to prevent it. However, people preoccupied with survival and threatened with immediate chaos make ineffective fighters. An economy stripped of food, transport, machines and raw materials finds it difficult to decline the proffer of any phantom assistance, however high its price. To date American attention to this problem has been relatively slight and our economic policy has given little encouragement to those opposed to Soviet penetration. In fact that policy has provided arguments to strengthen case of Hungarian minority which advocates exclusive collaboration with Soviet. (My 273 and 281, February 9.<sup>24</sup>)

It is increasingly evident that USSR through successive and individually tentative steps bids fair to advance steadily in this area and elsewhere in Europe much as Nazi Germany advanced through the late thirties. During 1945 Hungary lay in the front line; it is already becoming a Soviet interior area. It may be expected that in relatively short time Hungary will become an economic colony of USSR from which western trade will be excluded and in which western investments will be totally lost.

Sent Dept as 330; repeated to Moscow as 84; London as 91; Bucharest as 14; Belgrade as 11; Sofia as 5 and Warsaw as No. 2.

SCHOENFELD

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<sup>24</sup> Neither printed.

864.51/2-1546

*Memorandum of Conversation, by Mr. Edward G. Posniak of the  
Division of Investment and Economic Development*

[WASHINGTON,] February 15, 1946.

Participants: Mr. Alexander Szasz, Economic Adviser of the Hun-  
garian Legation  
ED—Mr. Fetter<sup>25</sup>  
ED—Mr. Posniak

Mr. Szasz, Economic Adviser of the Legation of Hungary and member of the Hungarian National Bank, came to discuss with Mr. Fetter the possibilities of U.S. economic assistance to Hungary. Mr. Fetter advised him that it was extremely doubtful whether any Eximbank reconstruction loan could be extended to Hungary under the present circumstances, at least until the reparations question was settled. It was suggested that there might be a possibility of a short-term Eximbank credit to finance U.S. cotton imports to Hungary. Mr. Szasz stated that the U.S.S.R. had agreed to deliver to Hungary 30 million tons of cotton, which took care of the capacity of the Hungarian textile mills. Thus he felt there was probably no room for cotton imports from the U.S.

Mr. Szasz inquired as to the possibility of an Eximbank loan for raw materials other than cotton, in particular hides and wool. Mr. Fetter pointed out that neither commodity was one that the U.S. customarily exported. Furthermore, such a loan would have to be a short-term credit based on the assurance of repayment in dollar exchange through processing and export of the raw materials. Mr. Szasz felt that Hungary at this time could not assure repayment under these circumstances and inquired whether the Eximbank could instead retain title to the products shipped. Mr. Fetter explained that such a procedure was not customary and would be difficult to arrange in view of the legal and other complications involved.

In response to Mr. Fetter's inquiry as to the present economic conditions in Hungary, Mr. Szasz presented a copy of a confidential memorandum which was submitted by the Hungarian Government to the Allied Control Commission in Budapest in December 1945 and which contains a full statement of the present economic situation in Hungary.<sup>26</sup>

Mr. Szasz explained Hungary's current critical condition, especially with regard to food, as arising in part from the presence of a Russian army of occupation of 700,000 men in a country with a population of

<sup>25</sup> Frank W. Fetter, Division of Investment and Economic Development.

<sup>26</sup> Reference here is to the report on the financial and economic situation in Hungary prepared by Hungarian Finance Minister Gordon; see footnote 4, p. 251.

about 8 million. In addition reparations to the U.S.S.R. include agricultural products, although their delivery has been temporarily suspended. Mr. Szasz also mentioned that Hungary's current barter arrangements with Poland, Rumania, and Austria are not functioning satisfactorily due to the scarcity of Hungarian exports and the difficulties of transportation.

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[On February 21, 1946, a note was delivered to the Soviet Government regarding the failure to bring about revisions in the procedures of the Allied Control Commissions for Bulgaria, Hungary, and Rumania. Instructions for the delivery of this note were contained in telegram 295, February 15, 1946, to Moscow, page 74. For text of the Soviet note of March 22, 1946, rejecting the American representations, see telegram 940, March 25, from Moscow, page 89.]

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740.00119 Control (Hungary)/2-2546 : Telegram

*The Minister in Hungary (Schoenfeld) to the Secretary of State*

SECRET

BUDAPEST, February 25, 1946—2 p. m.

PRIORITY

[Received February 26—9:52 a. m.]

386. In comment on Deptel 172 of February 15<sup>27</sup> transmitting note for delivery to Soviet Government on ACC procedures in Bulgaria, Rumania and Hungary, Key has stressed importance he attaches to following:

1. Key feels Potsdam agreement on ACC procedure was limited to understanding that statutes would be revised under Soviet proposals as bogus and that statutes for second period unilaterally imposed by USSR do not have legal status.

2. He, accordingly, believes emphasis in note on fulfillment of Potsdam agreement is unsound since there has not in his opinion been effective implementation of that agreement through creation of second period statutes acceptable to American Govt.

3. Key feels American demand should be for effective revision of first period statutes rather than for observance of statutes unilaterally imposed by USSR on basis of Potsdam agreement.

4. In other words, Key believes emphasis should be on creation of new statutes for ACC Hungary granting fully equality to American representation rather than implementation of statutes imposed by USSR on basis of Potsdam agreement which, even if complied with in full, would not materially improve American position.

Key believes any acceptable revision on ACC procedure must provide following:

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<sup>27</sup> Same as telegram 295, February 15, to Moscow, p. 74,

1. Equal representation in fact on ACC for all of agreed signatory governments.
2. Stipulation that no directives be issued to Hungarian Govt or any other official action taken in name of ACC without concurrence of American and British representatives.
3. Full right of entry into, travel in and departure from Hungary without restrictions for all American personnel of ACC, American Legation and other govt agencies.

Sent Moscow, repeated Secretary of State 386, London 10, Sofia 6 and Bucharest 16.

SCHOENFELD

864.51/2-2746 : Telegram

*The Minister in Hungary (Schoenfeld) to the Secretary of State*

SECRET

BUDAPEST, February 27, 1946—11 a. m.

PRIORITY

[Received 2:14 p. m.]

405. ReDeptel 192, February 21.<sup>28</sup> Press and public reaction to 10 million dollar US loan has been enthusiastic but political effect has in measure been tempered by Communist whispering campaign minimizing importance.

Focal point in Communist-inspired rumors is that Hungary was forced to renounce all interest in Hungarian displaced property in Austria and Germany in exchange for loan. Whispers add that money was only to be spent for worn-out American military equipment and that exchange of Hungarian national assets in Austria for outdated American trucks is bad bargain.

Notwithstanding this campaign, predominant opinion remains that loan marks renewed American interest in Hungarian affairs. Average Hungarian is inclined to assume American loan will be followed by stronger political backing since "Americans would certainly not lend money to a country and then permit it to go Communist".

Press has devoted much space to story and its comment, confined largely to non-Communist press, has been jubilant. *Vilag*<sup>29</sup> noted effect of loan in combating inflation while other papers pointed out loan exceeds three times total value in dollars of Hungarian note circulation. Certain papers have recorded belief loan points to understanding between US and USSR as to Hungarian future while all

<sup>28</sup> Not printed; it stated that a decision had been made to grant Hungary a credit of \$10 million payable over 30 years at 2% percent interest, for the purchase of surplus property (800.24/12-445).

<sup>29</sup> Newspaper of the Citizens' Democratic Party.

note that financial assistance must mean renewed American interest in economic recovery of Hungary.<sup>30</sup>

SCHOENFELD

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864.51/2-2746 : Telegram

*The Secretary of State to the Minister in Hungary (Schoenfeld)*

SECRET

WASHINGTON, March 2, 1946—1 p. m.

US URGENT

228. Urtels 405 and 414, Feb. 27.<sup>31</sup> Regarding \$10 million line of credit for purchase of surplus property Dept wishes to point out that this is not a "loan" and that it does not represent a commitment by the U. S. that surplus property in that amount can be made available to Hungary. FLC statement simply means that if surplus property wanted by Hungary is available, and detailed agreement on conditions can be reached, FLC will make every effort to place it at Hungary's disposal. Dept has made this clear to Hungarian Minister and in your discretion you may do likewise in such conversations as you may have in this connection.

Dept wishes to avoid situation where initial enthusiasm over surplus arrangement reported urtel 405 will give way to disappointment later because of initial misunderstanding and thus result in damage to American prestige in Hungary. Dept also considers that statement in Prime Minister's personal note to you (urtel 414) that "disclosure of our economic situation will be conducive to an eventual further increase of this loan by US Government" indicates a serious misapprehension as to nature of transaction and prospects for availability of suitable property.

BYRNES

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<sup>30</sup> Telegram 377, February 23, 1946, from Budapest, reported that President Zoltán Tildy, Prime Minister Nagy, and Finance Minister Gordon had expressed their great appreciation to Schoenfeld for the United States surplus property credit (800.24/3-2346). Telegram 414, February 27, from Budapest, reported that Schoenfeld had received a personal note from Prime Minister Nagy on February 26 expressing sincere thanks to the United States for credit (864.51/2-2746).

<sup>31</sup> Latter not printed, but see footnote 30, *supra*.

864.50/3-546

*The Chargé in the Soviet Union (Kennan) to the People's Commissar for Foreign Affairs of the Soviet Union (Molotov)*<sup>32</sup>

Moscow, March 2, 1946.

EXCELLENCY: I have been directed by my Government to communicate the following to you:

It will be recalled that the interest of the United States Government in the future economic stability of Hungary, particularly from the standpoint of enabling that country to make a useful contribution to European recovery in general, was repeatedly emphasized during the tripartite discussions which preceded the presentation of armistice terms to the Hungarian Government in January 1945, and in his letter to you of January 20, 1945, at the time of the signing of the Hungarian Armistice, Ambassador Harriman reserved the right of the United States Government to reopen the question of the execution of the reparation arrangements "if it is found that American interests are being unwarrantably prejudiced."<sup>33</sup> Only a few days later, you will recall, in the Yalta Declaration on Liberated Europe, the statesmen representing the three participating countries at the Yalta Conference agreed "to concert the policies of their three governments in assisting . . . the peoples of the former Axis satellite states of Europe to solve by democratic means their pressing political and economic problems."<sup>34</sup>

In accordance with the above, the United States Government has subsequently pressed for a greater degree of tripartite collaboration with a view to assuring Hungary's economic rehabilitation and en-

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<sup>32</sup> The source text was transmitted to the Department with despatch 2488, March 5, from Moscow, not printed. This text is substantially the same as that proposed by Kennan in telegram 497, February 20, from Moscow (864.60/2-2046). In telegram 356, March 1, to Moscow, the Department concurred in the proposed text, but suggested two additions which were included in the letter presented to Molotov (864.50/2-2046). Telegram 1900, March 1, to London, directed that the British Government be informed of the delivery of the note to the Soviet Government in order that appropriate instructions could be given to the British representative on the Allied Control Commission for Hungary (864.50/2-2046). Telegrams 810, March 14, from Moscow, and 3026, March 15, from London, reported that the British Government was in full agreement with the views of the United States as set forth in this letter from Kennan to Molotov. The British Chargé in Moscow informed the Soviet Government on March 11 accordingly, and the British Political Representative in Budapest was instructed to concert with his Soviet and American colleagues, not later than March 15, to devise an economic program for Hungary to halt the economic disintegration and to rehabilitate Hungary and integrate her economy with the general European picture (864.60/3-1446 and 864.50/3-1546).

<sup>33</sup> For text of Ambassador Harriman's letter of January 20, 1945, to Molotov, see *Foreign Relations*, 1945, vol. iv, p. 800.

<sup>34</sup> For text of the Declaration on Liberated Europe, included as Part V of the Report of the Crimea Conference, February 11, 1945, see *Foreign Relations*, The Conferences at Malta and Yalta, 1945, p. 971.



abling Hungary to contribute to the rehabilitation of liberated countries in Europe. The various suggestions put forward by the United States Government along these lines have met, however, with no favorable response from the Soviet Government or its representatives on the Allied Control Commission in Hungary. Offers on the part of the United States Government to assume greater general responsibility in the Allied Control Commission have also not been favorably received. The United States Government has not even been kept adequately informed by the Soviet authorities concerning the plans and policies of the latter with respect to Hungary's economic future. In these circumstances the United States Government has had very little opportunity to contribute to Hungary's rehabilitation or even to influence the course of economic events in that country.

Meanwhile these events, according to reports received by the United States Government, have taken a course highly detrimental to Hungary's own economic recovery and consequently to European economic stability as a whole. Not only has Hungary, once an important exporter of food products, proved unable since the armistice to make any substantial contribution to the solution of general European economic problems, but the internal economy of the country has deteriorated to a point where there is now imminent danger of complete economic and financial collapse. It is clear that this situation is due in a very considerable degree to the over-burdening of the country with reparations, to requisitions, to the maintenance of very large occupying forces, to the interference of the occupying authorities in economic matters, and to the failure of those authorities to take energetic measures to combat inflation and other undesirable economic tendencies.

The United States cannot remain indifferent to this state of affairs. It has very extensive supply commitments to European countries, both directly and through its part in the United Nations Relief and Rehabilitation Administration. Anything which operates to reduce the contributions which European countries can make to the general rehabilitation of the continent tends to increase demands on the United States for the supply of European countries and is justly a source of concern to the American people. The United States Government, furthermore, does not view it as consistent with purposes of the United Nations that the economy of any defeated enemy country should undergo, while subject to an armistice regime imposed by victor powers, such serious deterioration as to jeopardize the maintenance of even minimum living standards for the people and to render them unable to play a useful part in world recovery. Finally, the people of the United States are genuinely concerned for achievement of "fullest collaboration between all nations in the economic field, with the object

of securing, for all, improved labor standards, economic adjustment, and social security", as set forth in the Atlantic Charter.<sup>35</sup> The United States Government consequently cannot reconcile itself to a situation in which the economic life of any defeated country falls under the exclusive influence of one of the victor powers, to the detriment of the internal economy of that country and of United Nations aims in general.

The United States Government is at present engaged in the promulgation of a broad program of international economic collaboration, designed to lead to the greatest possible freedom of international exchanges for all nations, great and small. It believes that this program will be mutually beneficial to all who participate in it, and wishes to see no nation deprived of these benefits. But it is self-evident that no nation can claim the benefits of broad international collaboration in the economic field unless it is willing to recognize corresponding obligations in its own international dealings: to refrain from seeking special privilege in particular areas and to use its best efforts, in collaboration with those of other countries, for the general promotion of world prosperity. Any other arrangement would be at once unfair to other countries and, in the long run, unfeasible. The United States will necessarily have to be guided by this fact in formulating its economic policies.

In the circumstances the United States Government is obliged to request that instructions be sent at once to Soviet representatives in Hungary to concert with the American and British representatives there not later than March 15 in devising a program which will not only put a stop to the present disintegration in Hungary but will also provide a framework within which the rehabilitation of that country and its early reintegration with the general economy of Europe will be possible.

The British Government is being informed of the request contained in this note.

Please accept [etc.]

GEORGE F. KENNAN

711.6427/3-546 : Telegram

*The Minister in Hungary (Schoenfeld) to the Secretary of State*

SECRET

BUDAPEST, March 5, 1946—11 a. m.

PRIORITY

[Received March 9—11 : 22 p. m.]

455. Prime Minister asked Civil Air Attaché Deak to call morning

<sup>35</sup> Joint statement by President Roosevelt and British Prime Minister Churchill, August 14, 1941; for text, see *Foreign Relations*, 1941, vol. 1, p. 367.

of March 4 for discussion of US request for air rights.<sup>36</sup> Prime Minister stated that as result of my observations on Hungarian reply (mytel 433, March 2<sup>37</sup>) he instructed Foreign Minister<sup>38</sup> to amplify reply indicating Hungarian Govt accedes in principle to our request. He further stated everything is being done to include in Soviet-Hungarian air agreement a provision reserving rights of other nations for equality and non-discriminatory treatment.

Prime Minister stated our proposal greatly helped elements in government opposing long term exclusive concessions to Soviets or any other foreign power, but claimed negotiations with Soviets would have taken different course had a proposal indicating our interest in Hungary from civil aviation point of view been received sooner. He expressed fear that Soviet pressure may force Hungarian Govt's hands in this respect as well as in other agreements with which, according to Prime Minister, Soviet seeks to create favored position for herself by assuring direct or vicarious control over all important phases of Hungarian production.

Prime Minister expressed grave apprehension over apparent lack of US and British interest in Hungary's fate, which he claims makes Hungarian Government's position to resist Soviet pressure extremely weak. In support of Hungarian desire for independence he pointed out that while Rumania accepted collaboration pact promptly, Hungary delayed ratification for 5 months without sign from US or British whether or not Hungary's coordination into Soviet economy is a concern to them.<sup>39</sup>

Prime Minister placed special emphasis on American failure to counteract Communist propaganda here that external Hungarian as-

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<sup>36</sup> Telegram 221, February 1, 1946, from Budapest, reported that a Soviet-Hungarian aviation agreement was about to be concluded and asked whether it would not be appropriate to present to the Hungarian Government a proposal for a bilateral air agreement between the United States and Hungary (711.6427/2-146). Telegram 178, February 19, to Budapest, instructed that a note be delivered to the Hungarian Government requesting interim operational aviation rights (711.6427/2-146). A note to this effect was delivered to the Hungarian Foreign Ministry on February 26. Telegram 431, March 1, from Budapest, transmitted the text of a Hungarian Foreign Ministry note of March 1 which stated that while the Hungarian Government was prepared to give favorable consideration to the American request and would be willing to begin technical discussions, it was not in a position to dispose freely in matters connected with air traffic (711.6427/3-146).

<sup>37</sup> Not printed.

<sup>38</sup> János Gyöngyösi.

<sup>39</sup> An agreement between the Soviet Union and Rumania concerning economic collaboration was signed in Moscow on May 8, 1945, and was ratified on July 16, 1945. The agreement between the Soviet Union and Hungary concerning economic collaboration was signed in Moscow on August 27, 1945; it was ratified by Hungary on December 20, 1945, and by the Soviet Union on December 26, 1945. For descriptions of the Hungarian and Rumanian economic collaboration agreements, see Department of State *Bulletin*, September 1, 1946, pp. 394 and 396, respectively.

sets in Austria will not be returned and will be delivered to Austrians. He implied actual return of assets is of less importance than American denial of current reports that Hungarian property is being released for sale in Austria.

Prime Minister concluded by saying our request for air rights was first indication of affirmative US interest was much appreciated as such and gave him needed support in effort to resist objectionable features of proposed Soviet Hungarian air agreement. He stated that he and most of his cabinet will do everything in their power to render passage of designated US air carrier through Hungary possible. He suggested that if existing airdromes should pass under control of Soviet Hungarian company, as foreseen in draft-annex to proposed agreement, an entirely new airdrome not covered by agreement, could be built according to our specifications to meet US standards.

Careful investigation by Civil Air Attaché revealed that no airport in Hungary would in its present condition be suitable for landing and take-off of 4 engine aircraft, (ReDeptel 178, Feb 19, 6 p. m.<sup>40</sup>), under CAA regulations and no airdrome is adequately equipped with radio and navigation air facilities satisfying our operational safety standards. He will send detailed report on airports.

SCHOENFELD

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661.6431/3-546 : Telegram

*The Secretary of State to the Chargé in the Soviet Union (Kennan)*

SECRET

WASHINGTON, March 5, 1946—8 p. m.

US URGENT

391. In connection with the deterioration of the economies of the satellite states and with particular reference to Dept's request to Soviet Govt that talks be initiated in Budapest on economic situation in Hungary, Dept believes that another effort should be made to obtain from the Soviet Govt the texts of all economic agreements, including supplementary contracts and arrangements, which Soviet Govt or its economic organizations have made with satellite states.

You are requested therefore to address a note to Soviet Govt<sup>41</sup> referring to the several requests already made for this information. You should inform Soviet Govt that it has come to attention of US Govt that special agreements implementing the Soviet-Hungarian agreement on economic collaboration are being concluded between Soviet Govt and its economic organizations and Govt of Hungary. It appears that some of these agreements establish joint Soviet-Hun-

<sup>40</sup> Not printed, but see footnote 36, p. 268.

<sup>41</sup> On March 7, 1946, Kennan addressed a letter to Vyshinsky in the sense of the instructions contained in this telegram.

garian companies in various sectors of Hungarian economy, e.g., the bauxite aluminum industry, navigation, aviation, oil, etc. US Govt of course recognizes that close economic relations generally develop between friendly neighboring countries and anticipates growth of such relations between Soviet Union and Hungary. Concern is occasioned in this instance, however, by reports that these joint companies are being granted monopolistic rights and special privileges not extended to other companies. These developments are difficult to reconcile with Mr. Vyshinski's statement that the agreement on economic collaboration "contains no element of discrimination against third countries".<sup>42</sup> Joint companies with such rights and privileges would exclude the possibility of equal opportunity to participate in economic life and development of Eastern European countries and can be said to discriminate against third countries.

You should also point out that unsuccessful efforts have been made to obtain the text of these agreements by American representatives on the Allied Control Commissions and add that refusal to make such information available is contrary to the understanding which resulted in the establishment of the Allied Control Commissions and the agreements reached at Yalta.

In conclusion, you should state US Govt has noted Soviet Govt's view that these various agreements do not limit commercial opportunities or discriminate against other countries, but in the absence of information regarding the terms of the agreements and their implementation, US Govt is not able to determine whether it could make the same interpretation of the facts. US Govt is therefore obliged to request, as a signatory to the armistice arrangements, that Soviet Govt furnish immediately texts of following agreements, including supplementary contracts and arrangements, to which USSR or its economic organizations are a party:

*Rumania:* Trade and economic collaboration agreements signed Moscow, May 8, 1945.

*Hungary:* Trade and economic collaboration agreements signed Moscow, Aug. 27, 1945.

*Bulgaria:* Trade agreement signed Moscow, March 14, 1945.

BYRNES

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<sup>42</sup> The quotation is from a note of October 31, 1945, from Andrey Yanuaryevich Vyshinsky, Assistant People's Commissar for Foreign Affairs of the Soviet Union, to Ambassador Harriman. The note, which rejected a proposal for tripartite consideration of issues raised by the Soviet-Hungarian economic agreement, is paraphrased in telegram 3735, November 2, 1945, from Moscow, *Foreign Relations*, 1945, vol. iv, p. 901.

864.00/3-646 : Telegram

*The Minister in Hungary (Schoenfeld) to the Secretary of State*

SECRET

BUDAPEST, March 6, 1946—5 p. m.

PRIORITY

[Received 7 p. m.]

464. Mytel 449, March 4.<sup>43</sup> Prime Minister called today. He said Leftist Parties have now served ultimatum on Smallholders that reactionary elements in Smallholders Party must be disavowed and eliminated under threat of withdrawing from Coalition Government. He said demonstrations on large scale are scheduled for tomorrow in Budapest and elsewhere following similar preliminary demonstrations throughout country in recent days in some of which there had been bloodshed. Prime Minister said it is essential to preserve Coalition since only two alternatives would be Smallholders Government which would be paralyzed by strikes in Communications and other vital areas or a Leftist Coalition Government which would be disastrous since it would follow the pattern of political development which led to Bela Kun regime in 1919. Consequently, it is his intention at all costs to preserve the Coalition.

He proposes to do so by making certain concessions to Leftist demands both in political and the economic fields. Politically, he intends to disavow and expel from Smallholders reactionary members of party including certain deputies and to establish a program for purging the Civil Service. On the economic side, he will adhere to joint policy declaration of political parties preceding November election conceding nationalization of coal mines and initiating discussions regarding nationalization of other sub-soil resources. Leftists also demand nationalization of principal plants producing for reparations but in this respect, Prime Minister intends to insist on close

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<sup>43</sup> Not printed. In it Minister Schoenfeld reported that political tension within Hungary had continued to increase. Schoenfeld stated that the Hungarian Communist Party had undoubtedly scheduled a vigorous campaign to increase its power prior to the withdrawal of the Soviet Army and that there was a possibility that the Communists wished to create a state of insecurity in order to make an excuse for a prolongation of the Soviet occupation. Schoenfeld concluded his report as follows: "It appears doubtful, however, that it would be local Communist or Soviet intention to overturn present Coalition Government unless current objectives cannot otherwise be obtained. Shock to world opinion of nullifying November elections undoubtedly argues for restraint at least on part of Soviet power. In fact, stability of Coalition Government is probably more threatened by Right Wing Smallholders who now feel Nagy Government may be forced to sell out country's economy in desire to maintain coalition and to avoid civil strife. Nagy has told us that both he and Tildy feel coalition must be retained at any cost. Right Wing Smallholders do not appear strong or able enough to take the chance of forming own government. While current issues remain unsettled, political tension will of course persist with attendant possibilities of political coups." (864.00/3-446)

government supervision and not to take over these privately owned plants.<sup>44</sup>

Prime Minister says that while his policy in settling imminent crisis may put him in position of seeming to make excessive concessions to extreme Leftist view, his basic policy will remain democratic internally while externally seeking to preserve full confidence of the principal Allies. Forthcoming period of intense crisis, he admits, is due largely to loss of confidence on part of Soviets in sincerity of Smallholders Party and he thinks it is essential through measures now to be taken by Government to recover that confidence. He was anxious to have me understand, however, that he was at least equally interested in preserving confidence of the western world and specifically of the US. He said he believed present internal tension here is reflection to important extent of inter-Allied tension and that when latter diminishes it may be expected that there will be improvements in local situation.

SCHOENFELD

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840.4016/3-946 : Telegram

*The Minister in Hungary (Schoenfeld) to the Secretary of State*<sup>45</sup>

SECRET

BUDAPEST, March 9, 1946—2 p. m.

[Received 4 : 16 p. m.]

486. From information available here it is not altogether certain Soviets would refuse the Hungarians support for rectification Transylvanian frontier as suggested in mytels 350 and 364, February 20.<sup>46</sup> There is reason to believe USSR is dangling the carrot of revision before Hungarians to obtain economic concessions.

It may be that if our feeling that the Transylvanian frontier should be redrawn somewhat in favor of Hungarians became public knowledge, it might have some effect on the short-term political situation in Rumania but apparently this damage has already been done if the King's views expressed to British are based on Rumanian public opinion. (Bucharest's 271, March 6<sup>47</sup> and London's 2495, March 1<sup>48</sup>).

It seems to me we should strive for long range objective of removing as many frontier injustices in Central Europe as possible as occasions

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<sup>44</sup> Telegram 499, March 12, 1946, from Budapest, reported that the Smallholders Party had acceded to Leftist demands in terms described in this paragraph. In addition, the Executive Committee of the Smallholders Party decided to drop from membership 20 "so-called reactionaries" including Dezsö Sulyok and ex-Minister of Finance István Vásáry. (864.00/3-1246)

<sup>45</sup> The Department's reply to this telegram was contained in telegram 315, April 5, to Bucharest, p. 586; also sent to Budapest as telegram 352.

<sup>46</sup> Neither printed.

<sup>47</sup> *Post*, p. 579.

<sup>48</sup> Not printed.

for so doing arise. By throwing problem in lap of UNO, we in effect turn our backs on an unsolved problem, though I can readily understand Berry's<sup>49</sup> point of view under pressure of current events.

In considering what we might gain by advocating or participating in a revision of Transylvanian frontier following points seem to be pertinent: (1) Do we not thereby reinforce our belief in the principle that frontiers are not static and that injustices should be corrected? (2) If minimum Hungarian claims are satisfied do we not remove one more of the reasons why the Balkans have been consistent trouble spot and (3) as a practical present day fact is it not more important for us to consider the effect of a frontier revision on Hungarian internal politics than on Rumanian internal politics inasmuch as Hungary is still a twilight zone in respect to Soviet expansion whereas the shadows falling on Rumania are already of deeper hue.

Sent Dept, repeat to Bucharest as 19, to London as 130 and Moscow as 122.

SCHOENFELD

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864.00/3-646 : Telegram

*The Secretary of State to the Minister in Hungary (Schoenfeld)*

SECRET

WASHINGTON, March 19, 1946—7 p. m.

288. The Dept has noted urtels 464, March 6, 499, March 12<sup>50</sup> and related telegrams reporting that position coalition Govt in Hungary is being rendered increasingly precarious by minority pressure. Reports from your British colleague<sup>51</sup> made available to Dept by British Embassy here are of similar tenor.

While this Govt does not wish to interfere in purely internal political affairs of Hungary it seems to us that attitude of Prime Minister who indicates that coalition must be maintained at all costs is of questionable wisdom from standpoint of Hungarians and that continual concessions to minority group cannot but in end lead to negation of Peoples' mandate given to Prime Minister's majority party in recent free elections.

In circumstances, if views of this Govt are sought in this connection, you may orally inform inquirers in sense of foregoing, at same time emphasizing of course that problem is one for solution by Hungarians and that opinion of this Govt is given merely in effort to be helpful.

Dept understands British propose to issue similar guidance to your

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<sup>49</sup> Burton Y. Berry, United States Representative in Rumania.

<sup>50</sup> Telegram 499, March 12, from Budapest, not printed, but see footnote 44, p. 272.

<sup>51</sup> Alvary Douglas Frederick Gascoigne, British Political Representative in Hungary.



British colleague and that Mr. Bevin <sup>52</sup> contemplates informing Hungarian representative in London in this sense prior to latter's imminent return to Budapest for consultation.

Sent to Budapest; repeated to London and Moscow.<sup>53</sup>

BYRNES

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864.00/3-2946: Telegram

*The Minister in Hungary (Schoenfeld) to the Secretary of State*

SECRET

BUDAPEST, March 29, 1946—2 p. m.

[Received March 30—10:35 p. m.]

607. Balogh,<sup>54</sup> on Mindszenty's <sup>55</sup> initiative, had consultation with Primate March 24 at Esztergom. Balogh told us today he spent vain hour attempting to convince Primate he should take more cooperative line with the Hungarian democracy. Specifically he asked Primate to make statement to press regarding his trip to Rome, suggesting he might also take note of difficulties Hungarian democracy faced while pledging help of Catholic Church. Primate was obdurate and refused to consider any conciliatory measures. Balogh says Primate is doing Catholic Church immense harm since all priests are *prima facie* now being branded reactionaries. He says Primate is stubborn, has small intellect, basically uncultured and surrounds himself with narrow, provincial priests and a few former aristocrat landowners, who are offering him bad advice. For example, he says Primate is convinced Americans will soon use atom bomb to drive Soviets out of Hungary.

Primate requested right to publish newspaper to give Catholics political expression, adding this would make unnecessary further pastoral letters on political subjects. Balogh says Government might give franchise to Barankovics <sup>56</sup> but never to Mindszenty. Barankovics, who is leader of acknowledged Catholic Party in assembly (my telegram 675, October 1 <sup>57</sup>), will also try to influence Primate to cease political attacks against Communists, which according to Balogh, Primate has no intention now of doing. Janossy, who supports Barankovics, is in open break with Primate. Janossy says Cardinal's trip to Rome was not success and that Pope in private audience expressed disapproval Mindszenty's interference in Hungarian politics. (My telegram 5045 December 21 <sup>57</sup>). It is understood, however,

<sup>52</sup> Ernest Bevin, British Secretary of State for Foreign Affairs.

<sup>53</sup> As telegrams 2435 and 499, respectively.

<sup>54</sup> István Balogh, Under Secretary of State to the Hungarian Prime Minister.

<sup>55</sup> Joseph Cardinal Mindszenty, Prince Primate of Hungary, Archbishop of Esztergom.

<sup>56</sup> István Barankovics, Leader of the Hungarian Democratic Peoples Party.

<sup>57</sup> Not printed.

Cardinal brought back substantial amount of American currency with him.

If the coalition could be sure of silencing Mindszenty by giving Catholics political expression through newspaper of Barankovics-Janossy faction, it might withdraw its long standing objections to a Catholic political paper.

Sent Department repeated Rome for Gowen<sup>58</sup> as 31 and London for Dunn<sup>59</sup> as 153.

SCHOENFELD

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864.00/4-346 : Telegram

*The Minister in Hungary (Schoenfeld) to the Secretary of State*

SECRET

BUDAPEST, April 3, 1946—3 p. m.

PRIORITY

[Received April 4—6 a. m.]

631. During Prime Minister's visit yesterday (my telegram 630, April 3<sup>60</sup>) after calling attention to American Government's established policy not to interfere in purely internal political matters, I took occasion in line with Department's telegram 288, March 19, repeated to London as 2435 and Moscow 499, to suggest that continual concessions to minority groups in interests of maintaining the coalition might in the end involve negation of the peoples mandate given in November elections which we recognize were free and untrammled. I added that in face of this danger it was his responsibility to determine when the time had come for the will of the electors to take precedence over expediency of keeping coalition. Prime Minister replied he was ever conscious of that responsibility and added that the signing of peace treaty and withdrawal of occupation forces would in all probability raise question whether coalition is to be maintained and if so in what form. I called his attention to possibility that if events between now and the conclusion of peace proceeded at the pace they had taken since the election he might find himself faced with accomplished fact of Leftist control fastened upon country with no possibility of realizing purposes of the voters. Prime Minister repeated his often voiced conviction that alternative to coalition and specifically to his own Prime Ministership is "anarchy".

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<sup>58</sup> Franklin C. Gowen, Assistant to the Personal Representative of President Truman to Pope Pius XII.

<sup>59</sup> James C. Dunn, Assistant Secretary of State; serving as the Deputy of the Secretary of State at the Council of Foreign Ministers in London.

<sup>60</sup> Not printed; it reported that Prime Minister Nagy had called on Minister Schoenfeld to ask for support of his request for the return of Hungarian displaced property in United Nations territories not covered by the American restitution directive of March 1946 (740.00119 EW/4-346). For the substance of the American directive to Commanders of US zones of occupation in Germany and Austria regarding the restitution of property to Italy, Hungary, Rumania, Finland, and Austria, see the circular telegram of March 16, 1946, vol. v, p. 525.

In Gascoigne's absence I presume British have taken parallel action through Hungarian representative at London since Bede<sup>61</sup> has told us in confidence following his arrival here that in his report to Hungarian Government last week he had described Bevin's attitude towards Hungary as one of surprise that a small minority could control policies of government and that Smallholders who had mandate of people did not exercise mandate. He said he told Prime Minister and Gyongyosi, and later Rakosi<sup>62</sup> and Pushkin,<sup>63</sup> that British could not understand a coalition government in which one minority member exercised effective power and at same time continued to attack other parties in the coalition. The British, he said, deprecated these methods. Rakosi, according to Bede, was particularly venomous against Britain and defended Communist position by stating electoral mandate for Small Holders was negative, 50% of Small Holders being out-and-out reactionaries and therefore to be discounted.

Bede said prior to his return to London today he felt his visit had salutary effect.

Repeated to London as 163 and Moscow as 152.

SCHOENFELD

740.00119 Control (Hungary)/4-1746

*The Chief of the United States Representation on the Allied Control Commission for Hungary (Key) to the Minister in Hungary (Schoenfeld)*<sup>64</sup>

SECRET

BUDAPEST, 9 April, 1946.

MY DEAR MINISTER: I submit the following comments on the note of the Soviet Government dated 25 [22] March 1946, inclosed with your letter of 5 April 1946,<sup>65</sup> concerning the Statutes for the Allied Control Commission for Hungary:<sup>66</sup>

The facts are that the Statutes governing the operation of the Allied Control Commission for Hungary have not been revised since the Potsdam Conference. The Soviet Government's statement that certain questions were considered by the Allied Control Commission with

<sup>61</sup> István Bede, Hungarian Representative in the United Kingdom.

<sup>62</sup> Mátyás Rákosi, Hungarian Deputy Prime Minister and Secretary General of the Hungarian Communist Party.

<sup>63</sup> Georgy Maksimovich Pushkin, Soviet Minister in Hungary.

<sup>64</sup> Copy transmitted to the Department in despatch 1384, April 17, 1946, from Budapest; received May 24, 1946.

<sup>65</sup> For text of the note of March 22, 1946 from Vyshinsky to Kennan regarding the revision of the procedures of the Allied Control Commissions, see telegram 940, March 25, from Moscow, p. 89. Schoenfeld's letter to Key is not printed.

<sup>66</sup> The Statutes of the Allied Control Commission for Hungary are printed in *Foreign Relations*, 1945, vol. IV, p. 802.

the participation of the Representatives of the United States and Great Britain is true, and it is equally true that certain questions have been considered without the participation of these same Representatives.

The record will show that at a formal meeting of the Allied Control Commission for Hungary on 5 June 1945 I stated that, since the First Period of the Armistice was concluded by the cessation of hostilities, the Statutes should be broadened to permit of more active participation by the American and British Representatives during the Second Period. You will recall that contemporaneously with the Armistice Agreement, 20 January 1945, Statutes were agreed upon to govern procedure until the end of hostilities with Germany;<sup>67</sup> that there was no agreement as to procedure to govern the Second Period of the Armistice, namely from the end of hostilities with Germany to the conclusion of peace; and that the British Minister by a specific note directly reserved the right to have the procedure modified for the Second Period of the Armistice; and inferentially both the British and the American Representatives made it clear that new Statutes were to be agreed upon for this Second Period. It was with these considerations in mind that I made my proposals in June 1945.

Specifically, I proposed that (a) United States and Britain should be represented in all sections and divisions of the Commission, (b) United States and British Representatives to have equal status with the Soviet Representative on the Commission, except the latter would continue as Chairman with the United States and British Representatives as Vice Chairmen, and (c) that *all* decisions and orders of the Commission to the Hungarian Government should be concurred in by Representatives of all three Governments prior to their issuance. These proposals were subsequently extended and made the basis of a draft of "Proposed Statutes for ACC for Hungary for Second Period" and submitted to the War Department. They were approved by the War and State Departments and the Joint Chiefs of Staff and copies were furnished to all territorial commanders and Allied Control Commissions in Europe.<sup>68</sup>

On 11 July 1945 the Chairman of the Allied Control Commission wrote me as follows: "The Soviet Government, due to the changes brought about by the cessation of hostilities with Germany, finds it necessary to establish the following order of procedure for the Allied Control Commission for Hungary"; continuing, the letter prescribed

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<sup>67</sup> For text of the Draft of Statutes of the Allied Control Commission in Hungary, proposed by General Key on June 5, 1945, see *Foreign Relations, The Conference of Berlin (The Potsdam Conference)*, vol. I, p. 375.

<sup>68</sup> For text of the Proposed Statutes for the Allied Control Commission for Hungary, recommended by the State-War-Navy Coordinating Committee and approved by the Joint Chiefs of Staff, see *ibid.*, vol. II, p. 705.

a procedure for the Allied Control Commission, being a modification of the first five paragraphs of the original Statutes, and stating "that the remaining paragraphs of the existing Statutes will remain in force in the future."<sup>69</sup> It included one of the recommendations I made at the meeting of 5 June 1945, to wit, that concurrence of the Representatives of the three Governments would be obtained before directives were issued to the Hungarian authorities; however, the letter limited this to important subjects.

After the Potsdam Conference the Chairman wrote me another letter under date of 14 August 1945, as follows: "The Berlin Conference brought a decision about the question concerning the revision of the procedure of the Allied Control Commissions in Rumania, Bulgaria and Hungary, according to which the Statute of ACC for Hungary was accepted as basis for the Allied Control Commissions in those countries. In connection with this I have the honor to submit to you the new Statute of the ACC in Hungary." Inclosed with this letter was a document headed "Statute of the Allied Control Commission for Hungary", comprising nine paragraphs with many subparagraphs, but in substance not differing from the Chairman's letter of 11 July 1945.<sup>70</sup>

At a formal meeting of the Allied Control Commission on 22 August 1945 I proposed a revision of the Statutes for the Allied Control Commission in accordance with the Potsdam Agreement and attempted to present and discuss my proposals which had been approved by Washington. The Chairman refused to discuss any modification of the Soviet directive of 12 August 1945 which he stated had been approved by the Potsdam Conference. I stated that my Government did not accept his proposals as the Statutes for the Second Period. This incident was reported by wire to the War Department on 23 August 1945 and by letter of same date to you.<sup>71</sup> On 5 September 1945 I was furnished an extract from a message from the Embassy at Moscow expressing "the view that efforts to discuss the revision of the ACC Statutes either in Budapest, Bucharest or Sofia or in Moscow would serve no useful purpose."<sup>72</sup> Several messages were sent to Washington inviting attention to the position occupied by us as a result of the arbitrary attitude of the Soviets requiring us to

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<sup>69</sup> For text of Marshal Voroshilov's letter of July 11, 1945, to General Key, see telegram 286, July 13, 1945, from Budapest, *Foreign Relations*, 1945, vol. iv, p. 834.

<sup>70</sup> For text of Marshal Voroshilov's letter of August 14, 1945, to General Key, together with the enclosed draft of Statute of the Allied Control Commission for Hungary, see *ibid.*, p. 844.

<sup>71</sup> For text of General Key's letter of August 23, 1945, to Schoenfeld, see *ibid.*, p. 855.

<sup>72</sup> The quotation is from telegram 3173, September 5, 1945, from Moscow, *ibid.*, p. 862.

operate under their directive. Finally on 30 October 1945 you conveyed to me a message from the Secretary of State, in reply to my Z-857 of 18 October 1945<sup>73</sup> stating in substance that our Government sympathized with my desire to see the activities of the Commission put on a truly tripartite basis but felt that to pursue the matter further at this time would serve no useful purpose and requested that I endeavor to avoid discussion of this question, indicating that the matter would be settled at government levels. Accordingly, I have attended and participated in all meetings without objecting to the actions of the Soviets in prescribing the regulations and procedure for the operation of the Allied Control Commission, but without conceding their propriety.

For obvious reasons I cannot itemize actions taken by the Chairman in the name of the Allied Control Commission, but without either the American or the British Representative having been informed or consulted in any way. Frequently we have no knowledge of such actions until information reaches us through indirect sources, sometimes weeks after the action has been taken.

The primary difficulty here is that we have to operate under a unilateral Soviet directive in lieu of agreed Statutes of the Allied Control Commission covering the Second Period of the Armistice. The matter of clearances is only one aspect of the general problem. It is humiliating to have to petition our allies to permit entrance into Hungary of official diplomatic or military personnel coming here under orders and in the discharge of official duties. I proposed last June that, hostilities having ended, we should have the right to bring in any officials whom the United States Government desired to bring in, on the understanding and subject only to the condition that we should inform the Soviet authorities of their entry and the estimated date of departure. But my views have not prevailed, and I must assume that our authorities at Washington, both military and diplomatic, have satisfactory reasons for their implied acquiescence in the present arrangement imposed by the Soviet Government. In the meantime, if clearance is denied here, we have no alternative except to renew the application at higher levels, unless it is preferred to assume the risk of entry without authorization.

While the issue may be largely academic, in view of the approaching Peace Conference, it is still my opinion that we should press for fulfillment of the tripartite commitment contained in the Potsdam Declaration of last August (Art. XII),<sup>74</sup> that the revision of the procedure

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<sup>73</sup> Telegram Z 857, October 18, 1945, from General Key to the War Department, *ibid.*, p. 893.

<sup>74</sup> *Foreign Relations*, The Conference of Berlin (The Potsdam Conference), 1945, vol. II, p. 1511.

of the Allied Control Commission in Hungary, as well as in Rumania and Bulgaria, would be undertaken. This can be done, in my opinion, only by negotiation between the three governments directly concerned, and it seems to me that such negotiation should be pressed.

Sincerely yours,

WILLIAM S. KEY  
Major General, U.S. Army  
Chief

761.64/4-2046 : Telegram

*The Minister in Hungary (Schoenfeld) to the Secretary of State*

SECRET

BUDAPEST, April 20, 1946—9 p. m.

URGENT

[Received April 22—3:20 p. m.]

742. Mytel 737, April 19.<sup>75</sup> PriMin asked me to call and told me today that during his visit at Moscow he had spent altogether nearly 8 hours on two occasions with Stalin. He had explained to Russians he felt it was necessary to take positive steps to end isolation of Hungary and to establish personal contact with Sov Govt as he hoped to do later with other great powers.

He had first raised question of extension of term for reparations which had been agreed to but details have not yet been worked out. Hungarian proposal contemplates total deliveries for 1945 and 1946 of 33 million dollars of which 18 millions have been already delivered, leaving some 17 millions to be delivered before end of this year with subsequent annual deliveries of approximately 27 million dollars for additional 6 years.

PriMin asked and obtained moratorium on deliveries of finished textiles under trade agreement of last summer. Deliveries now will not be concluded until middle of 1947. Delay was due to fact that Hungarian textile machinery was inadequate to complete processing finished goods this year in payment of cotton received from Sov Union.

PriMin raised question of speeding return of Hungarian POWS which was assented to without stipulation as to final date. In this relation, Stalin inquired as to conduct of occupation troops which PriMin answered by saying it was better.

This led to spontaneous statement by Stalin that occupation forces could be withdrawn gradually leaving only small garrison in Hungary. When I asked PriMin whether this withdrawal was related in point of time to conclusion of peace, he said no date had been set implying

<sup>75</sup> Not printed; it reported that Foreign Minister Gyöngyösi had informed Minister Schoenfeld of the recently concluded visit to Moscow of a delegation headed by Prime Minister Nagy (761.64/4-1946). Gyöngyösi's account of the visit was essentially the same as that given in this telegram by Nagy himself. Significant additions are given in footnotes 77 and 78, p. 282.

that maintenance of Red Army garrison is not considered by Russians to be so related. PriMin brought up matter of very large Sov bill for Red Army services in rehabilitating Hungarian railroads and bridges. This was settled by agreement to balance bill against Hungarian counterclaim for transportation services. Soviets also agreed to return Hungarian rolling stock presumably to facilitate delivery of reparations.

PriMin said he had then raised political issue by indicating Hungarian policy was directed first to cooperation with great powers in establishing durable peace, secondly, to safeguarding development of Hungarian democracy and thirdly to protection of interests of large number of Hungarians outside borders of Hungary. To these ends settlement with Czecho and Rumania was necessary. Referring to Czecho, he had pointed out that desire of Beneš to expel all Hungarians from Czecho meant further impoverishment for Hungary where density of population, as Gyöngyösi has often said to me, is already excessive for agricultural country. Moreover he had argued Hungarians in Slovakia were settled closely packed along border with Hungary. If these Hungarians were deprived of "equal rights" in Czecho and also of minority rights, Hungary should in all justice receive the territory where this dense population has so long been settled. Molotov and Stalin had pointed out this was matter for decision by Allied Powers and made no territorial commitment but agreed Hungarians in Czecho were entitled to equal rights.<sup>76</sup>

On Transylvania question, PriMin said he had pointed out that since more than one million Hungarians in Transylvania lived deep in Rumanian territory, Hungary did not aspire to territory in that particular area. However, there were approximately one-half million Hungarians adjacent to present frontier. Nearly one million Rumanians also live in this adjacent area and Hungary would be willing to incorporate them with full rights subject to determination by the powers whether these Rumanians should be mutually exchanged for about same number Hungarians living in the more remote settled region of Transylvania. Molotov and Stalin heard this Hungarian proposal without raising objection but Stalin mentioned that language of Rumanian armistice re right of Rumania to acquire all of [or] greater part of Transylvania suggested Hungary had basis for claim of some territorial adjustment. Russians however emphasized this was matter

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<sup>76</sup> For additional documentation on the concern of the United States regarding the negotiations between Hungary and Czechoslovakia for the exchange of populations, see pp. 361 ff.



for decision by armistice signatories.<sup>77</sup> PriMin said these statements by Stalin must be considered strictly secret.

PriMin expressed confidence positive results had been achieved during Moscow visit and his strong conviction that he now had free hand to manage his Govt.<sup>78</sup> He had not been called upon for slightest political undertakings. He said it was his hope to establish same relations of confidence with other Allied Powers and perhaps to make similar visits to their capitals as opportunity offered but he felt we would understand it was his first duty to establish personal relations with Soviet leaders.

Sent Dept; repeated to London as No. 194; Paris for Dunn US No. 89 and Moscow as No. 172.

SCHOENFELD

740.00119 Council/4-2246 : Telegram

*The Minister in Hungary (Schoenfeld) to the American Delegation at the Council of Foreign Ministers in Paris*

SECRET

BUDAPEST, April 22, 1946—5 p. m.

URGENT

Received April 23—12:12 p. m.

748. For Dunn. London's 28 April 15 repeated to Dept as 4147 and Deptel 393, April 16, repeated to London as 3253.<sup>79</sup> This is summary of current situation with respect to American economic interests in Hungary.

Notwithstanding explicit and implicit Three Power understanding

<sup>77</sup> Telegram 737, April 19, 1946, from Budapest, reporting on Foreign Minister Gyöngyösi's account of Prime Minister Nagy's visit to Moscow, stated the following on this point: "Stalin had pointed out that the armistice agreement assures Rumania of all or greater part of Transylvania. Consequently no promise was made that USSR would support Hungarian proposal for acquisition of as much as 22,000 square kilometers of western Transylvania." (761.64/4-1946) In telegram 760, April 24, from Budapest, Minister Schoenfeld reported that he had reliable information that at a conference on April 15 in Moscow between Prime Minister Nagy, Foreign Minister Gyöngyösi, and Foreign Minister Molotov, the latter had urged direct negotiations between Hungary and Rumania. Molotov had emphasized that it would not be advisable to submit the Transylvania matter to the Peace Conference without prior discussion between the Hungarian and Rumanian governments. Molotov further stated that the Soviet Union would approve the Hungarian initiative in starting the negotiations. (761.64/4-2446)

<sup>78</sup> Telegram 737, April 19, from Budapest, added the following paragraph relative to Stalin's views on Hungary: "Foreign Minister told me that at dinner given by Stalin, latter disavowed any intention on part of USSR to interfere in domestic affairs of Hungary citing Lenin's principle of self-determination from which USSR would not deviate. In same speech Stalin adverted to unprovoked Hungarian attack on USSR in 1941 but disclaimed any vindictive spirit as shown by fact that USSR had heeded Horthy's appeal for armistice. ForMin said no publicity can be given Stalin's speech." (761.64/4-1946)

<sup>79</sup> Neither printed; they were concerned with the request by the American delegation to the Council of Foreign Ministers for information on the current economic situation in Hungary, Bulgaria, and Rumania and the position of American interests in those countries (740.00119 Council/4-1543).

underlying American acceptance of Hungarian armistice that rights and claims of American nationals would enjoy equal priority with those of other United Nations nationals, American interests have been steadily relegated to subordinate position during past 15 months. Soviet Govt's unilateral exaction of its armistice claims against Hungary and its economic penetration of Hungary are leaving that country without ability to discharge its armistice obligations to US, to return American property in complete good order as it existed before the war and to make adequate, effective and prompt compensation for damage inflicted.

Soviet reparation demands Hungary receive priority over both claims of all other United Nations and over Hungary's own subsistence and rehabilitation requirements. In important instances Hungarian reparations are actually paid in first instance at expense of American nationals. Soviet reparation demands against Germany payable from German assets in Hungary in accord with Potsdam decision<sup>80</sup> receive priority over American claims against Hungary and in some instances are actually exacted in form of American owned property. Hungarians were required and agreed to pay USSR Hungarian pre-armistice debts to German creditors on valorized basis corresponding to dollar-pengö exchange rate at time of signing of armistice without assuring equal treatment for larger claims of American creditors. Also on basis of Potsdam decision Hungarians were compelled to transfer to USSR Hungarian property belonging to American owned German firms.

Soviet armistice claims on Hungary are assessed and collected on basis of unilateral Soviet decision, without reference to other members of ACC and, as in case of implementation of Potsdam decision re German assets in Hungary, without regard to US and UK views and in violation of January 1943 London declaration to which USSR is signatory.<sup>81</sup>

Economic charges imposed on Hungary by USSR in form of reparations, provisioning of occupation follow, looting, requisitioning, economic penetration, interference with internal economic affairs, and restrictions on economic relations with countries outside Soviet sphere constitute burden largely responsible for rapid deterioration of Hungarian economy and for runaway inflation now ravaging country, which render Hungary's payment of its obligations to us virtually impossible in foreseeable future. Hungary has no foreign exchange.

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<sup>80</sup> For the Potsdam decisions regarding reparations from Germany, see *Foreign Relations, The Conference of Berlin (The Potsdam Conference) 1945*, vol. II, pp. 1485 and 1505.

<sup>81</sup> Reference is to the United Nations declaration on looted property, January 5, 1943, Department of State *Bulletin*, January 9, 1943, p. 21.

Pauperization of its economy, armistice obligations to USSR plus trade commitments to Soviet-controlled areas preclude possibility of trade which might result in free foreign exchange.

Restrictions placed on movement of American nationals into and out of Hungary handicap representatives of American enterprise whose presence in Hungary is required for protection of American interests.

As result of exclusive administration of Hungarian Government's economic policy by Moscow-trained Communists, Hungarian Government is adopting measures calculated to injure American interests and to ignore Hungary's obligation to safeguard those interests.

Value of American economic interests in Hungary is following:

Prewar American dollar loans to Hungary total approximately dollars 75 million. American loans denominated in other currencies equal dollars 15 million calculated at prewar exchange rates. Arrears on debt service accumulated as result of partial or total default since 1932 aggregate about dollars 10 million. Total value of American loans including accumulated arrears is approximately dollars 100 million.

American investments in Hungary amount to approximately dollars 100 million. Most important individual investments with approximate values are Standard Oil of New Jersey 58 million, Socony Vacuum 12 million, IGE (International General Electric) 10 million, ITT (International Telephone and Telegraph) 5 million and Kodak 3 million.

Total amount of war damage suffered by American interests is estimated at dollars 35 million and arises from state management of American military properties, damage due to bombardment losses ascribable to fighting, losses due to depreciation of blocked bank accounts and removal of property from Hungary by Germans. In accord with Departmental instructions filing of damage claims with Hungarian Govt has been postponed.

Damages to American property incidental to occupation of Hungary by Soviet forces may exceed \$25,000,000. These arise from looting, requisitions, confiscation of materials and equipment as war booty, and from provisioning and servicing occupation forces. Most important are losses suffered from mismanagement of American oil properties taken into direct Soviet control and from inadequate compensation paid by Hungarian Govt for oil used for supplying Soviet forces, paying reparations and for state controlled bilateral foreign trade. Several representations to Soviet Govt and ACC Hungary for return of control of properties to representatives of American owners have not been successful.

Damage suffered by American owned enterprises whose total capacity is utilized for reparations and who receive compensation only in Hungarian currency with result that material and equipment cannot be obtained abroad and export markets are lost, cannot now be estimated. Representations have been made to ACC and Hungarian Govt to enable one American firm to use part of its production for export but no reply has been received.

Land reform program carried through in Hungary in 1945 involves American owned farm properties valued at approximately \$3,000,000. Hungarian Govt has recognized its obligation to compensate American owners but no claims have been filed on behalf of American interests.

Hungarian Govt's announced intention to nationalize underground resources would affect two small American owned coal mines and important American oil properties. American Govt's view that during armistice Hungarian Govt's right to nationalize property representing United Nations interests is not recognized has been communicated to Hungarian Govt but no reply has been received.

In summary, Soviet domination of Hungary for little more than a year has seriously damaged American economic interests in this country and its continuation will almost certainly destroy remaining American interests. Prerequisites of restoration of American interests in Hungary are: (1) country's economic rehabilitation; (2) termination of Soviet domination of Hungary's governmental policy (3) termination of unilateral Soviet action in phases of armistice directly affecting interests of American nationals.

Sent Paris as 91; repeated to Dept as 748.

SCHOENFELD

864.50/4-2346: Telegram

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

RESTRICTED

Moscow, April 23, 1946—2 p. m.

[Received 8:46 p. m.]

1302. ReEmbs 629 March 3.<sup>82</sup> To Kennan's letter of March 2 addressed to Molotov re economic situation of Hungary Vyshinski replied on April 21. Text in translation follows:

1. The fulfillment by Hungary of its reparations obligations and the presence of occupation troops in Hungary do not and cannot exercise any serious influence on the economic situation of the country. In 1945 Hungary was to have delivered reparations to the Soviet Union to the value of 33.5 million dollars but actually delivered goods to the value of only 10.5 million dollars. Hungary has not yet begun

<sup>82</sup> Not printed; it reported the delivery of letter of March 2 from Kennan to Molotov, p. 265.

reparations deliveries to Yugoslavia and Czechoslovakia although she was supposed to have delivered goods to these countries in 1945 to the value of 17.5 million dollars. All Hungarian deliveries of grain crops for the needs of the Soviet occupation troops do not exceed 3 percent of the total grain output of the country in 1945. These deliveries were made in planned fashion and the Soviet Command in Hungary has neither carried out nor is carrying out any requisitions. There has been no interference by the occupation authorities in Hungary's economic affairs. Therefore, the Soviet Government cannot agree to the statement contained in your letter that the situation which has been created in Hungary was caused in very considerable degree by the overburdening of the country with reparations, requisitions, the maintenance of very large occupational forces and the interference of the occupational authorities in economic affairs since this statement is entirely without foundation.

2. The real reasons for the severe economic and financial situation in Hungary are the expenditures incurred by her in the war against the United Nations and the ravaging of the country by the Germans and former Hungarian rulers.

3. It should be noted that one of the main reasons for the difficult economic situation in Hungary at the present time is the fact that a large quantity of Hungarian property and valuables continues to this day to remain in the American Zone of occupation on the territory of Austria and Southern Germany where this property was shipped by the Salaszy<sup>83</sup> government during the period of the advance of the troops of the Red Army. Practically the entire gold reserve of Hungary, railway rolling stock, the automobile transport, the most valuable plant and factory equipment, pedigreed cattle, horses, and also stocks of raw materials and food are in the territory of Austria and Southern Germany occupied by the American troops. The value of all this property according to preliminary estimates of the Hungarian Government is about 3 billion dollars which exceeds 10 times the total sum of reparations from Hungary, the payment of which as is known was scheduled for 6 years and has now been extended to 8 years.

4. The Soviet Government also cannot agree with the statement that the Government of the US has had very small opportunity to facilitate the reconstruction of Hungary or at any rate exercise influence on the course of economic life in that country. In the opinion of the Soviet Government, the return to Hungary of the Hungarian property mentioned above which is located in the zones of deployment of the American troops in Austria and Germany might exercise a very effective positive influence on the economic condition of Hungary. Nevertheless, the Government of the US has thus far given the Hungarian Government no reply to its repeated communications requesting the return of this property.

5. The Chairman of the Allied Control Commission in Hungary has systematically informed the representatives of the US and Great

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<sup>83</sup> Ferenc Szálasi, Hungarian Premier from October 1944, and subsequently "Leader of the Hungarian Nation" until his flight from Hungary in the spring of 1945.

Britain concerning the course of Hungary's fulfillment of its reparations obligations and also concerning Hungary's economic and financial difficulties.

6. The Chairman of the Control Commission is willing to acquaint himself with such considerations as may be advanced by the representatives of the US and Great Britain concerning Hungary's economic situation. The Soviet Government however cannot accept the proposal of the US Government that the representatives of the Soviet Union, the US and Great Britain in the Control Commission jointly work out a plan for the economic reconstruction of Hungary inasmuch as the working out of such plan falls within the competence of the Hungarian Government.

7. I shall be grateful to you, Mr. Chargé d'Affaires, for bringing the above to the attention of the Government of the USA.

Sent Department 1302, repeated Paris for Secretary <sup>84</sup> 102, London 207A, Budapest 33.

SMITH

864.51/4-2646

*The Special Assistant to the Secretary of State and Foreign Liquidation Commissioner (McCabe) to the Hungarian Minister (Szegedy-Maszák)* <sup>85</sup>

[WASHINGTON,] 24 April 1946.

MY DEAR MR. MINISTER: Representatives of your Government have expressed an interest in the purchase of United States surplus property. I am glad to inform you that the Office of the Foreign Liquidation Commissioner has surplus property available which may be acquired by your Government. The quantities and types of such surplus property, the prices thereof and other terms of sale, including provisions for exchanges of property, are matters for agreement between the Office of the Foreign Liquidation Commissioner, or its Field Commissioners, and the representatives of your Government. For the purposes of any purchases which are made by your Government prior to January 1, 1948 of surplus property made available by the Office of the Foreign Liquidation Commissioner, we would be willing to extend a line of credit to your Government for an aggregate amount not in excess of \$10,000,000, subject to the following conditions and terms of payment:

(1) A sum in United States dollars, equal to the total purchase price of individual sales of such surplus property shall be paid in

<sup>84</sup> The Secretary of State was in Paris from April 23 to May 16 for the meetings of the Council of Foreign Ministers.

<sup>85</sup> In a letter of July 25, 1946, to Minister Szegedy-Maszák, Foreign Liquidation Commissioner McCabe stated that his office would be willing to extend an additional line of credit to the Hungarian Government for an amount not in excess of \$5 million, subject to conditions and terms of payment identical with those in this agreement. The Hungarian Minister approved and signed the credit agreement on August 9, 1946. (864.51/10-2346)

twenty-five (25) equal annual installments beginning on July 1, 1952 and continuing thereafter on July 1 of each year up to and including July 1, 1976, subject to the provisions of paragraphs (4), (5) and (6) of this letter.

(2) Interest shall accrue from the respective dates specified in the individual sales contracts for the taking of delivery by the Government of Hungary, and shall be paid on the outstanding unpaid balance of the total purchase price. The rate of interest shall be two and three-eighths percent ( $2\frac{3}{8}\%$ ) per annum, payable on July 1 of each year, the first payment to be made on July 1, 1947.

(3) Except as otherwise provided herein, all payments of principal and interest shall be made in United States dollars to the Treasurer of the United States, through the Federal Reserve Bank of New York.

(4) (a) In the event the Government of the United States wishes to receive local currency of the Government of Hungary for the payment of any or all expenditures in Hungary of the Government of the United States and its agencies, the Government of the United States may request at any time or times, and the Government of Hungary agrees to furnish at such time or times, Hungarian currency at an exchange rate as provided in sub-paragraph (4) (b), in any amount not in excess of the net outstanding balance of principal (whether or not then due in United States dollars) plus interest (then due in United States dollars) payable under the terms of this letter; provided, however, that except by mutual agreement between the Government of the United States and the Government of Hungary, the Government of the United States shall not be entitled to receive in any single calendar year under the terms of this paragraph (4) and paragraph (6) any local currency or property the combined total value of which is in excess of \$2,000,000. In the event that local currency is received by the Government of the United States under the terms of this paragraph, the United States dollar equivalent of the amount received shall be credited first to past due interest, if any, and then pro rata to all remaining unpaid installments of principal.

(4) (b) The exchange rate shall be that established by the International Monetary Fund, provided that, if no such rate exists, the rate shall be that rate most favorable to the United States which was used in any Hungarian Government transactions with any party during the preceding twelve months period.

(5) The Government of Hungary may anticipate the payment, in United States dollars, of any installment of principal, or any part thereof, provided that this right of anticipation may not be exercised when any installment of principal or interest is past due and unpaid.

(6) When the Government of the United States wishes to acquire any property, real or personal, tangible or intangible, or to improve any property in which it has an interest, at the expense of the Government of Hungary, the Government of the United States will request at any time or times and the Government of Hungary agrees at any such time or times to enter into negotiations with the Government of the United States and to use its best efforts to consummate without any undue delay appropriate contracts by mutual agreement wherein the Government of Hungary will furnish to the Government of the United States the properties or improvements it desires or which its repre-

sentatives have selected. Representatives of the Government of the United States may at their discretion conduct discussions directly with owners of property or with contractors for improvements as to fair terms and price prior to the acquisition of such property or improvements by the Government of Hungary for delivery to the Government of the United States. When performance of any such contract is made by the Government of Hungary, the Government of the United States shall credit the Government of Hungary with the United States dollar equivalent of the fair value received at an exchange rate as provided in subparagraph (4) (b), such credit being applied first to past due interest, if any, and then pro rata to all remaining unpaid installments of principal. The total value of property to be delivered by the Government of Hungary in any calendar year shall be subject to the annual limitation specified in sub-paragraph (4) (a).

(7) If these terms are agreeable to your Government it is requested that you indicate its acceptance thereof by signing and returning to me the enclosed duplicate original of this letter. When this has been done I shall inform my Field Commissioners as to the terms in order that they may be appropriately incorporated or referred to in any contracts for the sale or exchange of surplus property which may be executed between my Field Commissioners and representatives of your Government.

As we have explained in our informal discussions with representatives of your Government, the purpose of this letter is to facilitate our surplus property transactions by arriving at an overall understanding as to a maximum line of credit, credit terms and exchanges of property.

Sincerely yours,

THOMAS B. McCABE

The terms of the foregoing  
letter are hereby accepted.

Aladar Szegedy Maszák

(Date) Washington, 25 April, 1946.

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711.6427/4-2546 : Telegram

*The Minister in Hungary (Schoenfeld) to the Secretary of State*

RESTRICTED

BUDAPEST, April 25, 1946—6 p. m.

[Received April 27—3 : 20 p. m.]

774. I am delivering under today's date the following note to the Ministry for Foreign Affairs of Hungary.<sup>86</sup>

"I have the honor to acknowledge receipt of Your Excellency's note No. 434/POL. 1946 of March 1, 1946 replying to my Govt's request for interim operational aviation rights contained in my note of February 26, 1946 and informing me that, while the Hungarian Govt

<sup>86</sup> Delivery of the note that follows was authorized by the Department in telegrams 320, March 28, and 397, April 17, to Budapest (711.6427/3-346 and 4-246, respectively).



is prepared to give favorable consideration to my Govt's request and would be willing to begin technical discussions, it is not in position, under existing circumstances, to dispose freely in matters connected with air traffic.<sup>87</sup>

The United States Govt is informed that on March 29, 1946 the Hungarian Govt concluded a civil aviation agreement with the Govt of the Union of Soviet Socialist Republics which provides for the establishment of a jointly owned Hungarian Soviet civil air transport company to participate in domestic and international air traffic. The US Govt interprets this action as signifying that, since the despatch of Your Excellency's note under reference, the Hungarian Govt reconsidered its position and concluded that the existence of the armistice regime does not preclude the making of interim commercial agreements between Hungary and the governments represented on the ACC for Hungary. This accords with the views of the US Govt insofar as the conclusion by Hungary of commercial agreements of a non-excessive [*exclusive*] character is concerned.

The US Govt is informed further that on March 29, 1946, the Govts of Hungary and the Soviet Union signed a protocol which grants landing and operational rights on and over Hungarian territory to the civil air fleet of the Soviet Union on a nonreciprocal basis.

In view of the foregoing and in accord with the Hungarian Govt's declaration of adherence to the most-favored-nation provisions of the US Hungarian treaty of friendship commerce and consular rights of June 24, 1925,<sup>88</sup> communicated to my Govt in Your Excellency's note No. 145/RES/BF 1945 of December 20, 1945,<sup>89</sup> my Govt concludes that the Govt of Hungary is prepared to grant similar rights to American aircraft.

I have the honor, on behalf of my Govt, to renew the request for interim operational rights contained in my note of February 26, 1946 and should appreciate the courtesy of a prompt reply."

Repeated Moscow as No. 179, London as 199 and Bern for Deak as 54.

SCHOENFELD

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740.00119 Council/4-1146 : Telegram

*The Acting Secretary of State to the American Delegation at the Council of Foreign Ministers in Paris*

SECRET

WASHINGTON, April 26, 1946—5 p. m.

US URGENT

1907. Following is in reply inquiries contained Delsec 370 Apr 11 <sup>90</sup> re Hungarian and Soviet economic matters:

<sup>87</sup> Neither the American note of February 26 nor the Hungarian reply of March 1 is printed.

<sup>88</sup> *Foreign Relations*, 1925, vol. II, p. 341.

<sup>89</sup> Not printed.

<sup>90</sup> Not printed; it asked for information as to the status of the American proposals on the Hungarian economic situation (740.00119 Council/4-1146).

1. Report on Hungarian economic and financial situation prepared by Finance Minister Gordon under date Dec 3, 1945, concluded with following appeal for tripartite assistance in planning rehabilitation Hungarian economy :

“The only way that we can see out of our serious financial and economic difficulties is a plan of reconstruction, to be carried out with the assistance of the Allied Powers, the objective of which would be to raise production to a substantially higher level than at present, and restore equilibrium in the country’s economic and financial affairs.

Since however we cannot work out a plan of reconstruction until it is known what support we may count upon from the Allied Powers, there is an urgent necessity that the Allied Powers should send a commission which with the cooperation of the Hungarian Government would examine the economic and financial situation of the country and the methods by which assistance could be given. We should expect from the work of the commission a statement of what measures and what foreign assistance is necessary, in the present economic state of the country, with its present burdens and requirements, in order that the country may recover economically and be able to meet the triple obligation arising from reparations, other obligations under the Armistice Agreement and pre-war foreign debts.”

Gordon report, copy of which is included among documents taken by Secretary, was presented to Soviet Rep ACC but he refused to accept or consider it. Subsequently, copies were made available unofficially to US and UK Reps in Budapest. After Soviet rejection report, Finance Minister informed US Mission that it was unlikely PriMin would submit formal request for tripartite aid because of fear such action would offend Soviets. However, Hungarian authorities have repeatedly discussed matter informally with US Mission. Also, Hungarian Minister here has urged that US Govt support consideration such action in ACC, and in Feb Economic Adviser Hungarian Legation furnished Dept additional copy of Gordon report.

2. Latest development re US proposal on Hungarian economic situation is reported in Moscow’s 1302 Apr 23 rptd Paris 102.

3. Info on status Soviet loan proposal has been forwarded in separate telegram.<sup>91</sup>

Sent Paris rptd London and Budapest.

ACHESON

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<sup>91</sup> For documentation regarding the consideration by the United States of granting loans and credits to the Soviet Union, see pp. 818 ff.

740.00119 Control (Hungary)/4-3046: Telegram

*The Minister in Hungary (Schoenfeld) to the Secretary of State*

RESTRICTED

BUDAPEST, April 30, 1946—6 p. m.

US URGENT

[Received May 2—7 a. m.]

808. Moscow's 1302, April 23 to Dept repeated to Paris for Secretary as 102. Comments received from General Key on last two paragraphs of Vyshinski's reply of April 21 to Kennan's letter of March 2 follow.<sup>92</sup>

"The chairman of the ACC has in general terms informed the US representative on the ACC of the fulfillment of reparation obligations but has not informed me of the economic or financial conditions of Hungary.

On 28 December, 1945, at a formal meeting of the ACC, I raised the question as to the plans the Hungarian Govt was making to improve the general economic conditions and requested a prompt report of economic conditions, with a view to having the situation studied by a committee of the ACC. The chairman received the proposal, stating he would ask the Hungarian Govt to furnish the desired information.

No formal meeting of the ACC was held until April 23, 1946, but the question was placed on the agenda of informal special meetings, on 8 January, 1946, 26 January, 1946 and 6 March, 1946,<sup>93</sup> and also on the formal meeting of 23 April, 1946. No satisfactory reply was made to any of these questions on the agenda and at the last meeting we were informed that all of the economic plans had been printed in the newspapers.

As a general comment, I would like to say that the chairman—Soviet—, ACC for Hungary, has not systematically informed the US and British representatives concerning Hungarian economic and financial difficulties."

Repeated Moscow No. 187, and Paris No. 113 for Secretary.

SCHOENFELD

<sup>92</sup> In telegram 810, April 30, 1946, from Budapest, Minister Schoenfeld set forth detailed information recently obtained confidentially from Hungarian officials regarding Soviet exploitation of and interference in the Hungarian economy. Schoenfeld stated that "Vyshinski's reply to Kennan's letter re Hungarian economic situation scarcely contains a single truth. This could be readily demonstrated from information compiled by Hungarian public officials, if they had the courage to make information officially available in face of strict Soviet prohibitions in supplying economic data to representatives of foreign governments." (864.60/4-3046)

<sup>93</sup> Telegram 477, March 7, 1946, from Budapest, reported that at the informal meeting with American and British representatives on March 6, Voroshilov told General Key that in view of the American credit of 10 million dollars to Hungary, the United States could not be seriously concerned about repayment and consequently could not consider the Hungarian economic situation excessively grave. At this meeting, Voroshilov definitely declined to appoint an economic investigative committee of the Allied Control Commission as recommended by the American and British representatives. (864.50/3-746)

864.51/5-246 : Telegram

*The Minister in Hungary (Schoenfeld) to the Secretary of State*

SECRET

BUDAPEST, May 2, 1946—noon.

URGENT

[Received May 3—2:10 p. m.]

818. Paris 1981 April 24, 6 p. m. to Dept, repeated to Moscow as 139.<sup>94</sup> I attach little significance to FonMin Gordon's opinion that granting Ex-Im loan to Hungary would have important local political effect. Local situation has altered since mid February (my 330, February 15 repeated Moscow as 84, London as 91, Bucharest as 114 [14], Belgrade as 11, Sofia as 5 and Warsaw as 2) when limited American economic assistance held promise of contributing appreciably to Hungary's ability to remain economically independent of USSR until Soviet-American understanding re eastern Europe could be reached.

Present day Hungary is virtually Soviet economic colony in hands of Communist minority whose principal objective appears to be collaboration with Russia apart from fact that some of their leading economic functionaries are widely thought to be lining their own pockets. It can no longer be said that those in control of Hungarian Govt are determined to maintain economic autonomy. Supply Minister Bárányos is almost only exception in resisting Soviet penetration and is politically ineffective. Gordon himself places momentary expediency and personal safety above other considerations. Prime Minister Nagy's frequent expression of devotion to Soviet Hungarian collaboration during past few weeks noticeably since his return from Moscow cannot be explained by Soviet pressure alone, but suggests that he also has deemed expedient at least tactical surrender to Rusophile elements which surround him (mytel 486, March 9<sup>95</sup>).

Military occupation has doubtless been major element in rapid growth of Soviet domination of Hungary and non-Marxist elements remain confident that vast majority Hungarians desire and will assert their independence when and if substantially all occupation forces are withdrawn. While military occupation remains important factor in Hungarian situation, it will become less significant the longer it lasts and the more complete Communist entrenchment becomes.

It is still my view that Hungarian rehabilitation is essential to enduring peace and that for this purpose (my 657, April 9<sup>95</sup>) Hungary will require all kinds of imports. It is now clear, however, that with

<sup>94</sup> Not printed; in it the American Ambassador in Paris, Jefferson Caffery, reported on discussions that he and his Minister-Counselor had had with Hungarian Finance Minister Gordon, who was in Paris as the head of a mission for the purchase of surplus property from American authorities. Gordon had inquired about the possibility of obtaining for Hungary an Export-Import Bank loan of \$10 million. (864.24/4-2446)

<sup>95</sup> Not printed.

possible exception of limited help given on humanitarian grounds (my 400, February 26, repeated to Moscow as 105<sup>96</sup>) unilateral American assistance would make relatively little contribution to Hungary's rehabilitation because Soviet imposed economic burdens would neutralize its beneficial effects. Moreover, their policies during past few months warrant expectation (paragraph 5 my 810, April 30;<sup>97</sup> repeated Paris as 115 and Moscow as 189) that key Hungarian officials in control of country's economy would not hesitate to divert American aid to benefit of USSR at expense of their own country.

Consideration should also be given to Hungarian Governments failure (my 91, April 22 to Paris; repeated to Dept as 748) to show goodwill in protection of American interests, notwithstanding Articles 12 and 13 of armistice.

In short it is my present view, formulated without benefit of knowledge re latest developments at Paris on question of Hungary's occupation, that since Hungarian Government discarded virtually all pretense of political and economic independence, Soviet penetration can no longer be combatted by direct American-Hungarian action. Further, Hungary is no longer in position to make good on any commitments it might be ready to make in behalf of its own rehabilitation as a condition of American assistance. Hungary's rehabilitation and its adherence to UN objectives are now principally a Soviet matter and must be treated as an element in overall American-Soviet relations. It follows that further American assistance to Hungary, whether by way of loans or restitution, should be predicated on Soviet-American understanding, and that if it is undertaken upon basis of such understanding, it will have to include close supervision of use of American funds and supplies within this country.

Repeated Paris for Secretary and Embassy as 118, Moscow as 191, London as 210 Bucharest as 39, Belgrade as 23, Sofia as 11 and Warsaw as 5.

SCHOENFELD

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740.00119 Council/5-446: Telegram

*The Secretary of State to the Acting Secretary of State*

SECRET

PARIS, May 4, 1946—11 p. m.  
[Received May 5—6: 55 a. m.]

2150. Delsec 461. From the Secretary. Hungarian Finance Minister Gordon called on Matthews<sup>98</sup> yesterday and emphasized points

<sup>96</sup> Not printed.

<sup>97</sup> Not printed, but see footnote 92, p. 292.

<sup>98</sup> H. Freeman Matthews, Director of the Office of European Affairs; Political Adviser, United States delegation at the meeting of the Council of Foreign Ministers in Paris, April 25–May 15, 1946.

brought out in Embassy's telegram 1981, April 25.<sup>99</sup> He considers that both economically and politically it is vital to his country to obtain some immediate financial relief to the extent of some 10 million dollars. He would be glad to proceed to Washington to discuss question with Ex-Im Bank if there seems to be a reasonable likelihood that such a credit could be forthcoming. He was told that we would telegraph Dept immediately and endeavor to obtain a reply by next Wednesday. We believe that extension of such a credit might prove helpful at present juncture. Please telegraph urgently whether Ex-Im Bank would be in a position to discuss question of immediate 10 million dollar credit with Gordon should he proceed to Washington.

Sent Dept; repeated Budapest as 48, Moscow as 160.

[BYRNES]

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740.00119 Council/5-446: Telegram

*The Acting Secretary of State to the Secretary of State, at Paris*

SECRET  
 NIACT

WASHINGTON, May 7, 1946—6 p. m.

2154. For the Secretary from Acheson and Clayton.<sup>1</sup> Delsec 461, May 4. Believe it inadvisable for Gordon to proceed to Washington as there is little or no prospect that either NAC which would have to consider matter first or Eximbank would approve credit negotiations with Hungary under present conditions. Chairman of Board and Chief Economist of Eximbank were informally shown Delsec 461 and Budapest's 818 to Dept, repeated to Paris as 118, and expressed immediately their strong disapproval of Gordon's visit on grounds that under present circumstances the Bank could not envisage how a bankable credit proposition for Hungary could be worked out. We are uncertain whether you saw Budapest reftel before despatching Delsec 461.

Not only would it be difficult to secure NAC approval of reversal of our previous clear policy against credits to reparations paying countries still under occupation, but for your information strong opposition has recently been expressed in the NAC against the granting of loans which cannot be justified on economic grounds. [Clayton]

ACHESON

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<sup>99</sup> Not printed, but see footnote 94, p. 293.

<sup>1</sup> William L. Clayton, Assistant Secretary of State for Economic Affairs.

864.516-Export Import Bank/5-946

*Memorandum by the Economic Counselor at the Embassy in France  
(Merchant) to the Director of the Office of European Affairs  
(Matthews)*

SECRET

PARIS, May 9, 1946.

In accordance with your request of yesterday that I communicate formally to Mr. Gordon, the Hungarian Finance Minister, the decision contained in the Department's 2154 of May 7, 6 pm regarding the non-existent prospect of an Ex-Im Bank loan to Hungary at this time, I arranged for Mr. Gordon and Mr. Makai, his advisor and interpreter, to come to my office at noon today.

Upon their arrival I informed them that a telegram had been received from the Department stating that there would be no purpose in Mr. Gordon proceeding to Washington at this time since there was little if any possibility that a loan could be extended to Hungary. I pointed out that our foreign loan policy was determined by the National Advisory Council which had established a clear policy against the extension of credit to the countries which are paying reparations and still under occupation. I said that you had listened with sympathy to the Minister's exposition when he saw you and that you were naturally sorry that the decision in Washington was disappointing to him.

The Minister through his interpreter immediately stated that this had not come to him as a surprise since he had been warned by Mr Karasz, Manager of the National Bank of Hungary, who had talked to a member of the Secretary's delegation, that Washington's decision was adverse. I was then read a prepared statement which expressed the Minister's surprise and disappointment at the decision. This statement emphasized the political capital which would be made of the failure of his mission on this negotiation and expressed the hope that the decision could be reconsidered. The statement went on to say that coming on top of the decision yesterday on the Transylvanian border, the rejection of a request for a loan negotiation would be widely interpreted as complete lack of interest on the part of the United States in the fate of Hungary.

I was then shown a passage from an article in the London *Times* of May 8 in which Mr. Byrnes, in reply to Mr. Molotov, was alleged to have stated "There was certainly gold to the value of \$32,000,000 in Frankfurt held in trust; his government would not touch a dollar of it and would see it was returned to the rightful owners". The Minister then asked whether in view of this statement and on the basis of a commitment which he was prepared to give it would not be possible for the Ex-Im Bank to loan Hungary \$10,000,000 with this \$32,000,000

of Hungarian gold as collateral. I replied that I knew nothing of this matter of Hungarian gold or the Secretary's alleged statements with regard to it. I said I assumed however that this aspect of the problem had been taken into account in Washington's decision and that my personal view was that there was little possibility of a reversal of the decision. I promised however to report to you in full for any discussion you might have of the matter with the Secretary, Mr. Gordon's plea. Mr. Gordon then said if the matter could not be reopened he would leave for Hungary on the evening of May 13 with the knowledge that he had failed and fully aware of the political consequences in his country. He asked that some time prior to Monday he be informed whether or not there was sufficient possibility of a reopening of this matter to justify postponing his departure. I repeated that personally I could hold out no hope but that I would undertake to see that a message from you either directly or through me would reach him at the Grand Hotel prior to Monday and regardless of whether or not the reply was negative.

From the tone of Washington's telegram under reference and in the light of Schoenfeld's relative message<sup>2</sup> it does not seem to me worth reopening the question with Washington. If you so decide I should be glad to transmit to Mr. Gordon a confirmatory negative reply.

I might add that immediately following this session I was one of five at a small luncheon arranged last week attended by both Mr. Gordon and Mr. Makai. The atmosphere was funereal.

LIVINGSTON T. MERCHANT

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711.6427/5-2146: Telegram

*The Minister in Hungary (Schoenfeld) to the Secretary of State*

SECRET

BUDAPEST, May 21, 1946—1 p. m.

[Received May 22—1:20 p. m.]

938. Remytel 903, May 15.<sup>3</sup> Note from FonOff quoted in my 937, May 21,<sup>4</sup> resulted from Civil Air Attaché Deak's inquiry in conver-

<sup>2</sup> Reference presumably to telegram 818, May 2, from Budapest, p. 293.

<sup>3</sup> Not printed.

<sup>4</sup> Not printed. The note from the Foreign Ministry, dated May 20, read as follows: "In reply to your note 168, dated April 25 I have the honor to communicate that due to the fact Hungary is still being occupied by the troops of the Red Army, our view expressed in note 434 dated March 1 is still maintained, the Govt of the Hungarian Republic is not in the position to change its attitude towards the problem concerned. This communication does not interfere with note 145 dated December 20, 1945 i.e.: The Hungarian Govt continues to recognize the principle of the most-favored-nation." (711.6427/5-2146) For text of the American note of April 25, see telegram 774, April 25, from Budapest, p. 289.



sation with Prime Minister May 20 re formal reply promised last week on civil aviation question.

Note was delivered in person by Molnar, in charge of Anglo-American section of FonOff who apologized to Deak for content and character of note against which he and other high FonOff officials protested in vain to Foreign Minister. Latter ordered Molnar to deliver note without change using draft apparently prepared by Foreign Minister himself.

Civil Air Attaché informed Molnar that reply was, in his opinion, entirely inadequate and in no way substantiated what Prime Minister had told him orally. Deak added that he regretted to see signature of Foreign Minister of present regime under note reminiscent of [note] General Sztojaj's<sup>4a</sup> puppet regime might have sent. He concluded by stating that, making all allowances for difficulties caused by foreign occupation, he would have hoped for more courage from Hungarian Cabinet officer.

Present note confirms views expressed in mytel 903, May 15 that nothing more can be accomplished for time being re US landing and operation rights in Hungary. Situation may change if occupation army is withdrawn or reduced or if US considers matter of sufficient importance to take determined stand with Moscow and impress Soviet Govt with necessity of altering its present policy.

So long as we continue to acquiesce in arbitrary action of Soviets in excluding our aircraft from their zone of influence, no other results can be expected from Govts controlled by USSR in this area.

Sent Department, repeated Moscow as 260, to Bern as 69, to Paris as 156, and Berlin as 62.

SCHOENFELD

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740.00119 E W /5-2446 : Telegram

*The Minister in Hungary (Schoenfeld) to the Secretary of State*

SECRET

BUDAPEST, May 24, 1946—1 p. m.

URGENT

[Received May 30—8:45 a. m.]

976. Mytel 969, today.<sup>5</sup> Foreign Minister Gyöngyösi called this afternoon ostensibly on another matter but took occasion to say that following reported action of CFM at recent meeting re Transylvania he had intimated to Soviet Govt desire to visit Moscow and discuss

<sup>4a</sup> Lt. Gen. Döme Sztojaj, Hungarian Prime Minister, March–August 1944; executed in 1946 for war crimes in Hungary.

<sup>5</sup> Not printed; it reported that there were conflicting newspaper stories emanating from American sources regarding the manner in which the Council of Foreign Ministers had arrived at the decision to return Transylvania to Rumania (740.00119 EW/5-2446). For documentation regarding the discussions on Transylvania at the Paris meeting of the Council of Foreign Ministers, April 25–May 15, 1946, see vol. II, pp. 88 ff.

this and other questions with Molotov. He had been informed officially he said that such visit would serve no useful purpose since decision of CFM on Transylvania had been taken at instance of Secretary Byrnes. I told Foreign Minister this was surprising statement since my information indicated that initiative in Transylvania matter to detriment of Hungarian hopes had come from the Russians.

Gyöngyösi said disappointment of Hungarian public resulting from lack of support by USSR both in Transylvanian matter and in pending issues with Czecho was having definite internal political effect and that failure of Hungarian Govt to secure favorable solution of such important issues was feeding reactionary sentiment in this country and threatening democratic development.

Incidentally Foreign Minister confirmed report in mytel 871, May 9<sup>6</sup> that he had been officially advised granting landing rights to American civil aircraft would be regarded by USSR as unfriendly and was unconditionally opposed by Soviet Govt on ground that granting such rights in Hungary threatened Soviet security. He also acknowledged as previously reported his fear of Soviet displeasure in this matter had been connected in mind of Hungarian Govt with anticipated support from USSR in pending issues with neighboring countries.

SCHOENFELD

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864.00/5-2546: Telegram

*The Minister in Hungary (Schoenfeld) to the Secretary of State*

SECRET

BUDAPEST, May 25, 1946—noon.

URGENT

[Received May 30—6:10 a. m.]

977. Mytel 631, April 3. I called on President Tildy yesterday at his request. He said that some weeks ago he had received report from Hungarian Legation Washington stating that concern had been expressed in Dept regarding political trend in Hungary and expulsion of dissident Smallholders deputies from party. Dept reported as having deprecated weakness shown by majority party in yielding to Leftist pressure notwithstanding mandate received at November election. Tildy explained expulsion of dissidents was tactical move designated to postpone open breach among parties of coalition but did not change fundamental purpose to carry out popular will as expressed in election. He mentioned that only 2 out of the 20 Deputies expelled had been long standing members of Smallholders Party, the others being opportunists who had recently joined party. In these circumstances Tildy felt our Govt may not have been adequately informed of situa-

<sup>6</sup> Not printed.

tion which he desired to clarify. It remained determined purpose of majority party in accordance with overwhelming wish of Hungarian people to preserve political and economic independence of Hungary and firmly to resist Communist encroachment in internal affairs. This purpose had very lately found expression in decision of Smallholders to insist on recovering control of police establishment (mytel 975, May 24<sup>7</sup>) and other measures and would be maintained even to point of major internal conflict subject always to actual imposition by USSR of enforced Sovietization of this country. Manifestly latter could not be resisted if Soviet Union were bent upon such policy.

Tildy said report from Legation Washington above mentioned also alluded to suggestion that if developments in Hungary so required appeal to international agencies presumably meaning United Nations was always available. President said this suggestion likewise seemed to be basis of misapprehension of local situation. It was firm intention here to resist.

SCHOENFELD

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864.412/5-3146 : Telegram

*The United States Political Adviser for Germany (Murphy) to the Secretary of State*

RESTRICTED

BERLIN, May 31, 1946—9 p. m.

[Received June 1—10:10 a. m.]

1392. Refourdes 2113, February 27, 1946 and note from American Mission to the Vatican dated April 30, 1946,<sup>8</sup> concerning the request of the Holy See on behalf of the Catholic people of Hungary for restitution to the Church of the Crown of St. Stephen.

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<sup>7</sup> Not printed; it reported that on May 21 the Smallholders Party had delivered a written ultimatum to other parties in the Government coalition, aimed particularly at the Communists, demanding that arrangements be made immediately to hold municipal elections in the provinces, that 50 percent of the police activities in the Ministry of Interior be given to the Smallholders Party, and that arbitrary action by the political police be halted (864.00/5-2446).

<sup>8</sup> In a note of December 22, 1945, to the Assistant to the Personal Representative of President Truman to Pope Pius XII, the Vatican Secretariat of State, on behalf of the Catholic people of Hungary, requested that the Hungarian crown might either be returned to Church authorities in Budapest or entrusted to the Vatican for safe keeping. Copies of the note were subsequently sent to the Department as well as to Murphy in Berlin on January 22, 1946. (864.404/1-2246) Despatch 2113, February 27, 1946, from Berlin, transmitted a note which Murphy had sent to the President's Personal Representative to Pope Pius XII stating that restitution to Hungary was not being made, but that the Vatican might be invited to present any available information regarding the history of the ownership of the crown and its presence in Germany (864.412/2-2746). The Vatican Secretariat of State presented such information in a *note verbale* of April 25, a copy of which was transmitted to Murphy on April 30, 1946 (846.404/4-3046).

Investigation indicates that Crown in question was not removed from Hungary by force but was turned over to the American Army for safekeeping by Hungarian authorities. Consequently it does not fall into the category of objects restitutable as defined by quadripartite agreement. Hence its unilateral disposition by US authorities would in no way violate quadripartite restitution agreement. After consultation with R.D. and R Division OMGUS it is suggested that matter be handled in one of three ways:

(1) Consign it to the Holy See for safekeeping until such time as it can be safely returned to Hungary. *Note verbale* from the Vatican April 25 states that Cardinal Mindszenty, Primate of Hungary, recommends this action.

(2) Remove Crown to the US for trusteeship and safekeeping. In view of purported great political and religious influence and significance of Crown with Hungarian people, physical location in US may prove advantageous for future bargaining or return at propitious time. Removal to US might be made with agreement or knowledge of Hungarian Primate but does entail possibility of public repercussions similar to those resulting from shipment of German paintings to US.

(3) Keep Crown in military collecting point in Germany until it can be safely returned to Hungarian Church.

Department's advice desired.<sup>9</sup>

Sent to Department as 1392, repeated to Rome as 31.

MURPHY

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740.00119 EW/6-446: Telegram

*The Secretary of State to the Minister in Hungary (Schoenfeld)*

SECRET

WASHINGTON, June 4, 1946—4 p. m.

535. Urtel 976, May 24. Since FonMin claims to have been officially informed by Soviets in matter we think that for record you might at suitable opportunity tell FonMin that decision of CFM on Transylvania was taken upon Soviet initiative. From time negotiation armistice Soviets have insisted all Transylvania be returned Rumania. US Govt endeavored obtain arrangement permitting minor rectifications on ethnic grounds and subsequently favored adoption treaty language at least envisaging direct negotiations that connection between Hungary and Rumania. However, Soviet view that whole

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<sup>9</sup> Telegram 812, August 14, 1946, to Budapest, repeated to Berlin and Rome, stated that the Department viewed unfavorably alternatives 2 and 3 posed by American authorities in Germany. It was the Department's view that final disposition of the Crown and other insignia should be in accordance with the wishes of the Hungarian Government, and Schoenfeld was asked to ascertain the current views of the Hungarian Government in the matter. (864.412/5-3146)

territory be returned Rumania without qualification and without reference subsequent direct negotiations finally prevailed.<sup>10</sup>

BYRNES

711.64/6-646 : Telegram

*The Minister in Hungary (Schoenfeld) to the Secretary of State*

SECRET

BUDAPEST, June 6, 1946—noon.

PRIORITY

[Received June 7—2:15 p. m.]

1072. Respectfully submit following suggestions based on my reports as to attitude Dept might find it desirable to take in talking with Hungarians during forthcoming visit to Washington of Prime Minister and other Ministers who are representatives respectively of majority party and of Communist and Social Democratic Parties all constituting Hungarian Coalition Govt.<sup>11</sup>

Nagy led public here to expect great results from Moscow visit which were not realized. Popular disappointment led to substantial discomfiture of Communists with prompt effort by Smallholders to recover part of authority lost during preceding months when Communist ascendancy steadily increased despite outcome November election. This time Nagy is likely to be more cautious in arousing popular expectations since he claims merely to be complying with wishes of Hungarian public in establishing contact with American Govt as one of principal Allied powers and he may therefore avoid public reference to specific questions to be raised in Washington. I have deliberately refrained from soliciting any statement as to what Prime Minister and his associates wish to take up in Washington because by asking for such statement we might inspire hope that positive action would be taken by US on subjects to be raised.

Hungarians will doubtless raise such questions as Transylvania, Hungarian minority in Czechoslovakia, restitution of displaced prop-

<sup>10</sup> Telegram 1079, June 7, 1946, from Budapest, stated that Minister Schoenfeld was informing Prime Minister Nagy by personal note in the sense of this telegram. Schoenfeld expressed doubt that the communication would be particularly useful because the Hungarian Government probably had been fully informed of the true course of events at Paris. Schoenfeld felt that what was really needed was an authorized statement from the Department to enlighten the Hungarian public which had been misled by Communist statements. (740.00119-EW/6-746)

<sup>11</sup> Telegram 955, May 23, 1946, from Budapest, reported that Prime Minister Nagy expressed a desire to visit Washington sometime before June 15 when the Council of Foreign Ministers reconvened in Paris (711.64/5-2346). This request was repeated again on May 28 and June 1. Telegram 533, June 3, to Budapest, directed Schoenfeld to inform Nagy that the United States Government would be happy to receive him and his party (711.64/6-146). The members of the party were to be the Prime Minister and the Foreign Minister, both of the Smallholders Party, Deputy Prime Minister Rákosi who was Secretary General of the Communist Party, and Minister of Justice Istvan Riesz, a member of the presidium of the Social Democratic Party.

erty especially gold, possibly Eximbank loan and reparations, among others.

In economic questions Dept may wish to adhere to theme that we remain as we have been ready to cooperate with Hungarians and with Allied Powers able to help in undertaking sound rehabilitation plan for Hungary and that we will continue to press for inter-Allied understanding to this end while deprecating long term bilateral agreements not considered appropriate under armistice regime.

In matters of foreign policy other than economic, Dept may wish to express its continued purpose to secure just and durable peace in eastern Europe especially in Danubian basin and hope of receiving information and opinion available from govts affected including Hungary. To insure our getting at least some credit for eventual modification of Transylvania frontier in favor of Hungary which might otherwise go to USSR at forthcoming Paris meeting Dept will doubtless have in mind fact that Rakosi has sought to convince Hungarians we proposed Paris award of all Transylvania to Rumania. Some rectification of frontier, however small, will greatly strengthen Hungarian Govt's position. I recommend Dept do what it can in this respect which would be likely to strengthen Nagy's hand in trying to redress internal balance of power.

For benefit particularly of Rakosi who can be regarded as representing Moscow as well as Hungarian Govt in forthcoming talks, American interest should be stressed in seeing healthy political development within Hungary.<sup>12</sup> Conviction of American people should be expressed that majority of lawful voters shall rule through democratic processes as understood in western world. Contention of Communists that Smallholders majority in Hungary is not real majority of democratic elements cannot be admitted as basis for political action so long as sweeping purge of individual voters has not been put into effect or even contemplated.

I think Dept should not go much beyond such general considerations in statement to Hungarian delegates or make commitments which could be misunderstood or misused. I have avoided giving Hungarians reason to expect any concrete assurances of action in behalf of Hungary preferring, as Dept doubtless prefers, to see practical results of our efforts to meet some Hungarian desires at peace conference speak for themselves in due time.

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<sup>12</sup> In telegram 1080, June 7, 1946, from Budapest. Minister Schoenfeld reported that Soviet Minister Pushkin had asked Foreign Minister Gyöngyösi and Deputy Prime Minister Rákosi to point out on all occasions during the trip to Washington that the attitude of the Hungarians must always take into account that Hungary is occupied by the Red Army and is surrounded by Slav states (711.64/6-746).

Meanwhile of course we also have desires and claims which Hungarian Govt can show disposition to meet. It would be wise, in my opinion, for Dept to emphasize our disappointment for instance in Hungarian denial of landing rights for American civil aircraft while we have refrained from pressing claims affecting American property and Hungarian obligations with reference thereto.

SCHOENFELD

864.00/6-1146

*The Minister in Hungary (Schoenfeld) to the Secretary of State*

No. 1574

BUDAPEST, June 11, 1946.

SECRET

[Received July 2.]

SIR: In reference to my telegrams nos. 975 of May 24<sup>13</sup> and 1062 of June 5<sup>14</sup> and interim reports on the political crisis created by the demands of the Smallholders Party for fuller participation in provincial administration and police affairs in addition to the holding of elections in provincial districts, I have the honor to submit as of possible interest to the Department a report by Mr. Imre Deri of the Legation, in which are described the steps by means of which the opposing parties of the coalition were brought to a compromise solution.

*June 5, 1946*

"After a day full of excitement and dramatic turns, the political crisis ended in a compromise. The demands of the Smallholders Party have not been met fully by the leftist parties and the tangible results achieved by the majority party are in no proportion to the hue and cry raised by the Smallholders only yesterday. Yet the party justly claims a victory. This is the first time the party has dared to revolt against the leftist dictatorship and wring concessions from them. If Mr. Pushkin had allowed the crisis to take its natural course, and if Tildy and Nagy had had more nerve and backbone to hold out longer for more concessions, they would have gotten them. Out of the maze of conferences and negotiations which took place between yesterday evening and this afternoon only those stand out which show direct or indirect interference of the Russians. Yesterday afternoon, just before the meeting of the Smallholder deputies began, Mr. Gregoriev<sup>15</sup> called up Secretary Balogh; the Prime Minister had already left his office and could not be reached by Gregoriev. Mr. Gregoriev told Father Balogh that Mr. Pushkin would like to see Nagy Ferenc. Balogh gave this message to Nagy at the Smallholders' meeting, and the Prime Minister, on his way to Tildy, asked

<sup>13</sup> Not printed, but see footnote 7, p. 300.

<sup>14</sup> Not printed; in it Minister Schoenfeld reported having been informed by Foreign Minister Gyöngyösi that the Government crisis had been ended as a result of indirect Soviet pressure (864.00/6-546).

<sup>15</sup> Counselor of the Soviet Legation in Hungary.

him to notify Mr. Pushkin that the Prime Minister would visit him in the evening.

"Mr. Pushkin explained to Nagy Ferenc that the Government couldn't afford the luxury of a grave crisis at this time when Hungary was having to fight for a satisfactory peace treaty. He strongly advised Nagy against forcing a showdown with the leftist parties. He said that a compromise could be effected and that dissolution of the coalition would not be tolerated by the Soviets. Under the present circumstance, Mr. Pushkin said, the coalition must be upheld even at the cost of sacrifices. The dissolution of the coalition would necessarily result in the Soviets taking a hand in the political crisis. What Soviet action was envisioned Mr. Pushkin did not say. Nagy Ferenc replied that he and his majority party had already made sacrifices for the sake of upholding the coalition, and he could go no further. No compromise could be effected at the price of a further sacrifice on the part of the Smallholders Party. If such a sacrifice would be demanded, he would tender his resignation. He told Mr. Pushkin that he would no longer take the responsibility for the domestic political situation and was determined to hand in his resignation. The conversation which lasted two hours had no positive result, but Mr. Pushkin seeing that Nagy Ferenc was taking a determined stand, did not push the matter further. However, it is evident that Mr. Pushkin had a conversation with Mr. Rakosi either on the same night or early next morning in which he advised the Communist leader to make concessions.

"Secretary Balogh himself took a hand in effecting a compromise. He visited the Communist Party headquarters yesterday night and, in the absence of Rakosi, conferred with Revai<sup>16</sup> explaining to him that if the Communists should insist on refusing the majority party demands they will have to take the responsibility for whatever might follow. A very long conference took place between Rakosi and Szakasits<sup>17</sup> on the one hand and President Tildy on the other hand this morning. It was apparent Rakosi had already received instructions from Pushkin to make concessions, which was passed on to Nagy who was in continuous telephone communication with the President. Neither Rakosi nor Szakasits saw Nagy after their return from Tildy at Leanyfalú. They held a short conference with the leftist ministers, after which the extraordinary Council of Ministers began. The meeting of the Council of Ministers was a short and formal affair. The issues of the crisis were not even mentioned, which indicates that the Russians had effectively used their influence on Nagy and had given directives to the Communists. The crisis was over by 3 P.M.

"The Smallholders, however, had to swallow the bitter pill of compromise. After yesterday's enthusiastic meeting they had to be informed of the conditions of the armistice. Neither Nagy nor Secretary Balogh took the trouble of personally informing the deputies of the compromise. They left the job to Kovacs Bela, the General Secretary of the Party.

<sup>16</sup> Jozsef Revai, Deputy Secretary General of the Communist Party.

<sup>17</sup> Arpad Szakasits, Secretary General of the Social Democratic Party.



"The meeting was an anti-climax to yesterday's spirited enthusiasm. Mr. Kovacs told the deputies that an agreement had been reached between the party and the leftists. He read the conditions of the agreement, which were the following:

"1. Elections in the rural communities and the provincial municipalities will be held at the earliest moment. No date had been fixed, for the bill for the elections will have to be drafted and passed by the Assembly.

"2. 100 important positions in the police will be given to members of the Smallholders Party.

"3. Positions of such Communists and Socialists who will be dropped because of the B list<sup>18</sup> will be given to Smallholders.

"4. Should any of the provincial mayors or elected sheriffs be removed through disciplinary proceedings, these positions will be given to Smallholders.

"5. The political police in the provinces will be abolished.

"Mr. Kovacs told the deputies that the compromise solution had to be accepted by the Prime Minister inasmuch as the Russians insisted on the compromise and brought very strong pressure to bear. He appealed to the patriotism of the deputies, and said that they must not take the risk of complete chaos and thus incurring the enmity of the Russians.

Respectfully yours,

H. F. ARTHUR SCHOENFELD

864.51/6-1246

*Memorandum of Conversation, by the Secretary of State*

SECRET

[WASHINGTON,] June 12, 1946.

Participants: Hungarian Prime Minister, Mr. Ferenc Nagy;  
Hungarian Minister, Mr. Aladár Szegedy-Maszák;  
Secretary Byrnes.

The Prime Minister of Hungary, accompanied by the Hungarian Minister, called at his request.

The Prime Minister expressed his appreciation to the Secretary for making it possible for him and other members of the Hungarian Government to visit this country.<sup>19</sup>

<sup>18</sup> In the spring of 1946, at the initiative of Prime Minister Nagy, the Hungarian political parties agreed, for the sake of Government economy, to reduce the number of civil servants to 90 percent of the 1938 level. Special committees were established in Government departments to draw up lists of civil servants to be retained (A List) and those to be released from Government service (B List).

<sup>19</sup> Prime Minister Nagy and his party arrived in Washington on June 11, 1946, and departed from New York on June 19. For the statement regarding the visit issued by the Department of State on June 19, see Department of State *Bulletin*, June 23, 1946, p. 1091. In his own account of his visit to Washington in his book *The Struggle Behind the Iron Curtain* (New York: The Macmillan Company, 1948), pp. 225-234, Nagy states that his private conversation with the Secretary was followed by a meeting between the Secretary and the Hungarian delegation as a whole. No record of this latter meeting has been found.

The Secretary expressed the hope that conditions in Hungary were improving. The Prime Minister said that the process of consolidation was progressing. He added that the greatest trouble the Hungarian Government faced was that of inflation. At the present time, the Hungarian Government was able to afford the people only 22% of the standard of living which they were accustomed to before the war.

The Secretary said that last fall he had looked into the question and had concluded from information he had obtained from Hungary that the country was having a bad time because of inflation. He said he could appreciate the problems with which they were confronted.

The Secretary asked if Hungary had been able to increase production. The Prime Minister said that production was increasing daily, and that 90% of the land was under cultivation in spite of the fact that the peasants and farmers lacked implements for cultivation.

The Prime Minister stated that the output from factories was increasing daily, but that quite a number of the factories had been destroyed during the war. There was a total lack of raw materials for production. These raw materials had formerly been supplied by Czechoslovakia, Yugoslavia, Russia and Greece.

The Prime Minister said that according to the decision regarding Hungary 3,000,000 Hungarians would be left outside the borders of Hungary proper.

The Secretary said that last fall in London he had proposed that we should follow the ethnic line so far as possible because he had in mind that it would be bound to affect some people and his proposal met with objection. The Secretary stated that he did not believe it was any secret that the Soviets had proposed that all of Transylvania should be transferred to Rumania. The Secretary said he had made a suggestion that Transylvania should go to Rumania, but that a provision should be made to permit direct negotiations between the Governments of Rumania and Hungary with the idea of arriving at an adjustment of the frontier so as to leave the smallest number of people under alien rule. The Secretary said that we were reluctantly forced to the view that the population in Transylvania was so intermingled that without an exchange of populations no adjustment of the frontier would provide a solution to the ethnic problem.

The Prime Minister said that until now, he was not aware of this situation and that he wished to express his thanks for the Secretary's kindness.

The Secretary said that he had made the proposal with regard to the Italian-Yugoslav border that the line should be left to the Deputies and that consideration should be given first on an ethnic basis and secondly on an economical one.

The Prime Minister said that if the same decision would be handed down now to Hungary as after 1919, it would mean upheaval of their political system.

The Secretary said that he realized that these questions could not be decided with any degree of perfection. He said that in Europe it was simply impossible with these lines to do what he suggested—to have a line which is truly on an ethnic basis.

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864.50/6-1246

*Memorandum of Conversation, by Mr. Leslie C. Tihany, Attached to the Division of Southern European Affairs*<sup>20</sup>

[WASHINGTON,] June 12, 1946.

Participants: Foreign Minister Gyöngyösi; Minister to the US, Szegedy-Maszák; Counselor of Legation, Marik; Mr. Hickerson of EUR;<sup>21</sup> Mr. Barbour of SE; Mr. Tihany of EAI.

*Part I*

The Foreign Minister began his remarks by giving a brief summary of the political and economic situation in Hungary substantially as follows: For some time to come the political situation has been determined by the fact that at the end of the war Hungary was liberated by the Red Army. The population of Hungary is overwhelmingly pro-Western in its sympathies. The pro-Western elements, who amount to about sixty percent of the population, and which include the extremely individualistic peasantry, are anxious to preserve a middle-class form of living in Hungary. In this desire they are opposed by a minority consisting mostly of industrial workers, who are pro-Eastern in their sympathies and are not interested in the continuation of a middle-class Hungary. As a result of this split in Hungarian public opinion, the affairs of the country could be entrusted only to a coalition government. The elections held in November 1945 showed the will of the people in returning a majority of pro-Western bourgeois-minded elements. It is obvious that the Left cannot obtain a parliamentary majority through constitutional means in Hungary today. Nevertheless, the dynamic nature of the labor movement and the support that they are in a position to receive from the army of occupation might give them the upper hand in a political contest be-

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<sup>20</sup> Most of the points covered in this conversation were also discussed the following day in a meeting which Foreign Minister Gyöngyösi and Minister Szegedy-Maszák had with Assistant Secretary of State Clayton and several other officers of the Department of State. The memorandum of that conversation (not printed) is filed separately under 864.50/6-1346.

<sup>21</sup> John D. Hickerson, Deputy Director of the Office of European Affairs.

tween the two opposing factions. Owing to the desperate economic situation of Hungary, a crisis appears to be imminent. Such a crisis could be utilized by the Left to achieve its political objectives.

The present crisis is due to certain economic factors. These factors arise from the Armistice Agreement of January 20, 1945<sup>22</sup> which imposed exceptionally heavy economic obligations on Hungary. These economic obligations consist of reparations (\$300,000,000) and restitution of property removed from the territory of the United Nations during the war. To these two factors one must add the impoverishment of Hungarian economy resulting from the removal of goods from Hungarian territory by the retreating German armies, and certain of the pre-war financial obligations of the Hungarian Government, especially toward the West. In addition to these economic burdens, certain difficulties of a political nature also contribute to the present desperate situation in Hungary. The most important of these factors is the fact that three million Hungarians today live outside the borders of the Hungarian state. The situation of these minorities is rapidly deteriorating. To mention only two examples, there are today 650,000 Hungarians living in the Czechoslovak Republic. The determination of the Czechoslovak Government to expel 300,000 persons of this minority and to deprive the remainder of all civil and property rights faces the Hungarian Government with a realization that the influx of these deportees would further contribute to the desperate economic situation of the country, and that the maltreatment of the remaining Hungarian minority in Czechoslovakia would further contribute to the rebirth of the chauvinistic attitude which contributed to cause Hungarian participation in the second World War on the German side. In Rumania the situation of the Hungarian minority is better. It must be noted, however, that in spite of the good intentions announced by the Groza Government and in spite of directives from above, the lower provincial authorities appear to be determined to mistreat and pauperize the Hungarian minority entrusted to their care. The Government of Hungary would therefore be extremely grateful if the Western Powers, especially the United States, would exert its political and moral influence to stop immediately the forced migrations, and to assure institutionally the enjoyment of human rights for Hungarian minorities outside the borders of the Hungarian state. The position of the Hungarian Government in this question may be summed up briefly as follows:

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<sup>22</sup> The armistice agreement between the United States, the United Kingdom, and the Soviet Union and Hungary, signed at Moscow, January 20, 1945; for text, see Department of State Executive Agreement Series No. 456, or 59 Stat. (pt. 2) 1321. For documentation regarding the negotiation of the armistice, see *Foreign Relations, 1944*, vol. III, pp. 847 ff.

Hungary is willing to receive its minorities now living in Czechoslovakia provided that these minorities are transferred together with the territories they inhabit. Should this not take place, the Hungarian Government insists on the safeguarding of minority rights for Hungarians living in Czechoslovakia. As for Rumania, the Hungarian Government proposes that a new frontier be drawn in such a manner as to leave an equal number of minorities on either side of the frontier.

The aim of the Hungarian Government is to prevent anarchy and chaos such as the factors outlined above are very likely to bring about unless checked in time. The majority party represented in the Hungarian Government placed great emphasis on the preservation of the bourgeois mode of living and of pro-Western middle-class Hungary. In order to achieve these aims the Hungarian Government would like to enlist the good offices of the United States, which by exerting its political, moral and economic influence, is perhaps alone in a position today to prevent a revolutionary upheaval in the Hungarian state and economy. The Hungarian Government respectfully suggests that economic aid to Hungary could take three forms:

(1) The restitution of displaced goods now located in the American zones of occupation in Germany and Austria. These displaced goods consist of the gold reserve of the Hungarian National Bank amounting to \$32,000,000, rolling stock of the Hungarian state railroads, and ships belonging to Hungarian steamship companies,

(2) An increase in the amount of present UNRRA assistance to Hungary,

(3) The granting of a loan through the Export-Import Bank. Should the restitution of displaced goods prove to be impossible for the time being, the Hungarian Government would be grateful if these displaced goods could be made use of as collateral in connection with a loan to be extended to Hungary. If in connection with the proposed Export-Import Bank loan, economic considerations should not warrant the extension of such a loan to Hungary, would the United States Government be influenced by political considerations in this matter?

(4) An increase to \$20,000,000 of the present \$10,000,000 surplus property purchase credit.

### *Part II*

Mr. Hickerson began his reply by stating that if Hungary today is occupied by the Red Army it is due to the joint war effort, in which the United States and the USSR as allies brought about the common victory. The United States spent four years in developing this war effort and suffered one million casualties before victory could be achieved. The destruction of German industry, for example, was to a large extent due to the employment of planes manufactured in the United States and flown by American personnel. In reply to His

Excellency's suggestions Mr. Hickerson stated that in the political sphere the United States Government will do everything in its power to bring about a fair and reasonable settlement of outstanding issues at the forthcoming peace conference. Regarding the economic suggestions of the Foreign Minister, Mr. Hickerson asked whether in the matter of displaced goods the Hungarian Government has addressed a similar request for restitution to the USSR Government. (The Foreign Minister replied that the Hungarian Government has done so but has so far not received any reply at all.) Mr. Hickerson pointed out that the restitution of displaced goods is primarily an international problem, which can be decided only in concert with the allies of the United States. As far as a possible increase in UNRRA aid is concerned, Mr. Hickerson stressed that although 72½ percent of UNRRA costs are being met by the United States, UNRRA is nevertheless an international agency not under the control of the United States Government. He consequently suggested that the Hungarian Delegation would do well to discuss this problem with Mr. LaGuardia.<sup>23</sup> In the matter of an American loan to ex-satellites, Mr. Hickerson stated that the President and the Secretary are of the opinion that such a loan could be granted only on the condition that it be not used for paying reparations to another power. To the interjection of the Hungarian Minister to Washington to the effect that such a step is likely to produce a vicious circle Mr. Hickerson replied that certain other states, notably Finland, have been able to arrange this matter to the satisfaction of the United States Government. To a suggestion made by the Foreign Minister, namely that a loan be made nevertheless and that the utilization of this loan be controlled and supervised by United States representatives in Hungary, Mr. Hickerson replied that such a matter could be decided only on a higher level. He added that the Export-Import Bank has not received favorable indications concerning the ability of Hungary to repay within a specified time limit a putative loan such as suggested by the Foreign Minister. To the remark of the Foreign Minister suggesting that if the United States is not in a position to grant a loan to Hungary because of economic considerations, would it be possible to extend such a loan in view of existing political factors, such as the threat of an imminent political crisis in Hungary, Mr. Hickerson replied that the Export-Import Bank is not in a position to take into account political considerations. In reply to the Foreign Minister's statement that the majority party in Hungary and indeed the majority of the Hungarian people wish to pursue a Western orientation, Mr. Hickerson

<sup>23</sup> Fiorello H. La Guardia, Director General of the United Nations Relief and Rehabilitation Administration.

replied that the United States asks for itself no rights or privileges in Hungary that are not also enjoyed by other powers, and that it holds firmly to an open door policy as regards Hungary. Concerning the political orientation of the Hungarian Government and the Hungarian people, Mr. Hickerson stated that such an orientation should not be exclusively Western, but rather Western, Eastern, Northern and Southern.

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711.64/6-1346

*Memorandum of Conversation, by the Assistant Chief of the Division of Southern European Affairs (Barbour)*

[WASHINGTON,] June 13, 1946.

Participants: The Hungarian Prime Minister; Deputy Prime Minister; Minister for Foreign Affairs; Minister of Justice; the Hungarian Minister to the United States; Mr. Marik, Counselor of the Hungarian Legation; Mr. Barbour, SE; Mr. Tihany, EAI; Mr. Acheson, Acting Secretary.

The Hungarian party called on the Acting Secretary at 4 PM on June 13 at their request.<sup>24</sup> The Prime Minister, after the usual amenities, reviewed the political and economic situation of Hungary. He emphasized the disappointment of Hungary with the decision of the CFM in connection with Transylvania and expressed apprehension at an arrangement which leaves large numbers of Hungarians under foreign rule, a total of such persons so situated in Rumania and in Czechoslovakia being given as 3 million. He stated that it is the Hungarian Government's desire to stabilize the economy of Hungary on August 1 of this year and that prerequisites to such stabilization would be the return to Hungary, by the US, of the Hungarian gold reserve now in Germany as well as the restitution to Hungary of displaced Hungarian property in Germany and Austria. The Prime Minister asked officially for the agreement of this Government to assist Hungary in its minority problem; to restitute displaced property in US zones in Germany and Austria and to return the gold reserve.

Mr. Acheson stated that in regard to the Hungarian minority problem the matter was one for consideration by the Three Powers in connection with the Paris meeting and any subsequent peace conference. He added that the Secretary is fully cognizant of the situation and that this Government has consistently advocated leaving

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<sup>24</sup> This meeting was apparently preceded by the meeting between the President and the Hungarian delegation at the White House, described in Nagy, *The Struggle Behind the Iron Curtain*, p. 228. No record has been found in Department files of the meeting between the President and the Hungarians, which was scheduled for 11:15 a. m.

the way open for Hungary to undertake direct negotiations with its two neighbors in this connection.

Concerning the gold, Mr. Acheson stated it was his understanding that in a conversation with the Secretary yesterday the Prime Minister and the Secretary were in accord that the US should retain a portion of that gold to satisfy claims of US nationals against Hungary. He asked whether the Prime Minister's present request for the restitution of the whole gold reserve was an extension of his position yesterday. The Prime Minister said that it was, that Hungary has no other gold and needs the whole gold reserve to back a stabilized currency and that Hungary undertakes to compensate American losses caused by the war fully through other means.

Mr. Acheson then indicated that he would get together the interested divisions of the Department and would endeavor to inform the Prime Minister of the answers of this Government to these two questions before the Delegation's departure from Washington. Meanwhile, he indicated that it would be easier for this Government to consider such matters with sympathy if a similarly helpful approach were forthcoming on certain matters of interest to the US in Hungary. He noted that we have on several occasions endeavored to obtain full information from the Hungarian Government concerning its economic situation but that such information had not been furnished. Similarly, we have endeavored to obtain landing rights for American aircraft in Hungary which request has been denied by the Hungarian Government.

The Prime Minister replied that economic information concerning Hungary is common knowledge but that the Government was precluded from meeting our request by regulations issued by the Allied Control Commission. As for landing rights, the restrictions under which Hungary is now operating leaves landing rights and such matters to the exclusive jurisdiction of the high command of the occupying power. As soon as the occupation shall cease, Hungary would be happy to welcome American planes.

Mr. Acheson concluded by renewing offer to endeavor to give the Hungarians final answers on the questions they had raised at a later meeting before their departure from Washington.

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711.64/6-1646

*Memorandum of Conversation, by the Assistant Chief of the Division of Southern European Affairs (Barbour)*

[WASHINGTON,] June 14, 1946.

Participants: The Hungarian Prime Minister; the Hungarian Minister to the United States; Mr. Marik, Counselor



of the Hungarian Legation; the Acting Secretary; Mr. Hickerson; Mr. Barbour; Mr. Tihany.

Mr. Acheson received the Hungarian Prime Minister and the Minister to the United States at 4:45 PM, June 14 to deliver to them the reply to their various inquiries promised during the call on the previous day.

Mr. Acheson first remarked that as regards frontiers and minorities problems, the Department is unable to comment in the absence of the Secretary. He then handed the Prime Minister a memorandum, a copy of which is attached,<sup>25</sup> containing the Department's replies to the questions raised.

After the document was translated to him the Prime Minister expressed his great appreciation and wished to inquire specifically concerning some of the points contained in the memorandum. He asked whether the provision with regard to gold and restitution of property implied any commitment by Hungary to make compensation for damage to American property. Mr. Acheson replied that it did not. The Prime Minister then stated that our position with regard to aviation and Hungarian economic information was, in his view, most reasonable. He promised to raise the aviation matter again with the Hungarian Cabinet upon his return to Budapest and stated that he hoped for a favorable decision. As concerns information he requested that we raise the matter with the ACC again after his return to Budapest. Mr. Acheson stated we will do so.

The conversation was then concluded with an exchange of courtesies during which Mr. Acheson informed the Prime Minister that he left the United States with many friends not only for Hungary but also for himself personally.

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740.00119 Council/6-1546: Telegram

*The Acting Secretary of State to the Secretary of State, at Paris*

SECRET

WASHINGTON, June 15, 1946—4 p. m.

2875. Secdel 274. For the Secretary from the Acting Secretary. Hungarian PriMin and party left Washington June 15, After visits to TVA and New York they will depart for London June 18 or 19th.

In conversations with PriMin we took position that questions of frontiers and Hungarian minorities in Rumania and Czechoslovakia are outside our competence in your absence and that you are fully cognizant of these matters.

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<sup>25</sup> Not printed; for a summary, see telegram 2875, Secdel 274, June 15, to Paris, *infra*.

In response to other matters raised we delivered PriMin a memorandum in substance as follows:

*Begin Summary of Memorandum.*

1. Hungarian Gold. In view urgent request Hungarian Govt for return Hungarian gold now in custody US forces which gold desired for stabilization Hungarian monetary system and economy US Govt prepared to proceed with return of this gold to Hungary upon receipt assurances from Hungarian Govt that it will undertake to return any part this gold subsequently established to have been looted.<sup>26</sup>

2. Restitution Hungarian Displaced Property. American Commanders Germany and Austria are being instructed to proceed with restitution to Hungarian Govt of identifiable displaced property removed under duress from Hungary subsequent to Jan 20, 1945. Commanders will be instructed to expedite return of such property and to advise without delay of their schedules for the return of rolling stock and other transportation equipment. US Govt will also urgently consider possibility issuing new directives authorizing return similar Hungarian property removed under like conditions between Oct 15, 1944 and Jan 20, 1945. US Mil authorities have been directed to defer restitution of commercial inland water craft on the Danube pending outcome discussions currently taking place between them and Soviet authorities in Vienna with view to establishing principle of freedom of movement of vessels on Danube under flags they now fly without danger of seizure.

3. Aviation. US Govt has endeavored for some time to obtain agreement with Hungarian Govt to permit operation of air transport services by designated US carriers into through and away from Hungary such rights to be exercised during period preceding conclusion peace treaty when US Govt would be prepared to discuss with Hungarian Govt bilateral air transport agreement. US Govt recognizes implementation such agreement may require conclusion arrangements between US Govt and military forces occupying Hungary but does not consider necessity for such arrangements precludes Hungary from making an agreement at this time. Although US Govt does not make conclusion such an agreement a condition to return of displaced Hungarian property and gold it nevertheless attaches great importance to conclusion such an agreement.

4. Surplus Property. US Govt is prepared to consider sympathetically request of Hungarian Govt for increase in existing credit to Hungary for purchase of surplus property. However before pursuing matter further it is necessary to determine whether in view recently concluded bulk sales surplus property in Europe there would in fact be sufficient surplus still available to utilize an increase in credit. Ap-

<sup>26</sup> Telegram 3247, Secdel 401, July 3, to Paris, stated that assurances had been received from the Hungarian Government that any gold proved to have been looted would be returned and that the Department had therefore requested the Joint Chiefs of Staff to issue instructions to military authorities in Germany to proceed immediately with the return of the gold to Hungary (740.00119 Council/7-346). Telegram 685, July 12, to Budapest, stated that the Department's willingness to release the gold was based in part on informal Hungarian assurances that the gold was needed and would be used for economic stabilization and would not be used for reparations (864.515/7-1246).

propriate authorities US Govt are proceeding promptly with necessary investigation and will communicate further with Hungarian Govt when results become known.<sup>27</sup>

5. Information Concerning Economic Conditions in Hungary. US Govt has repeatedly asked Hungarian Govt to furnish comprehensive information concerning all aspects Hungarian economic conditions and commercial relations. Hungarian Govt states regulations of Allied Control Commission prevent its compliance with US request for such information. US Govt wishes emphasize again that access to information this character would facilitate consideration by US Govt of Hungarian request for substance. *End Summary Memorandum.*

PriMin was most appreciative of action outlined above and in commenting on memorandum stated that he regards our position on aviation and information entirely reasonable. He added that he will again raise aviation matter with cabinet upon his return Hungary and he requested that we approach ACC once more in connection information. We stated we would do so.

Sent to Paris rptd to Budapest, London, and Moscow.

ACHESON

711.64/6-2846 : Telegram

*The Minister in Hungary (Schoenfeld) to the Secretary of State*

SECRET

BUDAPEST, June 28, 1946—3 p.m.  
[Received June 30—12:10 a. m.]

1210. Prime Minister called this morning to express thanks for hospitality and sympathetic interest of US Govt during recent visit of Hungarian Delegation to Washington. He outlined substance of American memo handed Delegation June 14 (Deptel 585, June 15<sup>28</sup>) and reiterated his fear Hungarian Govt would not be permitted to give desired assurances re aviation matter. He said that as soon as local political crisis ends he will bring up again aviation matter and information question. He considered Dept's position re restitution of watercraft "very clever" since conditions laid down for return would preclude Hungarian Soviet Navigation Company taking them over.

Nagy said he received impression Dept was favorably disposed towards fair settlement of Transylvania question but that he learned from Bevin and Molotov Soviet position had stiffened since his visit

<sup>27</sup> In a note of June 28, 1946, to the Hungarian Minister, the Acting Secretary of State informed the Hungarian Government that the United States had agreed to extend an additional credit line of \$5 million for the purchase of surplus army property located overseas (864.24/5-2246). Minister Schoenfeld informed Prime Minister Nagy to the same effect on July 1, as reported in telegram 1224, July 1, 1946 (871.24/7-146). The formal credit agreement was contained in a letter of July 24, 1946, from Foreign Liquidation Commissioner McCabe to Minister Szegedy-Maszák who approved the agreement on August 9, 1946; see footnote 85, p. 287.

<sup>28</sup> Same as telegram 2875, p. 314.

to Moscow in April. This was due, he believed, to desire of USSR to assure Groza's<sup>29</sup> success in Rumanian election and had suggested to his mind that decision in Hungary to hold national election last fall had perhaps been premature. He does not anticipate satisfactory adjustment of Transylvania problem before peace settlement (mytel 1204, June 27<sup>30</sup>) although Hungarian Government will endeavor to secure favorable action on petition already made to CFM for reconsideration. On matter of Hungarian minority in Slovakia he said Czecho, being one of United Nations, he did not raise boundary question and at London and Paris discussed only minority matter. Bevin, he said, favored inclusion of minority protection clauses in all peace treaties.<sup>31</sup>

To my query whether there had been discussion in Washington of internal political situation Hungary, Nagy answered in negative. Since his return he had been confronted with new Leftist demands (mytel 1179, June 25<sup>30</sup>) although Smallholder's demands, which had been accepted just before his departure for Washington enabling him to leave at that time, had not yet been implemented. He was still convinced present situation in Hungary requires use of all constructive forces and he therefore remained believer in coalition principle. He was, however, determined to carry out mandate of voters at last year's national election even at cost of coalition and his own political position and would make no further concession. He took very grave view, saying if coalition breaks down civil war will begin in Hungary.

Nagy reiterated appreciation of courtesies and generous attentions shown him and delegation remarking in reply to query, as Gyöngyösi did yesterday, (mytel 1202, June 27<sup>32</sup>) that Rakosi had been unable to make comparisons between USSR and US unfavorable to latter. He said Rakosi had been treated without discrimination by Americans and had behaved very correctly during visit.<sup>33</sup>

Sent Dept repeated USdel Paris 221, London 251, Moscow 237.

SCHOENFELD

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<sup>29</sup> Petru Groza, Rumanian Prime Minister.

<sup>30</sup> Not printed.

<sup>31</sup> In telegram 6229, June 22, from London, W. Averell Harriman, the Ambassador in the United Kingdom, reported on an hour-long conversation with Prime Minister Nagy who described his great satisfaction with his visit to Washington and expressed the hope that the United States would continue to "take an interest in the Open Door Policy in the Danube Basin and in the political and economic reconstruction of that area". (711.64/6-2246)

<sup>32</sup> Not printed; it reported that Foreign Minister Gyöngyösi had expressed the gratitude of the Hungarian delegation on their reception in the United States (711.64/6-2746).

<sup>33</sup> In a memorandum of June 26, 1946, Acting Director of the Office of European Affairs Hickerson recorded a conversation with Hungarian Minister Szegegy-Maszák. The Minister, who had called to express appreciation for the reception for the Hungarian delegation in the United States, commented that Deputy Prime Minister Rákosi appeared to be disappointed at the success of the visit and tried hard to find something to criticize everywhere he went. (711.64/6-2646).

740.00119 Control (Hungary)/7-746 : Telegram

*The Chief of the United States Representation on the Allied Control Commission for Hungary (Weems) to the War Department*<sup>35</sup>

SECRET

BUDAPEST, July 7, 1946—9 a. m.

[Received 2 : 55 p. m.]

Attention SSU of USFA. Weems ACC Hungary in Warcos for JCS, WDOCD and OPD, info MTOUSA, USFET, USFA, OMGUS, ACC Rumania, MA Yugoslavia, MA Poland and MA France.

Ref No. Z-3316. War please pass to all. Please deliver this message to Warcos.

Interference by Russians in Hungarian national politics has now reached point where Government crisis may result shortly.

General Sviridov, Acting head of ACC, is reported by several reliable sources to have handed a note to Ferenc Nagy, Prime Minister, demanding:

(a) The dissolution of the Boy Scouts, the Kalot (Catholic youth organization) and the Christian youth organization.

(b) The elimination of Count Gyula Dessewffy and Bola Parraghi from all public and press activities and the reorganization of the press in general and that Antal Balla, Minister of Information, be removed from office.<sup>36</sup>

(c) The immediate ouster of Undersecretary of Justice, Istvan [Zoltan] Pfeiffer.<sup>37</sup>

(d) That strong measures be taken against the Catholic Church.

(e) The immediate arrest of Smallholder Deputies Gyulay and Filler regardless of Parliamentary immunity and their trial on political charges.<sup>38</sup> The note was not signed as Chairman of ACC but as "representative" of the Soviet High Command although Sviridov is known to have only one position, that of ACC Acting Chairman. The note reportedly stated that failure by Hungarian Government to act would compel Sviridov to take action. The following information has been received from source Carrick:

<sup>35</sup> The source text was transmitted through Department of State channels. Brigadier General Weems succeeded Major General Key in June.

<sup>36</sup> Parraghi and Balla were members of the Smallholders Party and Dessewffy had been a member until he was expelled in the spring of 1946. Balla and Dessewffy were editors of the Smallholders Party newspaper *Kis Ujsag*, and Parraghi was editor of the non-party newspaper *Magyar Nemzet* which was anti-Communist in orientation. Telegram Z-3317, July 7, 1946 from Weems in Budapest, reported that President Tildy dismissed Balla as Minister of Information on July 3 (740.00119 Control (Hungary)/7-746).

<sup>37</sup> Pfeiffer was a member of the Smallholders Party.

<sup>38</sup> Sviridov's letter recommended that the Hungarian Government "call to account" Smallholders Party Deputies Laszlo Gyulai, István Rácz, and László Filler. Telegram Z-3317, July 7, 1946, from Weems in Budapest, reported that the Hungarian National Assembly had previously rejected the State Attorney's request to suspend Filler's parliamentary immunity in connection with charges that he was implicated in anti-Communist disorders in a provincial district. Weems' telegram further reported that a party of Russian officers had arrested Filler at his home on the night of July 2 (740.00119 Control (Hungary)/7-746).

On the fifth of July Prime Minister Nagy assured Carrick that :

(1) An agreement has been made between the Social Democratic Party and the Small Landholders that a working program will be agreed upon during the coming days which should hold good for one year. It will also bind the Communist Party.

(2) Regarding the Russian and Communist demands to expel 13 members of the Small Landholders Party he will stand pat. He is willing to request certain members to abstain from public appearances but will not expel them. Source's remarks: Since Nagy did oust editor Balla from the *Kis Ujsag*, since he is now even forcing Dessewffy to sell him 49 percent of the paper, and since he did agree to eliminate four Lieutenant Governors not satisfactory to the Communists, it is source's impression that under pressure from Tildy he will comply with all Russian and Communist demands if he can find means to save his face. However, members of his party may revolt and force his resignation. *End Carrick.*

Comments: If Nagy had refused to grant these requests, the Russians would undoubtedly have incited the Communists to cause strife, etc., and bring about the dissolution of Parliament. This, coupled with the present collapse of the economic system, would no doubt lead to civil strife resulting in martial law with Communists seizing the Government. Now that part of the demand has been fulfilled, the Leftists will demand the removal of additional deputies from Parliament in the same manner that the 22 Smallholders were expelled recently. These demands, timed with Sviridov's note, appear to follow a pattern of the Leftist parties to whittle down the Smallholders majority of 57 percent. The Leftist party might demand this as a condition for remaining part of the coalition and in this way obtain a majority. Against this coalition only a group of Rightist deputies would be in opposition and it is a question how much they would be permitted to voice their views once the Russian interference had been experienced. The 22 deputies who were expelled have formed a new party previously reported known as the Catholic Democratic Party headed by Count Joseph Palfy. The Russians have just arrested Count Geza Palfy,<sup>39</sup> cousin of Joseph,<sup>40</sup> and Ivan Lajos, and will probably continue to arrest any person who voices any opposition to their program. If Nagy resigns, the Communists would force a Communist Government to be formed with more complete Communist police control than they now have. The scheduled September elections would be postponed and a Communist state would evolve. Raids are now being made by Communist police against all persons of prominence or means who are anti-Communist. Anyone who has dollars is sus-

<sup>39</sup> Count Pálffy was a landowner and a leading monarchist.

<sup>40</sup> József Pálffy was a former leader of the Democratic Peoples (Catholic) Party.

pected of dealing with Americans and is arrested and his money confiscated. The Russian requisitions of food continue and the food situation is bad. Pressure is being placed on UNRRA to withhold food until new currency is put into circulation on 1 August. The latest pengö note is one quintillion and new denominations are being printed daily. In fact, the economic structure can be said to have collapsed. There is the chance that Prime Minister may be ordered by the Russians to remain in office with the present coalition in order to execute the Russian program. Otherwise his life might be placed in jeopardy. The Russians probably do not consider the present time opportune by them for the more drastic changeover to a Communist government.

**Military:** In connection with the above, reports reliable sources continue to come in to effect that a military alliance with Russia is being planned. See our Z-3114.<sup>41</sup> It appears now that extreme pressure is being put on government to form Eastern European military bloc consisting of Poland, Czechoslovakia, Yugoslavia and Hungary, either mutual assistance or non-aggression, tied to Russia with agreement to use Russian arms equipment and to be trained in Russian pattern. All the above illustrates the continuous pressure being placed on Hungary to force [out?] all orientation to West.

Comments on personalities. Message Z-3317 on way.<sup>41</sup>

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864.00/7-1046 : Telegram

*The Minister in Hungary (Schoenfeld) to the Secretary of State*

SECRET

BUDAPEST, July 10, 1946—6 p. m.

URGENT

[Received July 11—11:55 a. m.]

1279. We received yesterday from Balogh confidentially copy of Sviridov's letter (mytels 1230, July 2 and 1235, July 3<sup>42</sup>). Translation goes forward by despatch.<sup>43</sup> Although Sviridov starts letter with statement he is empowered by Soviet High Command to inform Prime Minister of Fascist terroristic acts against Red Army he refers to previous letter of ACC on subject and signing as ACC Deputy Chairman charges government with violation political terms of armistice. Letter was written on ACC stationery.

After describing in detail various alleged outrages against Soviet troops and activities of various youth organizations letter referred to Gyöngyössy incident (mytel 856, May 7<sup>44</sup>) and newspaper activities

<sup>41</sup> Not printed.

<sup>42</sup> Neither printed; these telegrams gave preliminary information on the Sviridov letter (864.00/7-246 and 864.00/7-346).

<sup>43</sup> The text of Sviridov's letter of June 28, 1946, was transmitted to the Department in despatch 1699, July 10, from Budapest, neither printed (740.00119 EW/7-1046). The Sviridov letter is described in considerable detail in Nagy, *The Struggle Behind the Iron Curtain*, pp. 240-243.

<sup>44</sup> Not printed.

of Parragi Desseffy and propaganda of Catholic educators against Soviet Union. Letter states Hungarian Government failed to take necessary steps to prevent activities of Fascist organizations, groups and individual persons and so violated armistice. Sviridov then made seven recommendations: (1) Dissolve following pro-Fascist youth organizations: Cserkesz, Kalot, Kdsz student unions, Kice (YMCA), Szent Imre, and similar associations and intern leaders as accomplices in terroristic crimes; (2) Purge Független Ifjuság (Smallholders youth organization) of Fascist elements with warning that failure to observe regulations would lead to dissolution; (3) Call to account Deputies Filler, Gyulai and Racz as abettors and organizers of terrorist group; (4) Dismiss from government service Pfeiffer, Zoeke, Andrassy and Vidovics <sup>45</sup> and others and purge thoroughly government service of Fascist elements; (5) Subject all social organizations to new registration and certification and ban all social organizations giving shelter to pro-Fascist elements; (6) Prevent Catholic clergy carrying on propaganda against Soviet Union and Red Army; (7) Order article of armistice <sup>46</sup> involved in carrying out suggested recommendations but presumably article 15 and possibly 16 would be invoked. To date other members ACC have neither been consulted nor given copies of letter.

SCHOENFELD

761.64/7-1146: Telegram

*The Minister in Hungary (Schoenfeld) to the Secretary of State*

SECRET  
URGENT

BUDAPEST, July 11, 1946—noon.  
[Received July 12—6:45 a. m.]

1281. We received this morning from Balogh copy Prime Minister's reply dated July 10 to Sviridov letter.<sup>47</sup> Reply was addressed to Sviridov Deputy Chairman ACC and refers to note addressed Prime Minister "On behalf of Soviet High Command". Prime Minister's reply takes cognizance of alleged Fascist activities against Red Army and measures which Soviet High Command expects Hungarian Govt to take for eliminating such anti-Soviet activities.

Reply then assures Sviridov of Hungarian Govt's loyalty to its policy of friendship with Soviets and states it has determined to take following steps conforming to numbered recommendations of Sviridov letter (mytel 1279 July 10).

<sup>45</sup> Pal Zoeke, Daniel Andrassy, and Ferenc Vidovics were Chief Prefects.

<sup>46</sup> Presumably, the reference is to article 17 of the Allied Armistice with Hungary which obliged Hungarian administrative bodies to carry out the orders and instructions of the Allied Control Commission.

<sup>47</sup> A copy of Prime Minister Nagy's letter to Sviridov was transmitted to the Department in despatch 1709, July 11, from Budapest, not printed.



(1) To dissolve youth organizations named therein including Boy Scouts (Cserkesz), with intent to permit reorganization on request of new democratic leader.

(2) Smallholders Party has replaced management of its youth organizations and designated three man committee to continue purge.

(3) Govt cannot institute legal proceedings against Filler, Gyulai and Racz until Assembly suspends immunity and prefers charges and Prime Minister requests Sviridov to bring specific charges against individuals named in which event Assembly will start proceedings to suspend immunity.

(4) Will require resignation of individuals named except in case of Pfeiffer and Zoeko. In these cases requests specific charges from Sviridov before requiring dismissal.

(5) States organizations and clubs are being "indexed" and Govt is banning successively those assumed to be giving aid to Fascist elements.

(6) Govt will publicly call on Catholic Priesthood in interest of good relations between two countries to refrain strictly from propaganda against Red Army and Soviet Union.

(7) Govt has already called upon population to surrender small arms.

Prime Minister's reply concludes with hope that on basis of these actions Soviet High Command will be convinced of Govt's desire for collaboration.

Sent Dept repeated Paris for US Del CFM 242, Moscow 242 and London 255.

SCHOENFELD

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864.00/7-1146 : Telegram

*The Minister in Hungary (Schoenfeld) to the Secretary of State*

SECRET

BUDAPEST, July 11, 1946—1 p. m.

US URGENT

[Received 7:30 p. m.]

1282. Government's reply to Sviridov letter was made prior to receipt urtel 664, July 9.<sup>48</sup> Fact, however, that action requested by Soviet is required under article 15, would necessitate full ACC consultation in accordance with post hostilities period statutes as matter of major political importance.

Balogh stated yesterday Government decided to accede to majority of Sviridov recommendations because political issues in Hungary had in reality been lifted onto international plane by intervention of Soviets. I learn that Cabinet Council yesterday considered them made in name of ACC. Balogh said Government had considered alternatives of civil upheaval prior to a peace which would provide pretext for retention Soviet troops in Hungary and acceptance of Soviet de-

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<sup>48</sup> Not printed; it requested that Schoenfeld endeavor to obtain a copy of the Sviridov letter and asked for his comments regarding a possible protest to Soviet authorities on the matter (864.00/7-346).

sires. Cabinet had concluded that under present armistice regime and notwithstanding diplomatic recognition Government does not have full sovereignty.

Nagy doubtless realized his political position as being powerless in the face of intervention by Allied authority. He may also have been influenced by impression he is understood to have received during Washington visit that American interest in Hungary's political and economic affairs is rather of long-range than of short-term character. Consequently, his actions suggest that he and Tildy as foreshadowed in last paragraph mytel 977, May 25 have come to conclusion Soviets are indeed resolved to interfere in internal affairs of Hungary. Substantial compliance also seems to mean Prime Minister and President hope to preserve latent power of their party's resistance by giving no cause for open suppression at this time and that Smallholder leaders are convinced there is no prospect of success in fundamental conflict with Leftist minority enjoying Soviet support if showdown is precipitated at the moment.

I see no reason for approaching Prime Minister now that answer has already been given Soviets. If matter is raised by Gen. Weems in ACC by inquiring why he was not consulted, it may, of course, have some effect on Soviets' acceptance of Hungarian reply which does not fully comply with Soviet recommendations even such limited intervention may awaken suggestion on part of Soviets that US is interested in encouraging Catholic movement here and in certain reactionaries who may be proved to have been plotting against Soviets and present Government. If question is raised in ACC, purpose should be to set record straight and to indicate again we are not being consulted on armistice matters of acknowledged importance under article 15 of agreement.<sup>49</sup>

Sent Dept, repeated Paris for USDel CFM as 243, Moscow 243, London 256.

SCHOENFELD

864.00/7-346 : Telegram

*The Acting Secretary of State to the Minister in Hungary  
(Schoenfeld)*

SECRET

WASHINGTON, July 11, 1946—8 p. m.

US URGENT

678. Although reply to its 664 July 9<sup>50</sup> has not yet reached Dept, Brit Emb in meantime has made available your Brit colleagues tels

<sup>49</sup> Telegram 1287, July 12, 1946, from Budapest, reported that the British Political Representative, Helm, concurred with Schoenfeld's opinion that matter ought to be raised in the Allied Control Commission (740.00119 Control (Hungary)/7-1246).

<sup>50</sup> Not printed, but see footnote 48, p. 322.

745 and 750 this connection and has expressed Brit agreement our suggestion advisability protest by US and UK against Soviet communication. Brit tels make it clear that Soviet communication predicated on pretext that Fascist and pro-Fascist movements in Hungary "were spreading".

Accordingly, in view urgency matter you are authorized unless you perceive objection to request US Rep ACC to join his Brit colleague when latter receives similar instructions in protesting to ACC Chairman against transmission of Soviet communication to Hung Govt without consultation and without consent US member ACC, an action which seems clearly contrary to revised statutes of ACC as set forth in Clause 1 of Annex 1 of Potsdam protocol.<sup>51</sup> Protest should include request that meeting be called to discuss fascist and pro-fascist movements in Hungary and demands if any to be made of Hung Govt in that regard. It should add that pending such consideration and ACC agreement on any demands or recommendations to be made by ACC Soviet communication to Hung Govt should be suspended. It should be pointed out that at meeting of ACC on Apr 23 at which Gen Sviridov presided it was agreed that Article 15 of Hung armistice relating to Fascist and pro-Fascist organizations etc should be considered as having been fulfilled by Hung Govt (Key's tel Z 2648 Apr 24<sup>52</sup>) and that accusations against individuals named on grounds of Fascist sympathies seem hardly consistent with democratic records these persons which in the case of some at least include persecution and incarceration by the Germans. You should inform Hung Govt without delay concerning action US member ACC takes.

War Dept concurs.

Sent Budapest, rptd Paris, Seedel, London and Moscow.

ACHESON

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740.00119 Control (Hungary)/7-1646: Telegram

*The Minister in Hungary (Schoenfeld) to the Secretary of State*

SECRET

BUDAPEST, July 16, 1946—9 p. m.

URGENT

[Received July 16—1:48 p. m.]

1304. I informed PriMin orally today of General Weems action at yesterday's ACC meeting when he delivered to Acting Chairman written protest against latter's failure to consult other representatives ACC before making political demands on Hungarian Govt which required tripartite consultation and when Weems in pursuance Deptel 678, July 11 also requested such consultation re alleged Fascist ac-

<sup>51</sup> *Foreign Relations, The Conference of Berlin (The Potsdam Conference) 1945*, vol. II, p. 1494.

<sup>52</sup> Not printed.

tivities in Hungary and the Sviridov letter to PriMin of June 28 be suspended (mytel 1301, July 15<sup>53</sup>), PriMin expressed satisfaction at this show of American interest in Hungarian affairs and thanked US Govt. He said he had felt obliged in answering Sviridov's letter to acknowledge legitimate interest of Red Army in safety of its personnel to comply with requests related thereto.

He had, however, felt that demands relating to members Hungarian National Assembly violated parliamentary immunity and infringed Hungarian sovereignty and had answered Sviridov accordingly (mytel 1281, July 11). He added he was discussing matter personally with Acting Chairman and seemed hopeful incident would be satisfactorily closed.

Dept please repeat to Moscow. Sent Dept, repeated to USdel CFM Paris 252, London 260, Moscow 247.

SCHOENFELD

864.00/7-2346 : Telegram

*The Minister in Hungary (Schoenfeld) to the Secretary of State*

SECRET

BUDAPEST, July 23, 1946—noon.  
[Received July 25—7: 10 a. m.]

1348. Mytel 1301, July 15.<sup>54</sup> According to Balogh this morning Soviets reacted to our protest by Pushkin instructing Interior Minister Rajk<sup>55</sup> through Rakosi to speed up dissolution church and youth organizations promised in Prime Minister's reply to Sviridov letter (mytel 1281, July 11). Press announced few days ago decree of Interior Minister dissolving some two or three hundred such organizations including many not covered in Soviet recommendation. Rajk also was taking extreme measures in connection B List (mytel 1318, July 18<sup>56</sup>). Balogh said Prime Minister took Rakosi to task for Rajk's action which had not gone through usual channels nor been approved by Assembly. Rakosi indicated he would instruct Rajk to retract if latter had exceeded authority.

Smallholders wish to get rid of Rajk but only possibility accomplishing this is resignation entire govt and reformation which according to Balogh would not happen until after peace treaty signed. Meanwhile he confirmed policy of Smallholders governmental leaders is to play for time.

Balogh said Mindszenty protest on dissolution Catholic organizations was this time restrained and well-considered and indicated

<sup>53</sup> Not printed.

<sup>54</sup> Not printed, but for substance see telegram 1304, July 16, from Budapest, *supra*.

<sup>55</sup> Laszlo Rajk, who was a leader of the Hungarian Communist Party.

<sup>56</sup> Not printed.

Cardinal had guidance (mytel 1350, July 23<sup>57</sup>). All church groups were united in present crisis. Balogh expects demonstrations next few weeks by leftist bloc but said these would be offset by huge Smallholders mass meeting in Budapest St Stephens Day August 20. It is his opinion however no major political events will occur until after currency stabilization and peace treaty (mytel 1325, July 19<sup>58</sup>) and that peasant unrest is not at this moment explosive.

SCHOENFELD

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[In a note of July 23, 1946, to Soviet Foreign Minister Molotov, Ambassador Smith renewed the request of the United States Government for tripartite action to halt the disintegration of the Hungarian economy. For text of note, see Department of State *Bulletin*, August 4, 1946, page 229.

In a note to Ambassador Smith dated July 27, 1946, Soviet Assistant Minister for Foreign Affairs Dekanozov replied to Ambassador Smith's note of July 23 on the Hungarian economic situation. For text of the Soviet note, see Department of State *Bulletin*, August 11, 1946, page 263.

On July 27, 1946, the Department of State issued a statement to the press regarding the request by the United States for action to halt Hungarian economic disintegration. For text of statement, see Department of State *Bulletin*, August 4, 1946, page 229.]

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Moscow Embassy Files for 1946, Lot F-96.

*The Chief of the United States Representation on the Allied Control Commission for Hungary (Weems) to the War Department*

CONFIDENTIAL

BUDAPEST, 26 July 1946.

PRIORITY

Z-3543. Subject is special meeting of ACC on afternoon of 24 July. Meeting was called by the Acting Chairman of ACC, Gen Sviridov. Present were British,<sup>59</sup> American and Soviet representations.

The meeting was called by the Acting Chairman in response to letters from the British and American representations of 15 July protesting demands made on Hungarian Govt thru Acting Chairman ACC (see my Z-3439 of 17 July<sup>60</sup>). The Acting Chairman asked

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<sup>57</sup> Not printed. Cardinal Mindszenty's letter of protest to Prime Minister Nagy is printed in *Cardinal Mindszenty Speaks* (New York, London, Toronto: Longmans, Green and Co., 1949), p. 98.

<sup>58</sup> Not printed.

<sup>59</sup> Maj. Gen. O. P. Edgcumbe.

<sup>60</sup> Not printed. Instructions to make the protest referred to here were contained in telegram 678, July 11, to Budapest, p. 323.

Gen Edgcumbe what he had in mind for discussion about the demands of the Soviets on the Hungarian Govt. Gen Edgcumbe explained that article 15 had been discussed on the 23 April meeting and that he could not understand why these new demands were made without being consulted as a member of the ACC in accordance with the Potsdam Agreement.<sup>61</sup> Gen Sviridov then asked me if I had some special matter to discuss on the same subject and I explained that my letter was written by direction of my govt and did not question the existence of Fascist organizations in Hungary but called attention to the manner in which these demands were unilaterally presented to the Hungarian Govt by the chairman without consultation of the commission. Gen Sviridov thereupon boiled the agenda down to 3 points; first, the understanding as reached on the 23 April meeting of the ACC; second, info as to existence of Fascist organizations; and third, why he did not place the matter on the agenda for consultation with other members.

Gen Sviridov went to great length to explain that at the 23 April meeting it was agreed that the Hungarian Govt was fulfilling or attempting to fulfill its obligations in respect to article 15 but in spite of their efforts certain Fascist and pro-Fascist organizations have been discovered. He further stated that the Hungarian Govts reply to his letter of June 28th indicated that they are making a sincere effort to dissolve these organizations.

As to existence of Fascist organizations, he summarized the contents of his letter of June 28th to Hungarian Govt and went at considerable length in describing other organizations not mentioned in his letter of June 28th (see State Dept files for copy of Soviet demands and Hungarian Govts reply). He stated that the Hungarian Govt could not challenge any facts as presented by the Soviet High Command and they decided to fulfil the demands. He remarked that he thought any military command would have done the same in order to protect self.

As to why he did not place the matter on the agenda for consultation with other members he stated that the ACC had never had any case where demands of the British or American Govts were put on the agenda and discussed. He further stated that as a rule he sends demands of Soviets to the Hungarian Govt without any discussion or conference of the ACC and thought that he was correct in this case and stated that he could not see why the ACC should have the right to discuss demands of the Soviet High Command. He men-

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<sup>61</sup> At their meeting on April 23, 1946, the Allied Control Commission agreed that article 15 of the Hungarian armistice relating to Fascist and pro-Fascist organizations should be considered as having been fulfilled by the Hungarian Government.

tioned that the American Govt had made demands on the Hungarian Govt as in the Maort Oil Co case<sup>63</sup> and that these letters were sent to the Hungarian Govt and not acted upon by the ACC. He stated that his letter contained demands sent by the Soviet High Command and it was not a directive as mentioned in the statutes of the ACC and he did not consider that a discussion by the ACC of demands by any of the Allied Govts would be proper. (Comments: It should be noted that the demands in reference to the Maort Co by our Govt were made on the Soviets and not the Hungarian Govt. Furthermore, a study of the articles and statutes as proposed by Marshal Voroshilov clearly indicated that this is purely a matter for the ACC on a tripartite basis.) I stated that since the concept of Fascist and pro-Fascist organizations was clearly set forth in article 15 and that discussions had already been made in a meeting of the ACC it appears that the matter clearly falls within the province of the ACC. The matter then resolved itself into whether or not it is an important question and item stated that item considered it important.

Gen Sviridov was asked if he would make reply to our letters of July 15th, and replied in affirmative.<sup>64</sup> He was also asked if he could give us a copy of the Soviets directive to the Hungarian Govt and the reply thereto. He stated that he could not do this without permission from Marshal Voroshilov which he would attempt to get.

The Acting Chairman mentioned that the Hungarian Govt had asked the ACC if there were any objections to establishing diplomatic relations with Italy, Bulgaria and Rumania and the Spanish Govt in exile (Giral),<sup>65</sup> and asked if the other members had objections. I stated there appeared to be no objections except in the case of the Spanish Govt in exile and that in view of my Govt's attitude toward this Govt in exile item [I?] would reserve my view until a later meeting. Gen Edgumbe agreed.

Comments: Gen Sviridov appeared somewhat ill at ease in this meeting and item was led to the conclusion that he did not concur with

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<sup>63</sup> Reference is to the case of the American-owned Hungarian subsidiary of the Standard Oil Company of New Jersey, Magyar Amerikai Olajipari Reszvenytársasag (Maort). Maort's three producing oil fields in southwestern Hungary, which provided the bulk of Hungarian oil production, had been occupied by Soviet forces during the liberation of Hungary. Soviet authorities had taken measures to assure that production in the fields was maintained above a certain level, considered by the Maort management to be permanently damaging to the fields. Representations were made by American officials to the Allied Control Commission and to the Soviet Government in Moscow during 1946 to bring about the withdrawal of Soviet occupation and control of the fields. No solution in the question was reached during the year.

<sup>64</sup> According to telegram 1421, August 1, 1946, from Budapest, Sviridov's formal letter of reply to Weems' protest merely stated that full information on all questions had been given at the Allied Control Commission meeting of July 24 (740.00119 Control (Hungary)/8-146).

<sup>65</sup> The United States did not recognize the so-called "Spanish Republican Government in Exile" headed by José Giral.

the contents of the letter nor the procedure. From a reliable source it is reported that Mr. Gregorieff (next under Pushkin) was the formulator of the demands and was working in collusion with the Communist party in Hungary. It is further reported that Moscow authorities now think this was a blunder. Gregorieff was recently sent to Moscow and the Soviet ACC authorities here have stated to us that he will not return to Hungary.

Complete notes on this meeting have been sent to War Dept.

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[An official train under United States command bearing the restored Hungarian monetary gold from Frankfurt, Germany, arrived in Budapest on August 6, 1946, and was received ceremoniously by Hungarian authorities including Prime Minister Nagy and Finance Minister Gordon as well as by American representatives including Minister Schoenfeld and Brigadier General Weems. On the following day, Minister Schoenfeld issued a statement to the press regarding the gold returned to the Hungarian National Bank. For text of the Minister's statement, see Department of State *Bulletin*, August 18, 1946, page 335.]

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Caserta Consulate Files for 1946, Lot 52 F 2.

*The Chief of the United States Representation on the Allied Control Commission for Hungary (Weems) to the War Department*

TOP SECRET  
PRIORITY

BUDAPEST, 9 August 1946.

Z-3683. Intimidation of and interference with the British and American Representation of the ACC has now taken the following turn.

Vas Zoltan, Economic Commissar for Hungary, known to be an officer in the Russian Army and one of the leaders of the Communist Party in Hungary, whose title is Chief Secretary of the Supreme Economic Council, has unilaterally issued orders to the caterers and other food distributing agencies and members of the Staff of the American and British Missions to reduce, and even discontinue, the supply of food, and furthermore has directed that the civilian staff be decreased to a point of unworkability.

British and American Representatives called on General Levushkin, Chief of Staff of Soviet ACC, to demand that Hungarian Government be instructed not to interfere with the operations of these Missions. General Levushkin was prepared for this visit as was evidenced by his possession of a purported copy of a letter to be sent by



the Hungarian Government to the British and American Missions along the same line as above.

The letter was written in excellent Russian in contrast to the usual Russian translations from Hungarian. When asked why draft letter has been submitted to Soviets, he stated that he had "borrowed" a copy in order to give advance notice to US and British. After conference, Levushkin promised to direct Vas not to interfere but later called and said that it will be necessary for the American and British Representations to address a letter to him requesting the supply of food, etc. As Hungarian Government is required by article 11 of Armistice to supply Missions with necessities, this is obviously political move on part of Soviets to embarrass US and British. Also parallel action taken in Bulgaria (reference USFETS-8359 top secret<sup>67</sup>) would indicate action known to or initiated by Soviets.

This Headquarters complained about service or supplies and in fact Mission has always been cognizant of economic straits of Hungary and has economized to every extent possible. Our position therefore is that present standards must be maintained and that we will not be dictated to as to our needs. British take same stand.

What shall be position of this Headquarters if Soviets refuse to enforce article 1 of Armistice upon Hungarian Government.

Request instructions.

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864.515/8-1246: Telegram

*The Minister in Hungary (Schoenfeld) to the Secretary of State*

CONFIDENTIAL

BUDAPEST, August 12, 1946—1 p. m.

[Received August 13—10:41 a. m.]

1515. Mytel 1171, June 24 and despatch 1796, August 5.<sup>68</sup> On July 20 Cardinal Mindszenty addressed letter to me requesting American intercession to insure ACC permission for St. Stephens Day procession August 20. Cardinal's letter was forwarded US representative ACC who addressed letter August 1 to Acting Chairman ACC recommending granting of permission for procession. Acting Chairman has now replied by telephone that no representative of Catholic Church has requested permission for St. Stephens Day procession nor has Hungarian Government approached ACC re matter. US representative ACC suggests Cardinal Mindszenty approach Acting Chairman ACC through Hungarian Government with formal request for permission to hold procession and states US representative ACC has

<sup>67</sup> Not printed.

<sup>68</sup> Neither printed.

no objection of any kind to public religious procession and will present this view to ACC if matter arises.

In view reported Soviet objection retention St. Stephens Day as Hungarian national holiday and Hungarian suggestion US acknowledge August 20 as national holiday by means Presidential telegram (my despatch 1718, July 15<sup>69</sup>) it is possible issue may develop over this question during coming week.<sup>70</sup>

Repeated Paris Secdel 314, Moscow 267.

Dept please forward to Moscow.

SCHOENFELD

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Caserta Consulate Files for 1946, Lot 52 F 2

*The Chief of the United States Representation on the Allied Control Commission for Hungary (Weems) to the War Department*

TOP SECRET

BUDAPEST, 15 August 1946.

Z-3748. Reference our Z-3683. Several more letters from minor officials in the Reparations Office demanding this or that were received by ourselves and British, so a meeting was requested on ACC level and held today, 14 August, with General Sviridov, Prime Minister Nagy, General Edgcumbe, and myself together with Hungarian Finance Minister, Minister of Supply, Chief of the Economic Council, General Levushkin, and other members of the American, British, and Soviet Staffs.

Prime Minister in outline stated that economies should be effected and requested permission to go into detail. I objected, as did General Edgcumbe, and we both stated that before any discussion would be held, Hungarian Government must agree that Article 11 of Armistice is in full force and effect. We vigorously protested against discourtesy of minor officials making demands and issuing orders to the missions and stated that our requirements had been modest and we had always exercised rigid control, and that we were not going to be dictated to at this late stage.

Before permitting any further discussion we demanded and received assurance that supplies and services would be continued in *status quo ante* before we would examine their proposal. Whereupon we heard their case which amounted to the request that supplies should be by cash allotment rather than in kind. We stated this was not acceptable

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<sup>69</sup> Not printed.

<sup>70</sup> In telegram 818, August 15, 1946, to Budapest, the Acting Secretary stated that a message from President Truman to President Tildy on the occasion of the Hungarian National Holiday of August 20 had been prepared (864.515/8-1246). The message was sent on August 20, 1946, and was released to the press on the same day. Many thousands of people attended the religious procession on August 20, and no incidents were reported.

but that we would receive any proposals in writing and would then discuss the latter further. This was agreed to.

It was evident from discussion that Soviet Chief of Staff had backed up or instigated some of the demands which were stated at meeting to be "mistake". General Sviridov summed up the matter and directed the Hungarian Government [apparent garble] make any changes agreed to in writing by ACC Headquarters. It was apparent from meeting that Mr. Vas, Chief of the Economic Council, Communist, had not informed Prime Minister of his actions and while he may attempt to make further trouble, it is noted that matter is settled to our satisfaction.

WX97347<sup>72</sup> was received after meeting, but from above it will be noted that we had followed line set forth therein.

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740.00119 Council/9-746: Telegram

*The Ambassador in France (Caffery) to the Acting Secretary of State*

SECRET

PARIS, September 7, 1946—2 p. m.

[Received 5 p. m.]

4479. Delsec 908. Prime Minister Nagy in conversation with the Secretary describes the difficulties of his own political situation which he said had become more critical as result of unfavorable developments regarding the peace treaty in Paris.<sup>73</sup> He said Hungary apparently had not gained much by holding a free election last November compared to lack of sympathy with Hungary in Paris and more favored positions of Bulgaria and Rumania which still had not as yet held free elections. He pointed out he was one of few Peasant leaders left in Europe leading fight against eastern interpretation of democracy and then elaborated on Soviet pressures on Hungary as well as Communist domination of neighboring states.

Secretary pointed out Hungary unlike other satellites had advantage of being a sovereign state and had more independence. Moreover, she was neither demanding reparations or territories in any Balkan peace treaty. He greatly sympathized with Hungary's problem and hoped to hear of progress made to overcome economic diffi-

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<sup>72</sup> Telegram WX 97347, August 13, from the War Department to General Weems, authorized Weems to express the opinion that American requirements for the supply of the mission to Allied Control Commission were modest. Weems was further directed to convey the United States Government's expression of strong displeasure if the terms of article 11 of the Hungarian Armistice, providing for the supply of the Allied missions to the A.C.C., were not observed.

<sup>73</sup> For Prime Minister Nagy's account of his sudden trip to Paris and his conversation with the Secretary of State, see Nagy, *The Struggle Behind the Iron Curtain*, pp. 272-273.

culties and further developments towards attainment of political freedoms.

In this and other conversations Prime Minister has had in Paris, it is evident he is extremely pessimistic. Szegedy-Maszak told us this morning Nagy had returned to Budapest intending to resign should Czechoslovakia succeed in putting across its territorial and expulsion amendment. He told members of his delegation that western democracies were apparently either unable or unwilling to oppose Soviet policies in eastern Europe. Hungarians naturally despondent over acceptance in Hungarian and Rumanian territorial commissions of nullification of Vienna award returning all Transylvania to Rumania.

Sent Dept 4479, repeated Budapest 117.

CAFFERY

864.50/9-1646

*The Chief of the United States Representation on the Allied Control Commission for Hungary (Weems) to the Acting Chairman of the Allied Control Commission for Hungary (Sviridov)*<sup>74</sup>

BUDAPEST, 11 September 1946.

MY DEAR GENERAL SVIRIDOV: I have been instructed to communicate to you the views of the Government of the United States with regard to the procedure to be followed by the American Legation in Hungary in obtaining economic and financial information from the Hungarian Government. The views of the American Government in this regard are as stated below:

1. No valid basis is perceived by the Government of the United States for a requirement on the part of the Soviet Chairman of the Allied Control Commission that requests by the American Legation for economic and financial information from the Government of Hungary be handled through the Soviet Chairman of the Commission since no relevant provisions are contained in the Armistice Agreement and the procedure established in the statutes of the Allied Control Commission applies only to the United States Representative on the Commission.

2. Requests for information originating with the United States Representative on the Allied Control Commission may continue to be submitted through the Soviet Chairman in accordance with the statutes of the Commission but the United States Government con-

<sup>74</sup> A copy of this letter was transmitted to the Department in despatch 1942, September 16, 1946, from Budapest, not printed. The letter was transmitted to General Sviridov in pursuance of instructions contained in telegram 924, September 9, to Budapest (864.51/8-3046).

siders that requests by the American Legation are in a different category and constitute a matter entirely between the Hungarian Government and the American Legation. The position of the Government of the United States in this respect is fully warranted by the existence of diplomatic relations between Hungary and the United States, as well as being in accordance with customary practices observed by all Governments maintaining such official relations.

3. Attention is invited to the fact that the Political Representatives of the United States in Rumania and Bulgaria enjoy free access to the officials of the Rumanian and Bulgarian Governments in obtaining information desired by the United States regarding economic and financial matters.<sup>75</sup>

4. The views of the United States Government as set forth in the three numbered paragraphs above are also being transmitted by the American Legation to the Hungarian Government.<sup>76</sup> In the interest of reaching a common understanding among the American, Soviet and Hungarian authorities regarding this matter, the Government of the United States would appreciate prompt steps on the part of the Chairman of the Allied Control Commission to make it clear to the Hungarian Government that requests of the American Legation for information regarding economic and financial matters need not be made through the Allied Control Commission.

It is respectfully requested that you transmit the views of the United States Government to the Hungarian Government and that you be so kind to inform me fully in regard to the procedure which they will follow in the future.

With assurance of my highest esteem, I am,

Sincerely yours,

GEO. H. WEEMS

*Brigadier General, U.S. Army  
Chief, U.S. Representation*

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<sup>75</sup> In telegram 725, September 12, 1946, from Sofia, Rewinkel, in commenting upon this paragraph of the letter, observed that the Bulgarian Government had forbidden its officials and institutions to give information to foreign civilian and military officials without the prior order of the Allied Control Commission, in effect the Soviet authorities. Although protests had been made on this matter to the Soviet representatives on the Allied Control Commission for Bulgaria, no satisfaction had been obtained and the American mission in Bulgaria continued to encounter numerous cases of refusals and obstructions on the part of local Bulgarian officials in obtaining data. (874.00/9-1246) In telegram 952, September 14, to Budapest, Acting Secretary Clayton thereupon asked that this paragraph be omitted if the communication had not yet been sent to Sviridov (874.00/9-1246). It, of course, had already been sent.

<sup>76</sup> A copy of the note of September 11 from the American Legation to the Hungarian Foreign Ministry was transmitted to the Department as enclosure 2 to despatch 1942, September 16, from Budapest, neither printed.

864.00/9-1346: Telegram

*The Minister in Hungary (Schoenfeld) to the Secretary of State*SECRET  
URGENTBUDAPEST, September 13, 1946—5 p. m.  
[Received September 14—10:10 a. m.]

1730. Mytel 1716, September 11.<sup>77</sup> Count Jozsef Palfy called at Legation today to discuss question ban on political activities Freedom Party. Palfy stated he had recently made arrangements with Sulyok whereby Palfy became Vice President Freedom Party in return for which party received support Cardinal in Catholic Church. Palfy admitted it was this deal which was [*has*] most probably prompted withdrawal Soviet permission for functioning party particularly in view fact that Soviet element ACC recently summoned Sulyok and asked for guarantee that Sulyok had no connections with Cardinal or Catholic political activities, pointing out that Soviets would not countenance Freedom Party should it become involved with Catholic Church.

Palfy inquired whether US Govt would take up matter in ACC with view to supporting efforts Freedom Party including its Catholic adherents for authority to proceed with political activities.

Continuing negotiations for entrance Sulyok and followers into Citizens Democratic Party, suggest that Catholic faction Freedom Party has been granted period of time in which to summon what assistance it can muster to benefit combined Catholic-Sulyok political group, or be dropped by latter.

Department's instructions are requested as this matter involves not only procedural question of right of Soviet chairman ACC on his own exclusive authority to grant or withhold permission to political parties to function but also more delicate question of Catholic Party in combination with Sulyok's Freedom Party. US representative ACC has been informed and cautioned not to take any action pending receipt of instructions. If Department desires I raise procedural question, I recommend it be made very clear that such action is confined only to that question.

Repeated Paris for Secdel as 403.

SCHOENFELD

<sup>77</sup> In telegram 1249, July 8, 1946, from Budapest, Schoenfeld reported that the Soviet Chairman of the Allied Control Commission had, without consultation with the American or British representatives, informed Prime Minister Nagy by letter on July 6 that Dezsö Sulyok could form a political party under the name Freedom Party (864.00/7-846). In telegram 1716, September 11, from Budapest, Schoenfeld reported that General Sviridov had informed Prime Minister Nagy that Marshal Voroshilov's letter of July 6 had not constituted permission for the formation of the Freedom Party and that Sulyok and his followers were not entitled to operate as a political party (864.00/9-1146).

[Telegram 3495, September 17, 1946 from Moscow, printed on page 145, transmitted the text of a Soviet Foreign Ministry note of the same date protesting the travel restrictions imposed upon Soviet representatives on the Allied Commission for Italy and the Advisory Council for Italy and contrasting these restrictions with the alleged freedom of travel enjoyed by American representatives to the Allied Control Commissions in Hungary, Rumania, and Bulgaria. Instructions as to the reply to be made to the protest were contained in telegram 1806, October 10, to Moscow, repeated to Budapest as 1056, page 154.]

[On September 21, 1946, the Chargé in the Soviet Union, Elbridge Durbrow, delivered to Soviet Assistant Foreign Minister Dekanozov a note renewing the request of the United States Government for tripartite cooperation on Hungary's economic problems. For text of note, see Department of State *Bulletin*, October 6, 1946, page 638.

On September 24, 1946, the Department of State released to the press a statement regarding the efforts of the United States Government to assist in the economic rehabilitation of Hungary. For text of statement, see Department of State *Bulletin*, October 6, 1946, page 638.]

864.00/9-1346: Telegram

*The Acting Secretary of State to the Minister in Hungary*  
(Schoenfeld)

SECRET

WASHINGTON, October 2, 1946—7 p. m.

US URGENT

1015. Urtel 1730, Sep 13 and others. If such action consistent your thinking in matter, subject unilateral Sov directives re Freedom Party should be raised by US Rep next meeting ACC on procedural grounds.

Statement by US Rep at that time should include following points: (1) Any decision governing formation or regulating conduct new political parties is matter on which US, as signatory Crimea Declaration and Armistice and member ACC, should be consulted. (2) Assurance given by Gen Sviridov ACC meeting June 19 that after discussion with Hun PriMin and receipt latter's recommendations US and UK Reps would be consulted re action petition Freedom Party (urtel 1167 June 21 and Weems' Z3163 June 20<sup>78</sup>) has not been carried out thus far. (3) It is understanding US Rep ACC that Sov Acting Chairman has recently taken position that his July 6 letter to PriMin (urtel 1249 July 8<sup>79</sup>), interpreted by press reports at time as sanc-

<sup>78</sup> Neither printed.

<sup>79</sup> Not printed, but see footnote 77, p. 335.

tioning formation new party, was merely acknowledgment party petition and accordingly group in question unauthorized function as political party (urtel 1716 Sep 11 <sup>79a</sup>). (4) Full info requested, therefore, re present status petition before ACC on warranted assumption that there should be full discussion in ACC with US and UK participation before any final decision is reached in matter.

Sent Budapest, rptd Paris, London, Moscow.

ACHESON

864.00/10-1346 : Telegram

*The Minister in Hungary (Schoenfeld) to the Secretary of State*

SECRET

BUDAPEST, October 13, 1946—3 p. m.

PRIORITY

[Received October 14—7:33 a. m.]

1915. We are informed by Dessewffy that Prime Minister and Smallholder Secretary General Bela Kovacs had conference with Soviet Minister Pushkin and unidentified Soviet General about October 9 when Russians stated they absolutely insist on maintenance coalition and Smallholders must therefore reach some agreement with Leftists. Soviets also reported to have demanded that Catholic Church be limited to religious functions only and that its educational and youth functions be abolished. Prime Minister and Kovacs stated to have assured Soviets of their complete cooperation in fulfillment first demand but to have flatly rejected second. Reportedly Soviets retreated in face rejection second demand and assured Prime Minister matter entirely up to him.

If this report is true which I am inclined to believe,<sup>80</sup> Prime Minister will now find himself in serious dilemma since agreement with Left bloc at this juncture would doubtless involve some compromise on provincial municipal election issue (mytel 1887, October 9 <sup>81</sup>) although recent statements and tightening of party discipline indicate preparation for eventual conflict on this or another issue. Smallholder anxiety, however, continues as to threat of Communist-provoked disorders which would provide justification for direct Soviet intervention in supposed Communist objectives and which Smallholder leadership is determined to avoid at this time.

Repeated Paris Secdel 458.

SCHOENFELD

<sup>79a</sup> Not printed, but see footnote 77, p. 335.

<sup>80</sup> In telegram 1929, October 14, 1946, from Budapest. Schoenfeld stated that the reported conference of Prime Minister Nagy and Kovacs with the Soviet officials had been confirmed with the single correction that the Soviet demand for the elimination of church influence in government and education had not been confined to the Catholic Church but included all churches (864.00/10-1446).

<sup>81</sup> Not printed; in it, Schoenfeld reported on the mounting tension between the Smallholders Party on the one hand and the Communist and Social Democratic Parties on the other (864.00/10-946).



864.00/10-1946 : Telegram

*The Minister in Hungary (Schoenfeld) to the Secretary of State*

SECRET

BUDAPEST, October 19, 1946—3 p. m.

US URGENT

[Received 3:51 p. m.]

1972. Mytel 1970, October 18.<sup>82</sup> Prime Minister told me last night demands served on him yesterday by Leftist bloc embodied many points already accepted or acceptable for his political program to be discussed October 20 in his speech marking sixteenth anniversary establishment Smallholders Party. Leftist demands as submitted, he said, contrasted with dire expectations in view of vociferous build-up since prior to Communist Congress last month. He said it is fact Leftists are honestly fearful of possible counter revolutionary action by certain elements which do exist and must be guarded against. On other hand overwhelming majority Hungarian people just as deeply fear Communist domination. He recalled that in 1919 Communist regime was installed here by 150 armed sailors and that while he might be able once a year, as he did last month, to summon 300,000 peasants to Budapest Leftists could take control any day with 10,000 armed men.

Nagy continued that middle of road progress towards real democracy as desired by majority Hungarian people requires avoidance own [*open?*] conflict with Leftists pending further consolidation of democracy in Europe generally of which he sees increasing signs. It was also necessary to escape fate of Rumania where democratic façade thinly veils Communist control. These aims would be jeopardized by yielding to those in Smallholders Party who want to force issue with Leftists at this time. His hopes were now directed to possibility of securing agreement among coalition parties on a one year political program. If he could get such agreement recurring crisis within coalition might be minimized for that period while stabilization of wider European democracy makes further progress.

Prime Minister said obviously success of any such policy depends on Soviet attitude and therefore he had tried recently to ascertain Soviet intentions from Pushkin and Sviridov during Hungarian [apparent garble] party to which he invited them. Russians had given him to understand they were not disposed to interfere on behalf

<sup>82</sup> Not printed; in it Schoenfeld reported that the bloc of left-wing Hungarian political parties were making the following demands on Prime Minister Nagy: measures to help workers and peasants, including a 25 per cent reduction in industrial prices; state control of all banks; democratic reform of the public administration; state monopoly of school book publication; expulsion from the National Assembly of Smallholder deputies who had injured coalition discipline, agitated against democratic institutions, or injured relations with friendly powers (864.00/10-1846).

of Communist Party. Nagy thought such Soviet restraint was attributable in part at least to developments at Paris Conference which if it did not mark turning point of world wide significance had at least given Soviet momentary pause.

Prime Minister asked me again whether US would stand on its position re Danube question which he thought might soon become principal issue of European politics. I expressed opinion US would stick to position clearly expressed at Paris. Nagy intimated doubt US could count on unwavering British support on controversial issues vis-à-vis USSR. I suggested some European statesmen who had based policy on their interpretation of cleavage between US and British Commonwealth in matters of principle had proved to be ill-advised.

Nagy gave impression of being relieved by moderation Leftist demands though ever aware precarious equilibrium local situation. He evidently intends to press for [a?] year's agreed inter-party program.

Repeated London 278 and Moscow 287.

SCHOENFELD

864.00/10-2346 : Telegram

*The Minister in Hungary (Schoenfeld) to the Secretary of State*

SECRET  
PRIORITY

BUDAPEST, October 23, 1946—2 p. m.  
[Received October 24—7:10 a. m.]

1994. Deptel 1015, October 2, my 1861, October 5<sup>83</sup> and previous. According to notes ACC meeting October 17 and today General Weems raised question formation and regulation new political parties in Hungary, particularly Freedom Party. In confused discussion General Sviridov acknowledged he had interpreted his initial communication to Prime Minister (mytel 1716, September 11<sup>84</sup>) as constituting only acknowledgment receipt request permission for formation party but that delay of final permission occasioned by necessity obtaining Marshal Voroshilov's approval Sviridov's remarks included statement "party authorized to function many days ago and now functioning as political party" both in Budapest and provinces and another statement that "party authorized but Sulyok not ready to organize it". General understanding all members ACC appeared to be party authorized to function.

In discussion on procedural aspect question Sviridov emphasized necessity obtaining approval Marshal Voroshilov but did not even

<sup>83</sup> Latter not printed; it indicated that General Weems had been instructed to raise the question of the Freedom Party at the next Allied Control Commission meeting (740.00119 Control (Hungary)/10-546).

<sup>84</sup> Not printed, but see footnote 77, p. 335.

impliedly concede necessity for consulting other members. He made statement "in accordance statutes ACC Chairman brings up for discussion policy matters and other matters only raised for information other members". General Weems closed discussion with request for statement policies, program, and composition Freedom Party as basis for discussion in event matter again raised. Sviridov replied party has no program or constitution as yet.

In meantime Legation obtained copy of letter from Acting Chairman ACC to Prime Minister dated October 11 stating he has no objection to formation Freedom Party (General Weems proposed agenda for October 17 ACC meeting transmitted to Acting Chairman ACC October 7). Letter contains sentence ACC decision took into consideration Prime Minister's promise that activities Freedom Party will be directed toward "strengthening Hungarian democracy and will thus strengthen authority Coalition Govt and prestige Hungarian Republic".

SCHOENFELD

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740.00119 Control (Hungary)/10-2446: Telegram

*The Minister in Hungary (Schoenfeld) to the Secretary of State*

SECRET

BUDAPEST, October 24, 1946—10 a. m.

US URGENT

[Received 11:35 a. m.]

2004. Redeptel 924, September 9; despatch 1942, September 16; Deptel 952, September 14 and mytel 1750, September 18.<sup>85</sup> In ACC meeting October 17 Acting Chairman Sviridov made oral reply to General Weems' letter of September 11 re procedure of Legation in obtaining economic and financial information from Hungarian Govt.

He stated that regulations of ACC are such that should American Legation correspond directly with Hungarian Govt all replies would have to be made through Chairman ACC even though direct reply requested, adding that he could not order Legation to desist from sending letters directly to the Hungarian Govt, but that latter will always forward replies through ACC. He stated that Legation should forward list of questions to US representative ACC for transmission to Chairman who would pass them on to Hungarian Govt and that reply must be made via same channels.

General Weems protested procedure is in contravention of armistice agreement and statutes of ACC and reminded Chairman that the US has recognized the Hungarian Govt.

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<sup>85</sup> None printed; they were all concerned with the preparation and delivery of General Weems' letter of September 11 to General Sviridov, p. 333.

Chairman reiterated position and requested Weems to inform the Legation and the US Govt of his position, adding that the Hungarian Govt is directly under control of ACC and that requests for information of any type originating from any foreign representative must pass through ACC.

Weems requested written reply to his letter of September 11. Sviridov agreed.<sup>86</sup>

This is wholly unacceptable to me and will doubtless be so to Dept.

Repeated Moscow as 288, London as 280, Bucharest as 68 and Sofia as 19.

SCHOENFELD

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864.50/10-3146 : Telegram

*The Chargé in the Soviet Union (Durbrow) to the Secretary of State*

RESTRICTED

Moscow, October 31, 1946—11 a. m.

[Received 11 : 18 a. m.]

4018. Embtel 3537, September 21, repeated London 375.<sup>87</sup> Translation Dekanosov's reply dated October 26 to Embassy note on Hungarian economy follows:

"In connection with your note of September 21, Soviet Govt feels it necessary to state that in note of Minister Foreign Affairs of USSR of July 27,<sup>88</sup> economic situation of Hungary in 1946 was explained in detail and exhaustive facts were given on that question. That note also contained an evaluation of the facts cited in note of Embassy of USA of July 22,<sup>89</sup> which moreover referred not to year 1946 but to 1945. In consequence of above-mentioned circumstances and also having in view that cited note of September 21 does not contain any evidence refuting the facts set forth in Soviet note of July 27, Soviet Govt does not see the necessity to cite new proof of the incorrectness of position taken by gov't of USA in this matter.

Soviet Govt is not able at the same time to pass over the assertions contained in your letter that it allegedly refuses to carry out the decisions of the Crimea Conference relative to the policy of the three govts in matter of aiding peoples of former Axis satellite states. This assertion has no foundation and must be rejected. It is appropriate to recall that in connection with question raised by American Govt about

<sup>86</sup> In telegram 2025, October 28, from Budapest it was reported that Sviridov's written reply to Weems had merely indicated that the Acting Chairman's position had been fully stated at the ACC meeting of October 17. At Schoenfeld's suggestion, Weems on October 26 sent another letter to Sviridov transmitting excerpts from the notes of the meeting of October 17 and requesting confirmation as to their accuracy. (740.00119 Control (Hungary)/10-2846)

<sup>87</sup> Not printed; it reported the delivery on September 21 of the American note on the Hungarian economy (740.00119 Council/9-2146). Text of the note of September 21 is printed in Department of State *Bulletin*, October 6, 1946, p. 638.

<sup>88</sup> *Ibid.*, August 11, 1946, p. 263.

<sup>89</sup> *Ibid.*, August 4, 1946, p. 229. The American note was delivered on July 23.

the economic position of Hungary, Soviet Govt in its note of April 21<sup>90</sup> informed Govt of US of the readiness of Chairman of ACC to examine considerations which may be communicated by the representatives of the USA and Great Britain concerning the economic situation in Hungary. However, up to this time such consideration has come neither from American nor from English representatives. As regards proposal of gov't of US for creation of a special commission of the representatives of USA, USSR and Great Britain for drawing up plans for economic rehabilitation of Hungary, which Hungarian Govt itself allegedly requests, as is stated in American notes of July 22 and September 21, Soviet Govt has no knowledge of such a request of the Hungarian Govt.

Soviet Govt, as before, takes a negative view of such a proposal, more so as during course of last 2 or 3 months economic position of Hungary has considerably improved. Starting with first of August this year Hungarian Govt began successfully to carry out a financial reform with result that not only inflation has ceased but a stable currency has been established. On this basis Hungarian Govt has succeeded in achieving a further rise in industrial production, successes in agriculture and a general improvement in the economic life of the country.

In view of what has been said, Soviet Govt considers that proposal of Govt of USA that the plan of economic rehabilitation of Hungary be reexamined by the representatives of the three powers is totally unnecessary.<sup>91</sup>

Dept please repeat to Budapest as Moscow's 62, London as 405.

DURBROW

864.51/11-846

*The Hungarian Minister (Szegedy-Maszák) to the Director of the Office of European Affairs (Matthews)*<sup>91</sup>

WASHINGTON, November 8, 1946.

DEAR MR. MATTHEWS: In the course of our recent conversation on possible American economic assistance for Hungary,<sup>92</sup> you kindly suggested to me that I take up the matter with Mr. Thorp and Mr. Ness.<sup>93</sup>

<sup>90</sup> The text of the Soviet note of April 21 is contained in telegram 1302, April 23, from Moscow, p. 285.

<sup>91</sup> The Hungarian Minister left this letter with the Assistant Chief of the Division of Southern European Affairs (Barbour) during a call to the Department on November 15. According to Barbour's memorandum of conversation of the meeting, dated November 18 (not printed), Szegedy-Maszák discussed the two proposals made in his letter and made the point that in his view the Hungarian Government would be in a position to permit American observers to oversee the distribution and end use of rehabilitation supplies purchased under the proposed credit. The Minister felt that for internal Hungarian political reasons, the Soviet authorities would find it difficult to refuse to allow the entry of such observers. (864.51/11-1846)

<sup>92</sup> Szegedy-Maszák had called on Matthews on October 30, primarily to discuss the outcome of the Paris Peace Conference deliberations on the Hungarian Peace Treaty. Matthews' memorandum of conversation of the meeting is not printed. (864.00/10-3046)

<sup>93</sup> Willard L. Thorp, Assistant Secretary of State for Economic Affairs, and Norman T. Ness, Director of the Office of Financial and Development Policy.

I now wish to inform you that after discussing the matter with Mr. Thorp in brief, I had occasion to submit more detailed plans to Mr. Ness.<sup>94</sup> In quite an informal discussion with him, I outlined to Mr. Ness the types of credit lines which I at present consider the most important ones for Hungary in case the Export-Import Bank would be ready to negotiate loans. These are the following:

1. Establishment of a credit line for carrying out an agricultural rehabilitation program.

At the time when the termination of the activities of UNRRA had not yet been decided, the Hungarian Government filed a request with UNRRA for the carrying out of an agricultural rehabilitation program in Hungary. The Hungarian Government would have undertaken to repay the money to be invested by UNRRA in terms of agricultural products which UNRRA would have been able to use in its relief program in Europe. The early termination of the activities of UNRRA have excluded the adoption of such a plan by UNRRA. The Hungarian Government therefore desires to carry out a similar program by negotiating a loan for this purpose.

The carrying out of such a program would result not merely in the rehabilitation of Hungarian agriculture, but an increase in Hungarian agricultural production would also contribute in a positive way toward alleviating the European food supply problem.

The Hungarian Government feels certain that such a program would increase the agricultural output of the country to an extent which would enable Hungary to export already in the forthcoming years considerable quantities of agricultural products. These could be sold for convertible foreign exchange, thus rendering possible a relatively quick amortization of the loan. The sale of the commodities produced under this plan would serve to a considerable extent the purpose of reestablishing Hungary's normal trade relations under the auspices of free trade.

2. Establishment of a credit line for the purpose of purchasing domestic surplus materials from the War Assets Administration.

In this connection, I should like to point out that although the Hungarian Purchasing Commission had entered into firm contracts with the European Field Commissioner of the Foreign Liquidation Commission for almost the entire amount of the \$15,000,000 credit line established for the purchase of overseas surpluses, a deficiency of about \$5,000,000 worth of goods occurred when actual deliveries were to take place. Since there is very little likelihood of being able to replace this deficiency with other overseas surpluses, and since Hungary is very anxious to be able to use up the entire credit line for actual deliveries, I feel that domestic surpluses might be considered in order to make up the overseas deficiency. This could be a starting point for the negotiation of a loan for domestic surpluses which Hungary would be very much interested to purchase in quantities even exceeding the value of the \$5,000,000 referred to above.

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<sup>94</sup> Szegedy-Maszák's meeting with Ness took place on November 6.

We agreed with Mr. Ness that these conversations are being carried on quite informally, without creating any prejudice against official steps to be taken. Mr. Ness, not having had access to the record of the conversation which I previously had with you, indicated that before going into further details he would first like to get in touch with you and confirm the information given to him by me. May I respectfully request you, therefore, kindly to give further consideration to this subject.

I remain [etc.]

ALADÁR SZEGEDY MASZÁK

740.00119 Control (Hungary)/11-2146: Telegram

*The Minister in Hungary (Schoenfeld) to the Secretary of State*<sup>95</sup>

RESTRICTED

BUDAPEST, November 21, 1946—3 p. m.  
[Received November 21—11:35 a. m.]

2180. Following is translation supplied by General Weems of letter No. 2669, dated November 18, from General Sviridov to Weems:

"In reply to your letter of 26 October 1946,<sup>96</sup> I have the honor of letting you know of my opinion concerning the receipt by Mr. Schoenfeld, USA Minister, of information on economic and financial questions from the Hungarian Govt.

We cannot dispute the right of Mr. Schoenfeld, the Minister, to apply directly on any question to the Hungarian Govt and not through the ACC. However, according to the Armistice Agreement (supplement to Article 16) the Hungarian Govt is obliged to give information and data on some important questions to the foreign missions through the chairman of the ACC only. And in the present actual case information on economic and financial questions may be obtained from the Hungarian Govt only through the chairman of ACC.

If the Hungarian Govt submits such information to Mr. Schoenfeld, the Minister, without the knowledge of ACC it will violate the rules of the Armistice Agreement; and the ACC cannot permit this".

Repeated Moscow 299.

SCHOENFELD

864.00/11-2246: Telegram

*The Minister in Hungary (Schoenfeld) to the Secretary of State*

SECRET

BUDAPEST, November 22, 1946—6 p. m.  
[Received November 23—8:50 a. m.]

PRIORITY

2194. Mytel 2059, November 6<sup>97</sup> and previous. In conversation yes-

<sup>95</sup> In telegram 2181, November 21, from Budapest, attention was drawn to the fact that Sviridov's letter could be construed to bar any and all direct communication between the American Legation and the Hungarian Government (740.00119 Control (Hungary)/11-2146).

<sup>96</sup> General Weems' letter is not printed, but see footnote 86, p. 341.

<sup>97</sup> Not printed. In telegram 2197, November 23, from Budapest, Schoenfeld reported that Under Secretary Balogh had confirmed that Prime Minister Nagy

terday evening PriMin told Ecker Racz he had decided to postpone municipal elections until after withdrawal occupying forces. PriMin referred to a confidential Gallup poll conducted recently in wide municipalities and made available to Legation showing in any election at this time Smallholders would obtain substantial majority while Communists would receive very small vote. Nagy stated such results taken in conjunction with Leftist victories in neighboring states, would render Hungarian position vis-à-vis USSR impossible and Soviets would be justified in having no confidence in Hungarian Govt. On ground that such situation would be unacceptable to Soviets, Nagy assumed in any election held at this time Soviets would have no alternative but to support Communist tactics designed to make fair elections impossible.

Nagy stated he had not yet revealed his decision to postpone elections since he is striving for a concession from Left block to agree to reapportionment municipal posts in accordance with returns November 1945 elections. He intimated he was having difficulty in obtaining this concession.

Nagy emphasized that he felt very insecure in his position in view of Communist domination neighboring countries and stated that in absence of change in Eastern European situation he is not hopeful of maintaining himself in his position much longer. He declared that from Hungarian point of view American assistance to Hungary, where democracy is fairly strong, is not now so vital as assistance to other Eastern European countries where democracy cannot survive without active American support. He singled out Poland in this connection explaining his belief that Western Powers were so deeply committed to Poland as to give them an entree.

Although Nagy agreed that Soviets have recently relaxed their pressure in economic matters, asserted they are increasingly active in political matters. In illustrating latter he referred to delay in swearing in the three new Ministers on November 20 (mytel 2185, November 21<sup>98</sup>) which incident was resolved, he stated, only through his threats to resign.

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and President Tildy were not willing to press the county election issue. Schoenfeld added the following comment: "If Tildy and Nagy are determined not to disrupt coalition by compromising issue on which Leftists are adamant, they are being consistent with longstanding policy, but in my opinion they are not providing the moral leadership necessary to prevent further encroachment by Leftists according desire of majority Smallholder deputies expressed in election mandate last year. Fact Communists agreed last June to hold elections and have now failed to live up to promise is further indication of value of perquisites of office and political immorality here." (864.00/11-2346)

<sup>98</sup> Not printed; in it the Minister reported that the swearing in of Minister of Information Jozsef Bognar, Minister of Public Supply Janos Eros, and Minister of Agriculture Karoly Baranyos was held up 6 hours because Soviet authorities withheld approval of Baranyos (864.00/11-2146).



Nagy said he is planning a detailed letter to Secretary Byrnes which will be transmitted by his son who has received appointment as Second Secretary in Hungarian Legation at Washington. He added this would be his first political letter to anyone outside Hungary since he has been in office.

SCHOENFELD

740.00119 Control (Hungary)/11-2146 : Telegram

*The Acting Secretary of State to the Minister in Hungary  
(Schoenfeld)*

RESTRICTED

WASHINGTON, November 22, 1946—7 p. m.

1242. UrteI 2180 Nov 21. Position taken by Gen Sviridov in letter to Weems Nov 18 clearly constitutes arbitrary usurpation by Soviet Chairman ACC authority not granted him under armistice agreement. Supplement to Article 16 of Armistice upon which Sviridov bases his authority in no way relates to Hung Govt furnishing economic or other info to foreign missions. Suggest you ask Gen Weems inform Sviridov foregoing effect and request him reconsider his arbitrary position.<sup>99</sup>

Sent Budapest, rptd Moscow.

ACHESON

864.00/11-3046 : Telegram

*The Minister in Hungary (Schoenfeld) to the Secretary of State*

SECRET

BUDAPEST, November 30, 1946—noon.

[Received 12: 10 p. m.]

2244. In conversation with Rakosi last night he expressed earnest hope CFM would promptly find agreement on Hungarian peace treaty so that it could be signed and Hungary could be relieved of burden occupation forces and excessive cost their maintenance as well as support of ACC amounting to 3 million dollars monthly.

He avoided discussion present political situation except to emphasize necessity of elimination power reactionary elements in Hungary among which he specified remnants industrial-financial oligarchy, church and bureaucracy as being still too influential. In his view 25 years of Fascist control had left Hungarian people incapable understand democracy and they would have to be educated to principles democracy by force if necessary. Rakosi intimated American policy was helpful to reaction in Hungary to which I entered general denial pointing out it was often difficult to determine meaning attributed by

<sup>99</sup> In pursuance of these instructions, General Weems sent a letter to General Sviridov on November 29. A copy of Weems' letter was sent to the Department in despatch 2326-A, December 5, from Budapest (864.50/12-546).

Communists to term reaction and that US was interested in assuring Hungarian people enjoyment free expression collective will. Rakosi asserted freedom expression greater here than in most countries to point of excess.

Rakosi claimed Communist Party now affords only dynamic constructive leadership this country in all phases administration, citing as proof increased efficiency administrative organization for which Communists responsible, in effectiveness police, resolute handling of labor unrest and management fiscal policy. He asserted Communists as most efficient force in Hungary receive constant calls from non-Communist elements all sectors national life for guidance and action to produce results.

I am bound to say there is truth in Rakosi's analysis present internal situation but he is evidently more anxious to secure what he considers efficiency through Communist control than to foster civil freedom at cost of some confusion.

SCHOENFELD

864.51/12-646

*Memorandum of Conversation, by Mr. Robert M. McKisson of the  
Division of Southern European Affairs*

CONFIDENTIAL

[WASHINGTON,] December 6, 1946.

Participants: FN—Mr. Spiegel<sup>1</sup> and Mr. Stibravy<sup>2</sup>  
ED—Mr. Havlik<sup>3</sup> and Mr. Posniak<sup>4</sup>  
A-T—Mr. Dort<sup>5</sup>  
SE—Mr. Barbour and Mr. McKisson

Mr. Barbour referred to recent approaches made by the Hungarian Minister to Mr. Matthews and other officers of the Department concerning financial aid to Hungary and stated that EUR believed that a careful review should be made at this time of possible means of extending appropriate economic assistance to that country. In this connection, he pointed out that such assistance would be of great importance in helping Hungary to reestablish a stable economy, develop its political and economic ties with the West, and safeguard its independence from Soviet encroachments.

Consideration was given in the discussion which followed to (1) an Export-Import Bank loan, (2) a US-Hungarian purchase arrange-

<sup>1</sup> Harold R. Spiegel, Chief of the Division of Financial Affairs.

<sup>2</sup> William J. Stibravy, of the Division of Financial Affairs.

<sup>3</sup> Hubert F. Havlik, Chief of the Division of Investment and Economic Development.

<sup>4</sup> Edward G. Posniak, of the Division of Investment and Economic Development.

<sup>5</sup> Dallas W. Dort, Adviser on Relief and Rehabilitation Policy to the Assistant Secretary of State for Economic Affairs.

ment, (3) an additional surplus property credit arrangement for purchases within the US, (4) a cotton credit, and (5) direct relief assistance.

1. *Export-Import Bank Credit.* Mr. Barbour recalled that in conversations with Department officials the Hungarian Minister had submitted for consideration a plan, originally drawn up by the UNRRA Mission to Hungary, for the rehabilitation of Hungarian agriculture. This program, which was not adopted by UNRRA, called for delivery of draft animals, agricultural machinery, fertilizer, and seeds in the value of \$40,000,000 and, according to the Minister's proposal, would be financed with Eximbank funds. Repayment of the loan would be made by means of Hungarian food shipments to European areas where the US still has supply responsibilities or interests. It was generally agreed by those present that an Eximbank loan for such a program would constitute the most useful kind of assistance, both from immediate and long-range points of view, which could be given to Hungary at this juncture. Mr. Havlik and Mr. Spiegel pointed out, however, that it was extremely unlikely that the Export-Import Bank would make such a loan since the Bank's funds were at present very limited and since Hungary was a poor risk because of its dislocated economy and reparations obligations. Mr. Havlik and Mr. Spiegel also stated that the Bank was becoming increasingly loath to make loans which the State Department desired made for broad political reasons but which were not justified according to good banking standards. The thought was expressed, further, that any attempt by the Department to bring the slightest pressure to bear on the Bank for a loan to Hungary at this time might have most unfortunate consequences. It was agreed by all that, in these circumstances, the possibility of an Eximbank loan to Hungary was almost nil.

2. *US-Hungarian Purchase Arrangement.* A purchase arrangement between the US and Hungary was discussed as a possible alternative to a loan. Under such an arrangement the US would purchase food from Hungary for delivery to US-occupied zones in Europe or to other areas where the US has supply obligations. Hungary could then use the dollar proceeds from such purchases to obtain and ship agricultural equipment, animals, etc., needed for its rehabilitation program. The obvious drawbacks to such a scheme, Mr. Dort and others pointed out, would include the fact that Hungary has little in the way of food surpluses for export at this time, that any increase in Hungary's agricultural production would be difficult until rehabilitation aid had been received, and that Congress might object to

approving a food relief program for Hungary (present indications are that Hungary will ask for such relief from the US) while, at the same time, this Government was purchasing food from Hungary. If the type of food purchased were entirely dissimilar to that provided as relief, the latter difficulty might, of course, be avoided. In general, the alternative of a purchasing arrangement seemed to be of doubtful practicability.

3. *Line of Credit for Purchases of Surplus Property in the US.* One of the forms of assistance to Hungary proposed by the Hungarian Minister in his talks with the Department had been a credit line for the purchase of surplus property in the US. Mr. Spiegel and Mr. Havlik pointed out during the discussion of this matter that the War Assets Administration credit terms for foreign governments were at the present time the same as those for domestic credit applicants. It was considered probable that the Hungarian Government would find it impossible to meet the conditions of such a credit, which would be of a short-term character. As regards the \$15,000,000 line of credit previously made available to Hungary for the purchase of surplus property abroad, it appeared to be the understanding of all present that the Hungarian Government, although able to obtain goods overseas amounting in value to only \$10,000,000, could not make use of the remaining \$5,000,000 margin of credit to obtain domestic surplus goods controlled by the WAA. All agreed, however, that it would do no harm to suggest to the Hungarian representatives here that they consult with WAA officials regarding acceptable credit terms for the purchase of surplus goods in the US.

4. *Cotton Credit.* In the spring of 1946 the US had offered to discuss with the Hungarian Government an arrangement to provide Hungary with American cotton in return for textiles. Nothing came of this proposal, because at the time the capacity of Hungary's textile industry was being fully met by deliveries of cotton under an existing agreement with the USSR. While such an arrangement or some variation of it might warrant renewed consideration at this time, Mr. Havlik and Mr. Posniak thought it probable that the situation had not greatly changed and that, unless we were prepared to supply Hungary with additional spindles and thus increase its textile manufacturing capacity, there was little likelihood that a cotton deal could be made.

5. *Direct Relief.* Mr. Dort stated that the Hungarian Minister and Mr. Szasz, Financial Counselor of the Legation, had recently called at the Department to discuss the possibility of post-UNRRA relief for Hungary. He explained that the post-UNRRA relief programs

contemplated by the US would be strictly confined to relief supplies. Any requirements based on rehabilitation needs would, accordingly, be excluded from consideration. In reply to Mr. Barbour's question as to how much of the \$40,000,000 agricultural rehabilitation plan for Hungary might be justified under a purely relief program for Hungary, Mr. Dort estimated that eligible items would not amount in value to more than \$2,000,000. Practically all equipment and animals envisaged under the rehabilitation plan would be excluded under a relief program. Mr. Barbour and Mr. McKisson expressed the view that Hungary's basic need was not for relief supplies to avoid starvation but rather for supplies which could be used for rehabilitation purposes. There seemed to be general agreement that, according to information available to the Department, Hungary's food situation was not desperate and that Hungary might even have difficulty in proving a degree of need which would make it an eligible applicant for US relief.

*Conclusions:* It was agreed by those present that, given the present state of the Hungarian economy and the credit policies of the Eximbank and other Federal agencies, the Department has no available means of extending economic assistance to Hungary and thereby implementing its political objectives in respect of that country. It was the consensus of opinion, further, that if the political aims of this Government are to be carried out in cases such as that of Hungary, attention must be given at high levels of the Department to the mechanism and means of organizing economic support of our political policies. In view of the basic importance of this problem, Mr. Havlik and Mr. Spiegel agreed to see to it that a special memorandum on this problem is prepared in OFD for the information and consideration of EUR.

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864.00/12-646

*The Minister in Hungary (Schoenfeld) to the Secretary of State*

SECRET  
No. 2336

BUDAPEST, December 6, 1946.  
[Received December 31, 1946.]

SIR: In its reports on Hungarian political developments since the cessation of hostilities this Legation has frequently had occasion to refer to Communist penetration of the Hungarian Government and the effects upon Hungarian political development of Communist control of the Hungarian executive. This penetration has been one of the decisive factors in Hungarian politics. The current political crisis, for example, is in fact largely based on this factor. (See my

telegrams 2052, October 30, 2194, November 22 and 2265, December 4).<sup>6</sup> The consistency with which Smallholder leaders have been concerned with efforts to achieve a redistribution of administrative positions and the tenacity with which the Communists have maintained and continued to expand their control of key administrative positions confirm the importance of this issue in the eyes of all Hungarian leaders.

The question whether or not provincial municipal elections were to be held this year, to take an additional example, was little more than a reflection of the Smallholders' desire to reduce the effective control of the Communists and of Communist determination to maintain and expand this control, since the crucial element in the election issue was not the expression of the public will in such elections, but rather the reapportionment of administrative positions to follow the elections in accordance with their results.

In achieving administrative control the Communists have followed one of their basic strategic tenets in full accord with the political directives enunciated by Lenin and Stalin. Their success in this field has advanced the political struggle in Hungary to a point where, as reportedly stated by Communist Deputy Prime Minister Rakosi in a recent meeting of the Political Committee of the Communist Party, the Hungarian situation is no longer a struggle for power, since this the Communists have already obtained through the control of the police force, the Ministry of Interior and other key administrative positions, but it is rather a question of perpetuating fear and suspense in order to thwart "bourgeois democratic" political and social stabilization. (See my telegram 2228, November 29<sup>7</sup>).

The Communist administrative control had its origin in the days of the Red Army's liberation of Hungary. At that time the organization of the Left Bloc parties, i.e. the Communist, Social Democratic and National Peasant Parties, followed quickly on the heels of Soviet occupation. These parties were allowed greater freedom to organize and circulate, as a result of which they were early able to muster organized political groups. In addition the Red Army, looking benignly on the political aspirations of these parties, which shared the Soviet ideology, brought with it a number of Communist organizers and leaders from Moscow who were to wield executive power in Hungary in accordance with the declared Soviet policy of establishing "friendly governments" in neighboring countries, and to establish the public

<sup>6</sup> Telegrams 2052 and 2265 not printed.

<sup>7</sup> Not printed.

basis of their power at a later date by whatever means might be available. This fixed plan contrasted with the disorganized state of the indigenous anti-fascist groups, particularly the Smallholders, whose leaders were in hiding near Budapest and were unable to reach Debrecen, the scene of establishment of the Hungarian Provisional Government.<sup>8</sup>

In the formation of the Debrecen Government the Communist objective was made clear when the Marxist parties took for themselves the Ministries of Interior, Justice, Communication, Industry, Agriculture, Social Welfare and later Public Supply. With initial control secured in the Ministries most concerned with internal governmental power, the Communists proceeded to penetrate in depth the organs of government. In this phase of their activity they utilized all who would assist them toward their ends regardless of party. In this process the then Minister of Interior, Erdei, who, though a member of the Peasant Party, acted upon the instructions of the Communists, bore a large share of the responsibility. During his term of office the Marxist parties first gained complete control of the police, following which they launched an offensive for control of local administrations.

The disorganization of the Hungarian administration following the German retreat and in particular the absence from their posts of numerous civil servants aided the Communist drive. Temporary appointments in the civil service were made strictly along party lines. The Communists then brought about the creation of the political certification boards designed to examine the activities of all civil servants, particularly during the period of German occupation. These boards, so composed as to guarantee a majority to the leftist parties, frequently eliminated not only justifiably suspect individuals, but large numbers of technicians and experts who it was felt would not be sufficiently zealous in implementing partisan control of the civil service. For example, a high official of the Foreign Ministry recently described to an officer of the Legation the two months' battle he had been forced to wage to continue the employment of a multi-lingual stenographer, with 27 years experience in the Foreign Office, whose chief offense was that she had at one time been assigned to Bardossy's<sup>9</sup> office. These boards, in conjunction with appropriate action by the Interior Ministry,

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<sup>8</sup> The Hungarian Provisional Government was established at Debrecen, Hungary, on December 22, 1944.

<sup>9</sup> László Bárdossy, Hungarian Prime Minister, 1941-1942; convicted of war crimes by a Hungarian court and executed in November 1945.

brought about, besides the elimination of much of the old civil service, the regularization of temporary, partisan appointments.

An important number of civil servants were also eliminated through intimidation, threats, press campaigns and intervention by the political police, who were by that time completely controlled by the Communists.

In 1946 the inauguration of the governmental retrenchment program, known as the "B List", afforded the Communists opportunity to complete the work started in the previous year. Nearly 100,000 officials have been eliminated under this program which has assumed an entirely political complexion. (See my telegrams 1431, August 2 and 1787, September 24<sup>10</sup>).

The importance which practical control of the administrative apparatus assumes by virtue of the fact that in present-day Hungary the executive power, operating under enabling acts passed by the National Assembly, is in fact the government, has led me to make a survey of the extent of Communist control of administrative positions in the Hungarian Government. I have the honor to transmit herewith the result of this survey,<sup>11</sup> which may be of interest to the Department as a concrete documentation of the extent of Communist administrative control in Hungary. The enclosure includes the names and titles of Communist officials occupying responsible positions in the various Ministries, in the Budapest municipal administration, various national economic agencies, and in the provincial county police administration, plus a statistical summary of the party affiliations of responsible Hungarian officials in these various organizations. It will be noted that the Communists possess 31.6 percent of these positions and that, together with their Left Bloc allies, they control 62.3 percent. On the other hand the Smallholders, who received a majority vote of 57 percent in the November, 1945, national elections, control only 16.4 percent of these positions. It should be emphasized that the percentage figures, revealing as they are, do not accurately describe the true situation, inasmuch as the Communist percentage includes absolute control of those organizations of public administration through which it would be possible to paralyze within a few hours all governmental activity in Hungary.

Respectfully yours,

H. F. ARTHUR SCHOENFELD

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<sup>10</sup> Neither printed.

<sup>11</sup> Only the statistical summary of the survey is printed as an enclosure to this despatch.



[Enclosure]

*Statistical Summary of the Party Affiliations of Responsible  
Hungarian Officials*<sup>12</sup>

	Com.	S. Dem. Party	N.P.	Total	Sm. H.	Dem. Party	Un- known	Total	Grand Total
Office of Prime Minister	2	2	-	4	5	-	-	5	9
Ministry of In- formation	1	2	-	3	1	-	1	2	5
Min. of Interior	10	11	1	22	2	-	6	8	30
Min. of Justice	4	2	-	6	1	-	5	6	12
Min. of Finance	10	19	2	31	15	1	8	24	55
Min. of Agriculture	7	4	3	14	18	-	21	39	53
Min. of Commerce	4	11	3	18	4	-	2	6	24
Min. of Communi- cation	11	8	1	20	1	-	1	2	22
Min. of Supply	8	15	1	24	26	-	6	32	56
Min. of Education	2	4	8	14	9	-	7	16	30
Min. of Social Welfare	22	5	2	29	4	-	3	7	36
Min. of Nat. Defense	7	3	-	10	3	-	10	13	23
Min. of Foreign Affairs	4	3	1	8	4	-	13	17	25
Min. of Reconstruc- tion	3	2	1	6	9	-	16	25	31
Min. of Industry	4	19	-	23	2	-	3	5	28
City of Budapest Police and Public Safety	32	37	1	70	23	1	27	51	121
	63	39	2	104	7	-	15	22	126
<b>Total:</b>	<b>219</b>	<b>186</b>	<b>26</b>	<b>431</b>	<b>114</b>	<b>2</b>	<b>144</b>	<b>260</b>	<b>691</b>
<b>Percentage:</b>	<b>31.6</b>	<b>27.0</b>	<b>3.7</b>	<b>62.3</b>	<b>16.4</b>	<b>0.3</b>	<b>23.0</b>	<b>37.7</b>	<b>100</b>

864.00/12-1146 : Telegram

*The Minister in Hungary (Schoenfeld) to the Secretary of State*

SECRET

BUDAPEST, December 11, 1946—3 p. m.

US URGENT

[Received December 12—1:10 p. m.]

2292. Mytel 2281, December 9.<sup>13</sup> In response to my query during

<sup>12</sup> The parties identified in this table are as follows: Communist, Social Democratic, National Peasants, Smallholders, and Citizens Democratic.

<sup>13</sup> Not printed; Schoenfeld reported the persistent rumors that President Tildy would shortly travel to Moscow in order to determine to what extent Soviet authorities were behind Hungarian Communist pressures on the Nagy government. According to information reaching the Legation, Tildy was in favor of more concessions to the Communists while Nagy opposed concessions which would only be followed by new Communist demands. (864.00/12-946)

call on Prime Minister this morning as to authenticity of rumors of forthcoming visit of President Tildy to Moscow Nagy told me these rumors lacked foundation. He said they would be put to rest by announcement to be issued on his recommendation of Tildy's engagements at various places within Hungary during next few days. Prime Minister described rumors as tendentious and as having been put about for propaganda purposes.

Nagy explained spontaneously that following recent elections in Rumania and Bulgaria, Hungary is now only country in southeastern Europe under bourgeois regime which is correspondingly displeasing to USSR and its local partisans. His policy, which he took special care to say is shared by President Tildy, remains unchanged, namely, to preserve Hungary as democratic state as nearly as possible along present lines pending conclusion of peace treaty after which outside efforts to interfere in Hungarian domestic affairs would be more difficult since as Prime Minister hopes Hungary will then become member of United Nations and that forum will be available to Hungary in case of needs.

Prime Minister said there would, however, be some early changes in Government personnel which might give impression of further movement to Left.

Nagy said there had been no difficulty in his acceptance on behalf of Smallholders of Leftist bloc demands in economic field, this acceptance being embodied in resolution which is reported in my airgram 1656, December 12.<sup>14</sup> In political field Prime Minister said Leftist demands involved further purge of Smallholders Party or alternatively a new national election and both these demands had been rejected. I surmise he had in mind his talk with Sviridov (mytel 2278, December 6<sup>15</sup>).

Nagy gave impression of being sure of himself and concluded by saying he hoped shortly to have further conversation with me on these matters. Meanwhile I do not doubt that Prime Minister's firm opposition killed plan for Tildy visit to Moscow though he made no such suggestion to me.

Repeated Moscow as 306.

SCHOENFELD

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<sup>14</sup> Not printed; it reported the substance of 10-point declaration by the Smallholders Party, issued on December 3, 1946 (864.00/12-1046).

<sup>15</sup> The telegram under reference, which is not printed, mentioned that Prime Minister Nagy had had a personal interview with Sviridov on the evening of December 4, 1946 (864.5045/12-646).

740.00119 Control (Hungary)/12-3146: Telegram

*The Minister in Hungary (Schoenfeld) to the Secretary of State*

BUDAPEST, December 31, 1946—4 p. m.  
[Received January 3, 1947—7: 55 a. m.]

2384. Re Deptel 1242, November 22, and my Desp 2326, December 5.<sup>16</sup> Following is translation supplied by General Weems of letter No. 2863 dated December 25 from General Sviridov to Weems.

“Replying to your letter of 29 November, 1946 concerning the receipt of economic and financial information by US Minister Schoenfeld from the Hungarian Govt, I have the honor to inform you once more that it is the prerogative of the ACC to obtain information from the Hungarian Govt on questions concerning Hungarian economic situation and also on other basic questions concerning the internal life of the country. The Hungarian Govt may submit similar information to a foreign mission only after having received the approval to do so from the chairman of ACC or his deputy.

If the Hungarian Govt will not fulfill this condition and will start sending such information to the diplomatic missions directly by-passing the ACC, it would thus violate the established procedure of control and would place the ACC in a situation in which it would be unable to control thoroughly the fulfillment of the armistice agreement.

Consequently, the ACC cannot permit the Hungarian Govt to submit information to any diplomatic mission concerning the economic and financial situation of the country by-passing the Chairman of the ACC or his deputy. In order to prove the correctness of my opinion I refer to paragraph 6 of the ACC statutes according to which even your representation and the UK representation on the ACC may obtain the information necessary to them from the Hungarian Govt only through the Chairman of ACC or his deputy.”

Assumed that reference to ACC statutes is to sub-paragraph F of paragraph 6 which reads “to communicate with the organs of the Hungarian Govt through the Chairman of the Commission, the deputy of the Chairman or the chief of the corresponding Department.”<sup>17</sup>

Repeated Moscow 309.

SCHOENFELD

<sup>16</sup> Latter not printed; it transmitted the text of General Weems' letter of November 29 to General Sviridov which had been sent in pursuance of the instructions in telegram 1242, November 22, to Budapest, p. 346.

<sup>17</sup> For text of the statutes of the Allied Control Commission for Hungary, see the letter of January 20, 1945 from Foreign Commissar Molotov to Ambassador Harriman, *Foreign Relations*, 1945, vol. iv, p. 802. Telegram 24, January 9, 1947, to Budapest, stated that in view of Sviridov's letter of December 25 and the scheduled early conclusion of the Hungarian peace treaty, the Department felt that a prolongation of the interchange with Soviet authorities over the procedure for obtaining Hungarian economic and financial information would serve no useful purpose. The Department did request General Weems to address a final

Caserta Consular Files for 1946, Lot 52 F 2.

*The Chief of the United States Representation on the Allied Control Commission for Hungary (Weems) to the War Department*<sup>18</sup>

TOP SECRET  
PRIORITY

BUDAPEST, 31 December 1946.

Z-4844. Within last 5 days large number of arrests were made by the Military-Political Section of the Army (for further reference called KAPO). KAPO is Hungarian counterpart of MVD and is headed by General Palffy-Oestreicher, Moscow trained Communist who is also Chief of Border Guard element of Hungarian Army numbering about 7,000. He is believed to have had assignments from Soviets extending beyond Hungary.

First impression created by nature of arrests was that it may be a purge to eliminate elements known to be friendly to Western cause. It included many who participated in Hungarian resistance against Germans and some who made first contact during the war with Western Allies and Russians.

First it could be assumed that the following motives were behind the arrests.

1. Elimination of Hungarian personalities friendly to West prior to large scale Russian withdrawal from Hungary.
2. Creating impression of Fascist danger in Hungary for the purpose of demonstrating the necessity for further presence of occupational troops.
3. Create an impression Anglo-Saxons were implicated in supporting elements tending to overthrow the present Hungarian Government.

Persons who were released after interrogation by KAPO stated that largely the following 2 questions were asked.

1. What is known to you about the activity of the various persons under arrest to conspire to overthrow the Government?
2. What do you know about the connection between Bela Kovacs (Secretary General of the Smallholders Party), Imre Kovacs (Number 2 man of the Peasant Party), Karoly Peyer (oldtime Social Democrat inactive since occupation who recently attacked present Social Democrat leadership in an open letter) with the arrestees and about the [garble] with British Intelligence.

reply to General Sviridov denying the Soviet contention that the statutes of the Allied Control Commission required the American Legation to obtain information through the Chairman or Deputy Chairman of the Control Commission. Weems was to maintain that the statutes clearly had reference only to the American and British representatives on the Control Commission. The United States maintained the right of its diplomatic representative to request and receive economic, financial or other information directly from the Hungarian Government. (740.00119 Control (Hungary)/12-3146)

<sup>18</sup> Much of the information contained in this message was also reported by Minister Schoenfeld in telegrams 2368, December 28, 2370, December 28, 2372, December 30, and 2382, December 30, none printed.

Over the weekend very high ranking officer of the War Ministry stated that General Palfy-Oestreicher and the KAPO were acting on their own, that their investigation had little results and arrest of [garble] replacement of General Palfy as head of the KAPO would follow within day or two. It was also learned and confirmed by other sources that Prime Minister Nagy, greatly perturbed about the events, called on General Sviridov Acting Chairman of the ACC to ascertain [garble] to demand dismissal of Palfy or resign himself. Sviridov stated that Soviets had not interfered in this matter and KAPO was acting entirely independently.<sup>19</sup>

By yesterday it became increasingly apparent that there may have been certain conspiracy in preparation by some of the arrested personalities and others in hiding or still at large. Sub-source of source grandstand, a high political figure close to the Prime Minister, stated that some prominent military and political personalities, most of whom participated in the Hungarian Independence Movement, organized a movement with the primary objective to prevent a Communist *Putsch* they anticipated coincidentally with evacuation of Hungary by Occupational Forces. Sub-source also stated that movement had distinctly conspiratory and subversive character, its members had to swear allegiance to other than the legal head of the State and according to sub-source had a hidden supply of arms and plans to install a new government by force. Persons taken by KAPO numbered several hundred and the figure will undoubtedly grow.

In hiding are General Janos Voros (former Hungarian Army Chief of Staff and chief negotiator of cessation of hostilities in January '45 and before) and General Lajos Veress (former leading person in resistance movement). Also believed to be in hiding is Jozsef Dudas considered a close friend and advisor to President Tildy who formerly headed a National Communist group and later joined Smallholders Party.

Known to be under arrest are :

Former *Gendarmerie* General Gabor Faragho (was War Minister for several months in the first Hungarian postwar cabinet) ;

Domokos Szentivanyi (Foreign service official) ;

Several former Hungarian General Staff officers and many others.

<sup>19</sup> According to telegram 2370, December 28, from Budapest, Hungarian Minister of Information Jozsef Bognar told Schoenfeld that Nagy had conferred with Sviridov after being told by Minister of Interior Rajk that the arrests were carried out under Soviet orders. Rajk had refused to allow Minister of Defense Albert Bartha to participate in the questioning of those arrested, and political police chief Gabor Peter had refused to make available to Nagy all the documents in the case. (864.00/12-2846) According to telegram 2372, December 30, from Budapest, Defense Minister Bartha told Schoenfeld that Sviridov had denied to Nagy any Soviet interest in or knowledge of the arrests and gave Nagy a free hand in dealing with the situation. Bartha was planning to remove Palfy-Oesterreicher. (864.00/12-3046)

While Russian authorities here have maintained ostensibly an attitude of non-intervention in the affair letting it proceed for the time being at least as a purely Hungarian matter, it is generally accepted that Sviridov acquainted Prime Minister Nagy with what was said to be the evidence uncovered by KAPO. This included rosters, records of meeting and plans of the group reportedly uncovered at the home of Mrs. Szentivanyi. Reports also persist that the movement had connection with Hungarian and other Nationals in Switzerland and also had some stores of arms. Rumors, probably planted, were circulating that they also had 4 airplanes and that Allied junior officers had some role in furnishing arms.

It was reported by sub-source that under the evidence presented to Prime Minister Nagy as a result of the investigation, the attitude of Prime Minister Nagy and Smallholders Party Executive Committee has changed and it was decided the only thing they could do is to publicly demand punishment of all guilty.

Political consequence of the affair will undoubtedly be at least a stepping up of Communist demands on the coalition and on the Smallholders Party.

Press has kept silent in the matter. Morning papers on 31st published warrant against General Lajos Veress for crimes against the Republic and large posters appeared on streets today with same contents; such posters are very unusual and may be regarded as indication of future playing up of the affair. Some reports indicated that the affair may be made public today.

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864.00/1-847

*The Minister in Hungary (Schoenfeld) to the Secretary of State*

CONFIDENTIAL  
No. 2406

BUDAPEST, January 8, 1947.  
[Received January 24, 1947.]

SIR: With reference to my despatch No. 1504 of May 22, 1946<sup>20</sup> I have the honor to transmit herewith copies of two letters received from Jozsef Cardinal Mindszenty, Prince Primate of Hungary, together with my acknowledgment of and reply to these letters, dated December 27, 1946.

The first of the Cardinal's letters, dated December 12, 1946,<sup>21</sup> is a vigorous protest against the operation of the Hungarian civil service retrenchment program, commonly known as the 'B' list (see my despatch No. 2336, December 16, 1946<sup>21</sup>). It will be noted that this letter concludes with the statement that this Legation's "interference is exceedingly urgent".

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<sup>20</sup> Not printed; it transmitted the text of a letter from Cardinal Mindszenty, dated May 3, 1946, protesting against the activities of Soviet occupation troops in Hungary (740.00119 Control (Hungary)/5-2246).

<sup>21</sup> Not printed.

The Cardinal's second letter, dated December 16, 1946,<sup>21a</sup> contains detailed observations on the general situation in Hungary with particular reference to political affairs, and concludes by asking the help of England and the United States "defenders of freedom and justice", in stopping the "immense pressure and corruption". The Cardinal adds that with the help of England and the United States "it would be possible to find a way to solve these problems" and that he himself "should be able to offer advices too".

Apart from the risk to which Cardinal Mindszenty has subjected himself in writing these letters, I consider that they provide adequate evidence of the Prince Primate's misunderstanding of diplomatic functions and practices. In this connection an informed Hungarian layman with a close interest in Church affairs has recently stated to members of my staff that in his opinion Cardinal Mindszenty, notwithstanding his courageous qualities, has predicated his policy on the bases of an outbreak of hostilities between the Soviet Union and the Western Powers in the foreseeable future and that accordingly he desires to conduct himself during the interim period in such a manner as to leave no doubt to future historians as to which side the Catholic Church in Hungary favored, even though this might involve martyrdom for the Cardinal himself. The Cardinal's own statements to members of my staff from time to time have seemed to support this analysis, and while the Cardinal's intransigence on principles can be readily appreciated, it does not appear proper that the record for posterity of this intransigence should be in any way based on a misconception of the United States' role in Hungary at this time or a misunderstanding as to the actual position of the United States Legation in Hungary. For this reason it has seemed desirable to correct the Cardinal's misapprehensions in this respect in my letter to him of December 27.<sup>22</sup>

Respectfully yours,

H. F. ARTHUR SCHOENFELD

[Enclosure]

*The Minister in Hungary (Schoenfeld) to Joseph Cardinal  
Mindszenty, Prince Primate of Hungary*

BUDAPEST, December 27, 1946.

YOUR EMINENCE: I have the honor to acknowledge receipt of your letter of November 22,<sup>23</sup> concerning certain actions taken by the Czecho-

<sup>21a</sup> Not printed.

<sup>22</sup> Printed as enclosure to this despatch.

<sup>23</sup> Not printed; for information regarding the alleged forced deportation of Hungarians to the Sudetenland and Cardinal Mindszenty's appeal for help for the Hungarians being deported from Slovakia, see footnote 49, p. 370.

slovak Government affecting the Hungarian minority in Slovakia, as well as your letter of December 12, concerning the program for retrenchment of the Hungarian civil service, and your letter of December 16 containing observations on general matters of political interest in Hungary at the present time.

Copies of your letters have been forwarded to the Department of State.

It is noted that your letters of December 12 and December 16, touching on internal political problems of Hungary, requested the assistance of the United States Government in altering certain conditions which Your Eminence deploras. In this connection you are of course aware of my Government's long standing policy of non-interference in the internal affairs of other nations. This policy has proven over a long period of time and through many trying situations the best guarantee of spontaneous, vigorous and genuine democratic development. It will be clear to Your Eminence that it necessarily precludes action by this Legation which could properly be construed as interference in Hungarian domestic affairs or which lies outside the normal functions of diplomatic missions.

I should like to take this opportunity to assure Your Eminence that I shall continue to welcome the expression of your views on any matters to which you may desire to draw my attention.

In conveying to Your Eminence my best wishes for the holiday season, I take the opportunity to renew the assurances of my highest consideration.

H. F. ARTHUR SCHOENFELD

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**CONCERN OF THE UNITED STATES OVER THE DISPUTE BETWEEN  
HUNGARY AND CZECHOSLOVAKIA REGARDING THE EXCHANGE  
OF POPULATIONS AND REVISION OF FRONTIERS<sup>24</sup>**

840.4016/1-246: Telegram

*The Secretary of State to the Ambassador in the United Kingdom  
(Winant)*<sup>25</sup>

SECRET

WASHINGTON, February 4, 1946—8 p. m.

1197. Reurtel 39 Jan 2; repeated to Praha as 1, Moscow as 3 and Budapest as 1 and reDeptel 10634 Dec 7 to London, repeated to

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<sup>24</sup> For previous documentation regarding the concern of the United States over the expulsion of Hungarian minorities from Czechoslovakia, Yugoslavia, and Rumania, see *Foreign Relations*, 1945, vol. IV, pp. 928 ff.

<sup>25</sup> Text of this message was also sent to Budapest as telegram 127, to Praha as telegram 77, and repeated to Moscow as telegram 215.



Praha as 452, Budapest as 797 and Moscow as 2471.<sup>26</sup> Please inform Brit FonOff that Dept is in agreement with views outlined in FonOff letter to Embassy as regards desirability that direct negotiations between Hungary and Czechoslovakia be continued. As for further steps that might be taken in event of failure of the two Govts to reach agreement, we would wish to give further consideration to matter in light of intervening developments.

Since Soviet Govt has already stated that it favors direct negotiations between Hungarian and Czechoslovak Govts on this question and has notified Soviet Reps in Praha and Budapest to that effect (Moscow's 181 Jan 19 to Dept, repeated by Dept to London as 993 Jan 29, Praha as 58, and Budapest 108<sup>27</sup>), we hope Brit FonOff will be disposed to proceed with communication of its views to Hungarian and Czechoslovak Govts.

In the circumstances, Dept hereby requests Legation Budapest to reply to Hungarian FonOff notes of Nov 20 and Dec 11 (Budapest's 997 Nov 30 and 1106 Dec 15 and despatches nos. 620 Dec 1 and 731 Dec 20<sup>28</sup>) along following lines:<sup>29</sup>

1. US Govt does not in present circumstances consider feasible formation of international commission to examine Hungarian-Czechoslovak minority problem or supervise any exchange of population;

2. Similarly, this Govt cannot support request for establishment of interim international control of districts in Slovakia inhabited by Hungarians;

3. US Govt affirms view previously conveyed informally to PriMin (Deptel 799 Dec 7 and Budapest 1060 Dec 10<sup>30</sup>) that existing differences between Hungarian and Czechoslovak Govts should be settled by bilateral negotiations and urges that further efforts be made by both Govts to this end;<sup>31</sup>

<sup>26</sup> Telegram 39, January 2, from London, reported receipt of a letter from the British Foreign Office stating that the British Government shared the view of the United States Government that the Hungarian and Czechoslovak Governments should settle the various questions regarding the minorities in the two countries by means of direct bilateral negotiations (840.4016/1-246). For text of telegram 10634, December 7, 1945, to London, see *Foreign Relations*, 1945, vol. IV, p. 943.

<sup>27</sup> Not printed; it transmitted text of a Soviet note of January 17, 1946, which was in response to an American note of December 10, 1945 (840.4016/1-1946).

<sup>28</sup> For texts of telegrams 997 and 1106, see *ibid.*, pp. 941 and 949, respectively; despatches under reference not printed.

<sup>29</sup> In accordance with the instructions set forth here, Minister Schoenfeld delivered a note to the Hungarian Foreign Ministry on February 9, 1946. For text as translated into French, see *La Hongrie et la Conférence de Paris*, vol. II, *Les Rapports Internationaux de la Hongrie avant la Conférence de Paris* (Budapest, 1947), p. 57.

<sup>30</sup> *Foreign Relations*, 1945, vol. IV, pp. 944 and 945, respectively.

<sup>31</sup> Telegram 297, February 11, 1946, from Budapest, reported that this paragraph had not been included in this telegram as originally received in Budapest and had not, therefore, been included in the note delivered to the Hungarian Foreign Ministry on February 9 (840.4016/2-1246).

4. In this connection, US Govt will recognize and support a humane settlement freely agreed to between Hungarian and Czechoslovak Govts.

Dept also desires that substance of US attitude as outlined above be communicated informally by Embassy Praha to Czechoslovak FonOff.

Sent to London, Budapest, and Praha and repeated to Moscow.

BYRNES

840.4016/2-1546: Telegram

*The Ambassador in Czechoslovakia (Steinhardt) to the Secretary of State*

SECRET

PRAHA, February 15, 1946—10 p. m.

[Received February 17—12:05 p. m.]

242. I have had a talk with Clementis<sup>22</sup> who informed me that the Czecho-Hungarian agreement is to be signed in Budapest in the near future.<sup>23</sup> He said the agreement will be limited to providing for an exchange of Slovaks who wish to return from Hungary for Hungarians to be expelled from Slovakia on a per capita basis. He said his Government had promised the selection of Hungarians to be exchanged would be a representative cross section of the Hungarian minority and that extensive concessions had been made by the Czechoslovak Government in granting to the Hungarians who are to leave Slovakia the right to take their property with them. If I understood him correctly the Hungarians who have already been expelled also will be entitled to their property or its equivalent.

Clementis said Gyöngyösi<sup>24</sup> was positive that not more than 40,000 Slovaks would elect to return to Slovakia, whereas in Clementis' opinion the number would exceed 100,000. The exchange will be supervised by a joint commission. Clementis then remarked that if 100,000 Hungarians were exchanged it was his opinion that 200,000 could be permanently absorbed in Czechoslovakia and that thus only an additional [three?] hundred thousand would remain as the subject of further discussion.

He said the negotiations had been carried on in a friendly atmosphere and gave no indication of being dissatisfied with the limited extent of the agreement arrived at.

Sent Department as 242; repeated Budapest as 16.

STEINHARDT

<sup>22</sup> Vlado Clementis, Czechoslovak Minister of State for Foreign Affairs.

<sup>23</sup> The Czechoslovak-Hungarian Agreement for the Exchange of Populations was signed on February 27, 1946.

<sup>24</sup> János Gyöngyösi, Hungarian Foreign Minister.

760F.64/3-746: Telegram

*The Ambassador in Czechoslovakia (Steinhardt) to the Secretary of State*

SECRET

PRAHA, March 7, 1946—9 p. m.  
[Received March 8—8:55 p. m.]

345. Clementis, whose return to Prague has been delayed by the death of his father, today gave me the following résumé of his visit to Budapest and of the present status of the Zecho-Hungarian negotiations. He said that after the agreement for the exchange of minorities (limited to a per capita basis) had been signed<sup>85</sup> he had suggested to Gyöngyösi that they endeavor to solve the problem of the excess Hungarian minority in Zecho which Gyöngyösi agreed was now the only serious problem standing in the way of the most friendly relations between the two countries. Gyöngyösi suggested that if their discussion was to have any prospect of success it was desirable that representatives of all of the Hungarian political parties be present. Accordingly a meeting was arranged which was attended by representatives of all of the Hungarian political parties at which Clementis outlined the 3 following solutions as the only alternatives satisfactory to the Zecho Govt:

1. That Hungary agree to receive 200,000 Hungarians from Zecho who would be permitted to take all of their property with them and who would be fully compensated by the Zecho Govt for such property as they might be obligated to leave behind.
2. That the Zecho Govt resettle these 200,000 Hungarians in other parts of Zecho—presumably in the area being vacated by the Sudeten Germans.
3. That the issue be submitted at the Peace Conference or to the 3 Great Powers for determination.

As part of his argument Clementis pointed out that the people of Zecho were in no frame of mind to grant minority rights to the Hungarian minority after the "tragic experience" they have just been through as the direct result of having granted such rights in the past. He then argued that the Hungarian representatives should not attach too much importance to promises they might have received from unauthorized individuals in Great Britain and the US that these 2 powers would support Hungary at the Peace Conference in demanding a cession of territory from Zecho. He expressed to them the opinion that the British Govt would not wish "to be a party to another Munich" and that it was most unlikely that the American Govt would support an enforced cession of territory by one of the victorious Allies to a country which had been a member of the Axis.

<sup>85</sup> On February 27, 1946.

At the close of 3½ hours of discussion Gyöngyösi speaking without objection from any of the other Hungarian representatives who were present stated that the Hungarian Govt could not voluntarily consent to receiving 200,000 Hungarians from Zecho, even on the fair terms proposed by Clementis, but added that if the 3 Great Powers suggested to the Hungarian Govt that it should accept this solution and make the suggestion in such a manner as to make it clear that the Hungarian Govt was acting on the advice of the 3 Great Powers his Government would be prepared to act accordingly.<sup>36</sup>

Clementis then informed me that he desires the British and Soviet Ambassador and myself to inquire of our respective governments whether they would be prepared to inform the Hungarian Govt that they would welcome a solution of the Zecho Hungarian difficulties by the acceptance into Hungary from Zecho of 200,000 Hungarians on the terms outlined above. Clementis was most earnest in arguing that if the American, British and Soviet Govts could be induced to make the desired *démarche* he was reasonably certain that one of the "sore spots" of Central Europe would be removed and that excellent relations between Zecho and Hungary would result. He pointed out that the Zecho Govt was evidencing its good faith by not insisting that all Hungarians be removed from Zecho and in reply to my inquiry as to the number who would remain be said about the same number as would be transferred under the per capita exchange plus the number involved in his proposal which he estimated at 300,000.

Sent Dept 345, repeated Budapest 22.

STEINHARDT

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760F.64/3-746 : Telegram

*The Secretary of State to the Ambassador in Czechoslovakia  
(Steinhardt)*<sup>37</sup>

SECRET

WASHINGTON, March 21, 1946—7 p. m.

224. Your views are requested on proposal by Clementis urtel 345 Mar 7 repeated to Budapest as 22. Dept considers that early settlement of Zecho-Hungarian population transfer is desirable and is willing to consider Clementis proposal as possible solution. Do you consider that three power *démarche* would result in solution acceptable to Zecho and Hungary and would both states regard settlement as definitive? Dept considers further action beyond joint *démarche* by three powers would not be desirable in view of discussion of Hungarian

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<sup>36</sup> Telegram 565, March 22, 1946, from Budapest, reported that Clementis' account of his meeting with Gyöngyösi did not correspond with a version provided by a Hungarian spokesman. The Hungarian version stressed, in particular, that Gyöngyösi, with the concurrence of all the Hungarian political leaders present, unconditionally rejected Clementis' proposal. (760F.64/3-2246)

<sup>37</sup> Sent to Budapest as telegram No. 293.

treaty at forthcoming peace conference at which Zecho will be represented under terms of Moscow Agreement 1945.<sup>38</sup> (Sent to Praha and Budapest.)

BYRNES

840.4016/3-2746 : Telegram

*The Minister in Hungary (Schoenfeld) to the Secretary of State*

SECRET

BUDAPEST, March 27, 1946—3 p. m.

PRIORITY

[Received March 29—5:10 p. m.]

591. In accordance with Deptel 127, February 4,<sup>39</sup> I informed Hungarian ForMin that our Government did not consider feasible formation of international commission to examine Czecho-Hungarian minority problem. (My despatch 1060, February 11<sup>40</sup>.)

Hungarians have been told several times previously of our desire controversy be settled by direct negotiations between two Governments.

Mytel 297, February 12.<sup>40</sup>

Hungarians and Czechs have now agreed on limited voluntary exchange of population but have failed to resolve problem of disposition Hungarians remaining in Czecho after completion minority exchange. As suggested in my 565, March 22<sup>40</sup> which evidently crossed Deptel 293, March 21,<sup>41</sup> Czechs now appear to desire a three-power *démarche* to bring pressure on Hungarian Govt to accept additional 200,000 of Hungarian minority. Remaining Hungarians in Czecho would be dispersed or at least deprived of minority rights. Whether purposely or not, Clementis gave impression Hungarians had expressed willingness to accept three-power intervention supporting his proposal (Praha's 345, March 7). My information is that Hungarians did not indicate any such willingness.

Virtually every shade informed opinion here feels strongly solution of problem in manner proposed by Clementis would be universally condemned in Hungary as inhumane, preventing attainment cordial relations with Czechs for years to come. Having once informed Hungarians we do not favor formation of international commission to examine the problem and that we wished matter settled by two Governments directly, it seems inconsistent now to suggest that we intervene and to propose settlement in favor of Czechs without having first

<sup>38</sup> In telegram 440, March 26, from Praha, Ambassador Steinhardt gave the opinion that a solution would be reached which the Czechoslovak Government would accept and regard as definitive if the Hungarian Government responded to a Three Power *démarche* in the manner that Clementis anticipated (760F.64/3-2646).

<sup>39</sup> See footnote 25, p. 361.

<sup>40</sup> Not printed.

<sup>41</sup> Same as telegram 224, March 21, *supra*.

examined situation as originally requested by Hungarians. From standpoint of substantial justice Hungary's position as former enemy satellite, as against Czecho status as victorious Allied state, does not appear to be relevant to question of this minority and to larger issue of stabilization in this part of Europe as in its new "democratic" vestments Hungary has been expressly assured of help in attaining equality of status with United Nations.

Aside from British reluctance to persuade Czechs to accept frontier rectification we ourselves have admitted some cogency in Hungarian case as observed in Dept's territorial studies. For US now to force settlement which Hungarians would not otherwise accept, appears to me to be step backwards in settling such minority problems. I realize, of course, these observations are made without knowledge of Dept's estimate of importance of this issue in relation to larger issues of foreign policy involved.

Sent Dept, repeated to London for Dunn <sup>42</sup> as 149 and Praha.

SCHOENFELD

840.4016/4-1946: Telegram

*The Ambassador in Czechoslovakia (Steinhardt) to the Secretary of State*

SECRET

PRAHA, April 19, 1946—6 p. m.  
[Received April 20—2:27 p. m.]

593. Ripka, Min for Foreign Trade, in giving me a detailed account of his recent visit to Moscow,<sup>43</sup> said that Stalin had told him that he had informed the Hungarian delegation which was recently in Moscow (1) that he could see no reason why Czecho, which had taken part in the fight against the Nazis, should cede "one foot" of territory to Hungary; (2) that without regard to the exchange of minorities already provided for Hungary should accept from Czecho the maximum possible number of Hungarians; (3) that the Hungarians who remained in Czecho should be "denationalized".

In connection with his reference to "denationalization", Stalin further stated to Ripka that he was opposed to special privileges for racial minorities within any state.

Sent Dept as 593; repeated American Legation Budapest as 26 and American Embassy Moscow as 9.

STEINHARDT

<sup>42</sup> Assistant Secretary James C. Dunn who was serving in London as Deputy to the Secretary of State at the meetings of the Council of Foreign Ministers. At this time, the Council was considering the drafts of peace treaties for Italy, Bulgaria, Hungary, and Rumania.

<sup>43</sup> In early April 1946, Czechoslovak Minister for Foreign Trade Hubert Ripka headed an economic delegation to Moscow. The results of that visit were described in telegram 595, April 20, from Praha, p. 189.

840.4016/4-2446 : Telegram

*The Minister in Hungary (Schoenfeld) to the Secretary of State*

SECRET

BUDAPEST, April 24, 1946—1 p. m.

PRIORITY

[Received April 27—11:05 a. m.]

762. Praha's 593, April 19 repeated to Budapest as 26. If Stalin said he opposed special privileges for racial minorities within any state, as Ripka reports, it seems Nagy is under misapprehension as to Stalin's attitude since on return from Moscow <sup>44</sup> PriMin issued statement to press here to effect Hungarians could count on support of Soviets in assuring minority rights for Hungarians in Czecho (mytel 741, April 20 <sup>45</sup>). Moreover, Rakosi openly attacked Czech position two days ago in speech (mytel 761, April 24 <sup>45</sup>) in which he felt free to refute rumors prevalent in Czecho that Slovaks had Soviet support for carrying out denationalization, dispersal of Magyars and removal of minorities rights.

Either Stalin has not been frank in talking with visitors from Czecho and Hungary or his opinion changed subsequent to Ripka's talk with him. In view of well-founded supposition that close link exists between Hungarian Communists and Moscow, it seems hardly likely Rakosi's speech, planned well in advance, was wholly spontaneous (mytel 727, April 19 <sup>45</sup>).

Sent Dept; repeated to Praha as 46 and Moscow as 175.

SCHOENFELD

840.4016/5-746 : Telegram

*The Ambassador in Czechoslovakia (Steinhardt) to the Secretary of State*

SECRET

PRAHA, May 7, 1946—midnight.

[Received May 8—5:20 p. m.]

727. For the Secretary and Riddleberger.<sup>46</sup> President Beneš asked me to call to see him this morning. He said he was becoming increasingly concerned at the insistence of the Hungarian Govt on creating what he described as a state within a state by seeking minority rights for the Hungarians residing in Czechoslovakia. He pointed out that the prewar German and Hungarian minorities in Czechoslovakia had opened the gates to the Nazis in 1938 and 1939 and expressed the

<sup>44</sup> Hungarian Prime Minister Ferenc Nagy headed a delegation to Moscow during the early part of April 1946. Nagy's description of his discussions in Moscow, including the subject of Hungarian minority rights in Czechoslovakia, were reported in telegram 742, April 20, from Budapest, p. 280.

<sup>45</sup> Not printed.

<sup>46</sup> The Secretary of State was in Paris for the meetings of the Council of Foreign Ministers. James W. Riddleberger, Chief of the Division of Central European Affairs, was serving as a Political Adviser at those meetings.

opinion that as the German minority was being transferred to Germany under the Potsdam decision,<sup>47</sup> the Hungarian minority should likewise be transferred to Hungary. He argued that as Hungary was transferring its German minority to Germany, the Hungarian minority from Czechoslovakia should take the place of these individuals and that, therefore, the claim of the Hungarian Govt that there would be no space available to receive its minority from Czechoslovakia was not made in good faith, but was advanced solely for the purpose of maintaining a Hungarian bridgehead in Czechoslovakia. He indicated on the map that a Hungarian bridgehead in Slovakia might be as dangerous at some time in the future as was the German bridgehead in Bohemia at the outbreak of the last war.

Beneš then stated that in the course of the talks between the Czechoslovak representatives in Paris and Molotov, when the former had stressed the desire of the Czechoslovak Govt to transfer its Hungarian minority to Hungary, Molotov had indicated his acquiescence but had added "I must first find out how the Americans feel about it as without the Americans I can do nothing." Beneš added with obvious relish that he had repeated Molotov's remark at a Cabinet meeting yesterday for the benefit of the Communist members of the Govt who had been visibly "shocked" to learn that the Soviet Govt did not regard itself as omnipotent.

At the close of his remarks Beneš referred to the fact that the Soviets had "received all of the credit" in Czechoslovakia for the Potsdam decision authorizing the transfer of the German minority to Germany and expressed the hope that if a favorable decision is arrived at in Paris authorizing the transfer of the Hungarian minority to Hungary, the decision would be conveyed to him immediately "so that this time the US will at least share in the credit."

Sent Paris 107, repeated Dept 727.

STEINHARDT

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[Prime Minister Nagy and a delegation of Hungarian officials visited the United States between June 11 and June 19, 1946. During his stay in Washington, Nagy raised the issue of Hungarian-Czechoslovak relations; see the memorandum of conversation by Tihany, June 12, the memorandum of conversation by Barbour, June 13, and telegram 1210, June 28, from Budapest, pages 308, 312, and 316, respectively.]

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<sup>47</sup> At the Tripartite Conference of Berlin, July 17-August 2, 1945, the United States, the United Kingdom, and the Soviet Union agreed upon the transfer of German populations from Poland, Czechoslovakia, and Hungary; see Part XIII of the Report of the Conference. *Foreign Relations, The Conference of Berlin (The Potsdam Conference) 1945*, vol. II, p. 1511.



[At the meetings of the Council of Foreign Ministers at Paris, April 25–May 15 and June 15–July 12, 1946, a draft peace treaty with Hungary was prepared for submission to the Peace Conference. The Foreign Ministers considered proposals from the Czechoslovak and Hungarian Governments regarding the definition of the frontier between the two countries and the settlement of the question of the exchange of populations between them. Documentation regarding the meeting of the Council of Foreign Ministers is presented in volume II. These issues were also discussed during the Paris Peace Conference, July 29–October 15, 1946; see volume III. The peace treaty with Hungary, which was approved by the Peace Conference and was subsequently signed in February 1947, provided for the cession by Hungary to Czechoslovakia of a small portion of territory (article 1 paragraph 4) and obligated Hungary and Czechoslovakia to undertake bilateral negotiations for the solution of the Magyar minority problem in Czechoslovakia (article 5). For text of the Treaty of Peace with Hungary, see *Treaties of Peace with Italy, Bulgaria, Hungary, Rumania and Finland*, Department of State publication No. 2743 (Washington, Government Printing Office, 1947).]

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840.4016/12-346 : Telegram

*The Ambassador in Czechoslovakia (Steinhardt) to the Secretary of State*

SECRET

PRAHA, December 3, 1946—3 p. m.

US URGENT

[Received 8 : 15 p. m.]

1955. Dept's 1424, November 27.<sup>49</sup> I have discussed with Foreign Office specific instances of alleged inhumane treatment of ethnic Hungarians in areas along Slovak frontier cumulatively reported by AP, by Hungarian Legation to Dept and in an appeal to Cardinal Spellman.

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<sup>49</sup> Not printed. It stated that the alleged forced deportation by Czechoslovakia of Hungarians from Slovakia to the Sudetenland had been the subject of an Associated Press news report of November 23, a representation to the Department of State by the Hungarian Legation on November 26, and an appeal from József Cardinal Mindszenty, Prince Primate of Hungary, which had been transmitted to the Secretary of State in New York by Francis Cardinal Spellman. The Hungarian Legation and Cardinal Mindszenty indicated that the Hungarians being transported to the Sudetenland under a Czechoslovak Government regulation for compulsory labor suffered confiscation of property, separation of families, and circumstances of transfer that were said to be "anything but humane". The Department was concerned about the reports and asked Ambassador Steinhardt to report on the scope and character of the population removal and to present recommendations on the possible United States action to be taken. (840.4016/11-2646) The text of Cardinal Mindszenty's cablegram of November 23, 1946, to Cardinal Spellman, appealing for help for the Hungarians being deported from Slovakia, is printed in *Cardinal Mindszenty Speaks: Authorized White Book* (New York, London, Toronto: Longmans, Green and Co., 1949), p. 112.

Foreign Office, as result of an exhaustive investigation carried out over weekend by its own officials, has today informed me that:

(a) Ferenc Sindler was not killed in village of Gutor by Slovak soldiers (he was shot in head and killed by Hungarian frontier guards while endeavoring to cross Danube in boat from Slovak to Hungarian side);

(b) Investigation disclosed that Juliana Barath, alleged to have been severely wounded, and Janos Barath, alleged to have been bound with wire, have never resided in village of Gutor. No record exists in community of these two individuals;

(c) As to alleged deportation of Lajos Sator, 72 years, "and wife 70 years", investigation disclosed that Lajos Sator, who is correctly reported as 72 years of age and who resides in Gutor, has been a widower for 4 years. He has not been deported and has not been enrolled for transfer to Bohemia and is at present residing undisturbed in Gutor;

(d) As to the general allegation that expectant mothers were removed in freight cars and specific charges that Mrs. Janos Barina was so removed and gave birth to a still-born child on train, investigation disclosed that Mrs. Janos Rabina (not Barina) who was in advanced state of pregnancy, was taken by motor ambulance to state hospital at Bratislava where on November 20 she gave birth to a male child at provincial clinic. The Rabina family has not been enrolled for transfer to Bohemia and are at present residing undisturbed in village of Gutor;

(e) As to allegation that Peter Laszlo and his two sons and Jozsef Sebestyen and infant were deported, investigation disclosed that these two individuals sought and obtained special permission of Slovak authorities to move to Bohemia with their families;

(f) Erzebet Szijgyarto is a young girl 16, not 9 years of age, is unmarried and has not been deported and continues to reside undisturbed in Szemet.

Insofar as concerns the 2,826 individuals who are ethnically Hungarian who have been sent from Slovakia to Bohemia along with over 100,000 Slovaks to relieve manpower shortage and pursuant to general presidential decree requiring all citizens of Czechoslovak Republic between certain ages to be gainfully employed, Ministry Foreign Affairs has in its possession a considerable number of original letters which have been received in Gutor and Szemet from ethnic Hungarians now in Bohemia praising working and living conditions there.

Foreign Office has further informed me that as to ethnic Hungarians who have been sent to Bohemia to relieve manpower shortage there, families have in no case been separated, transfers have been conducted in "decent and humane manner devoid of violence" and individuals' property has not been confiscated, individuals being free to send their movable property to Bohemia if they so desire. Foreign Office further states that incidents referred to in statement released by Minister

Information and reported in Embtel 1954 December 2<sup>50</sup> have been result of Hungarian provocation for deliberate purpose of inducing appointment of an international commission with ultimate object of securing a frontier revision in favor of Hungary.<sup>51</sup>

While I do not doubt that there have been individual instances of hardship and perhaps even occasional acts of violence, I am inclined to view that as has become their custom, Hungarian authorities have grossly exaggerated such disturbances as may have taken place as part and parcel of aggressive campaign they have been carrying on for over one year to induce Government of US actively to intervene to advantage of Hungary in differences between Czechoslovakia and Hungary. Conceding that Slovaks may not at all times since end of war have treated Magyars in Slovakia with tact and understanding, fact remains that Magyars, as an Axis power during their occupation of Slovakia, inflicted sufficient brutalities and damage on Slovaks to have caused intense resentment throughout Slovakia at their present attempt to turn their defeat into victory. Having regard to extreme caution Soviet Government has thus far exhibited in not permitting itself to take sides in long standing Slovak-Magyar feud, I believe it would be most unwise for Department to become involved at this time in light of existing international conditions. For Department to take any affirmative action at this stage of controversy would be to invite hostility of Czechoslovak Government, with little to be gained by way of gratitude from an impotent Hungarian Government while, at same time, opening door for Soviet Government to capitalize Department's action to its own advantage.

In view of close relationship between Cardinal Spellman and myself, I should be glad to have Dept inform him of foregoing facts and of my views.

STEINHARDT

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800.4016 DP/12-346 : Telegram

*The Minister in Hungary (Schoenfeld) to the Secretary of State*

SECRET

BUDAPEST, December 3, 1946—3 p. m.

PRIORITY

[Received December 4—8:07 a. m.]

2256. Mytel 2242, November 29.<sup>52</sup> Foreign Minister informed me

<sup>50</sup> Not printed.

<sup>51</sup> Telegram 2293, December 11, from Budapest, reported that Prime Minister Nagy had informed Minister Schoenfeld that the Hungarian Government did not object to the application of the Czechoslovak labor decree to Magyars. The Hungarian Government did feel, however, that the program of resettlement of Magyars to the Sudeten area of Bohemia was clearly calculated to create a *fait accompli* in advance of the settlement of the minority problem by direct negotiation between Czechoslovakia and Hungary. (840.4016/12-1146)

<sup>52</sup> Not printed; it reported receipt of a letter from Foreign Minister Gyöngyösi requesting that the case of the Hungarian minority in Czechoslovakia be submitted to the United States Government with a view to the promotion of general pacification in southeast Europe (840.4016/11-2946).

today he had not received reply from Czechoslovak Government to his note re abuse of alleged application of Czechoslovak forced labor decree to Magyars in Slovakia. He estimates 500 to 600 destitute refugees from current persecution have recently entered Hungary chiefly from areas near Danube. Gyöngyösi says it is plain from Czechoslovak press, intention is to transplant Magyars unwilling to be Slovakized from their present home to Bohemia and Moravia. Procedure being used against these Magyars who number about 300,000 may, he fears, lead to serious mass uprising when they become aware of real significance of Czechoslovak Government's procedure which has thus far been restricted in scope. Meanwhile Hungarian Government has suspended movement of Slovaks from Hungary under an agreement and may be obliged to close Czechoslovak frontier which it is reluctant to do.

Gyöngyösi added Hungarian Government has received no answer from Czechoslovakia to note expressing desire to institute negotiations contemplated at Paris Conference but Czechoslovakia representative here has stated orally he believes answer will be forthcoming upon conclusion. No meetings now being attended by Masaryk<sup>53</sup> and Clementis.

Foreign Minister has had no report from Hungarian Minister Washington, as to action taken to bring matter to attention US as instructed.<sup>54</sup>

In confidence Foreign Minister told me position of General Dastich as Czechoslovak representative here is threatened by Slovak disapproval of his conciliatory attitude toward Hungary which disapproval Gyöngyösi interprets as confirming differences between Czechoslovaks [Czechs?] and Slovaks re many matters including Hungarian problem.

SCHOENFELD

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[On December 20, 1946, Czechoslovak President Beneš had a general conversation with Ambassador Steinhardt in the course of which Beneš gave his explanation for the difficulties in the negotiations between Czechoslovakia and Hungary on the question of the Hungarian minority in Slovakia. For Steinhardt's report on the conversation with Beneš, see telegram 2008, December 23, 1946, from Praha, page 238.]

<sup>53</sup> Jan Masaryk, Czechoslovak Foreign Minister.

<sup>54</sup> Telegram 1280, December 6, to Budapest, stated that the Department was orally informing the Hungarian Minister in Washington that the Czechoslovak and Hungarian Governments should make every effort to settle their disagreements directly. Schoenfeld was asked to take a similar line with Gyöngyösi. (840.4016/11-2946)

## POLAND

### EFFORTS BY THE UNITED STATES TO ASSURE FULFILLMENT OF THE YALTA AND POTSDAM AGREEMENTS REGARDING POLAND; EXTENSION OF ECONOMIC ASSISTANCE TO POLAND

860C.00/1-546 : Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

SECRET

WARSAW, January 5, 1946—10 a. m.

[Received January 8—3:45 p. m.]

19. I spoke with greatest seriousness Jan 4 to ForMin,<sup>1</sup> Olszewski<sup>2</sup> and Zebrowski<sup>3</sup> regarding deterioration of economic relations between Poland and the US. I said that while US does not in any way wish to assume as implied in the Polish press an economic and imperialistic attitude towards Poland I could not as supposedly a logical person understand the criticisms of Mr. Minc<sup>4</sup> and other members of Polish Govt towards the "capitalistic" attitude at the very moment when Poland is requesting one half billion dollars credit from the US. I said that the US is not interested in dominating Poland economically or any other way but that as long as Polish Govt is inclined to adopt an attitude unfriendly towards American interests in Poland such as the prohibition of American engineers to visit the Giesche properties in Silesia despite treaty obligations<sup>5</sup> permitting them to do so I would not recommend the granting of any credits to the Govt. of Poland.

<sup>1</sup> Wincenty Rzymowski, Polish Foreign Minister.

<sup>2</sup> Józef Olszewski, Director of the Political Department of the Polish Ministry for Foreign Affairs.

<sup>3</sup> An officer in the Polish Ministry for Foreign Affairs. In Arthur Bliss Lane, *I Saw Poland Betrayed: An American Ambassador Reports to the American People* (New York, Indianapolis: The Bobbs-Merrill Company, 1948), pp. 132-133, Zebrowski is described as one of the "chief liaisons" between the Embassy and the Polish Foreign Ministry.

<sup>4</sup> Hilary Minc, Polish Minister of Industry. Mr. Minc's speech of January 3, 1946, to the National Council of the Homeland on the nationalization of industrial property in Poland is described in Lane, *I Saw Poland Betrayed*, p. 230. A summary of the speech was reported to the Department in telegram 18, undated, from Warsaw (660C.0031/646).

<sup>5</sup> Reference is to the treaty of friendship, commerce and consular rights between the United States and Poland, signed at Washington, June 15, 1931. For text, see *Foreign Relations*, 1931, vol. II, p. 938.

When Mr. Olszewski with his customary bad manners mentioned that I should have learned in Poland that no good is accomplished by slamming the door, I observed that we had opened the door to Poland and that Poland through the declarations of its Ministers was closing it in our face. I made it clear that we enjoy no privileges in Poland except those to which we are entitled by treaty.

Desiring to emphasize my displeasure at the attitude which the Polish Govt had enunciated I endeavored to terminate the conversation but Rzymowski apparently realizing seriousness of my remarks begged me to remain. I then told him that I was speaking not only as American Ambassador but as a friend of Poland and said I could not understand why after months of requests we had never received info which should be public property re Polish economic commitments with other nations.

During this conversation Olszewski made irrelevant remarks re nationalization of British industries to justify Polish legislation.<sup>6</sup> I said that as a sovereign nation Poland has a perfect right to nationalize foreign industries. We required, however, that Poland should respect our rights under the treaty and that I would expect as a matter of right as well as of courtesy that members of firms having capital in Poland should be permitted to enter Poland to judge for themselves the situation.

Rzymowski then said that treaty of 1931 does not conform to condition of 1945. I said that I had myself brought up this matter with President Bierut on Aug 4, 1945<sup>7</sup> and that my Govt is agreeably disposed to negotiate new treaty of commerce. I said, however, that as long as present treaty of 1931 is in effect both parties are bound by it. Rzymowski asked me to inform my Govt that the attitude of the Polish Govt towards compensation for the nationalization of foreign property is much more advantageous to foreign capital than is the position of the opposition and he mentioned Mikołajczyk<sup>8</sup> and his party specifically in this connection. Rzymowski said that Minc had taken a far more liberal point of view towards foreign capital in Poland than had the Polish Peasant Party.

<sup>6</sup> The Polish Council of the National Homeland on January 3, 1946, passed a law concerning the nationalization of the basic branches of the national economy.

<sup>7</sup> For Ambassador Lane's report on the points made by him on the occasion of the presentation of his credentials to Polish President Bolesław Bierut on August 4, 1945, see telegram 29, August 6, 1945, from Warsaw, *Foreign Relations*, 1945, vol. v, p. 361.

<sup>8</sup> Stanisław Mikołajczyk, Polish Second Deputy Premier and Minister of Agriculture and Land Reform; Chairman of the Executive Committee of the Polish Peasant Party.

The Dept will appreciate that I am merely reporting remarks of Minister of Foreign Affairs and that this is not to be interpreted as an acceptance by me of his statements as a matter of fact.<sup>9</sup>

LANE

860C.51/1-1246

*Memorandum of Conversation, by the Chief of the Division of  
Eastern European Affairs (Durbrow)*

[WASHINGTON,] January 12, 1946.

Participants: Mr. Janusz Zoltowski, Vice Chairman, Polish Reconstruction & Supply Commission.<sup>10</sup>

Mr. Elbridge Durbrow, EE

Mr. Burke Elbrick, EE

Mr. Zoltowski called at his request and discussed for over an hour various aspects of the Polish financial question, including the new nationalization decree. He stated that he wished to have a very frank discussion of these matters and he was told that we too would welcome a frank discussion of the many angles of the question.

Mr. Zoltowski stated that he hoped that the State Department would make no more difficulties and grant a substantial credit to Poland since he had learned from the Export-Import Bank that it had no objection to giving considerable credit to Poland but that the State Department had advised the Export-Import Bank to limit the amount of the credit. Mr. Zoltowski was told that this was true and that while the United States Government desired in every way to assist the Polish people, it did not feel that it could make large credits available to the present Polish Government until the latter had given more concrete indications that its international economic policy would be in general conformity with the announced policies of the United States Government. Furthermore, since at Yalta the United States Government had taken before the world definite responsibilities and commitments regarding the holding of free and unfettered elections in Poland<sup>11</sup> and since on the basis of many statements made by responsible members of the present Polish Government it was not certain if,

<sup>9</sup> On January 8, 1946, Ambassador Lane reaffirmed to American correspondents in Warsaw the American position regarding Polish nationalization of industries. As reported in telegram 35, January 8, 2 p. m., from Warsaw, Lane decided to make public his conversation with Foreign Minister Rzymowski because Jakob Berman, the Polish Under Secretary of State of the Council of Ministers, had issued an erroneous version of the Ambassador's comments on Polish nationalization (860C.5034/1-846). Regarding this incident, see Lane, *I Saw Poland Betrayed*, p. 231.

<sup>10</sup> Zoltowski was also Financial Counselor of the Polish Embassy.

<sup>11</sup> For the Declaration on Poland, included as item VI of the Report of the Crimea Conference, issued by President Roosevelt, Prime Minister Churchill, and Marshal Stalin as a communiqué on February 11, 1945, see *Foreign Relations*, The Conferences at Malta and Yalta, 1945, p. 973.

as, and when truly democratic, unfettered elections would be held, we could not see our way clear to extending unlimited credits to the Polish Government at this time. Mr. Zoltowski argued that we should not endeavor to tie in political questions with financial matters and stated that in so doing we might lay ourselves open to the accusations made in the past by communist spokesmen that the capitalist countries use financial means to attain political ends. It was explained to Mr. Zoltowski that in not granting unlimited credits at this time, partially because of political reasons, we were not seeking any advantage whatsoever for the United States but were endeavoring solely to assist the Polish people to attain their full independence by insisting that free elections must be held before we could see our way clear to extend further credits.

Mr. Zoltowski referred to the proposed *aide-mémoire* which had been handed to Dr. Rajchman, outlining the conditions of the United States Government for the granting of credit to Poland.<sup>12</sup> Apart from the question of tying in the elections with the granting of credit, Mr. Zoltowski also endeavored to argue that it would be impossible for Poland to agree to a general economic policy prior to the forthcoming economic conference at which these questions would be settled.<sup>13</sup> He was told that we, of course, did not expect Poland to give a blank check in advance of the discussions and agreements to be reached at the conference but that, on the other hand, the Polish Government was fully aware of the basic general principles desired by the United States Government as regards foreign economic policy. In this connection he was told that many of the actions taken by his government gave the impression that it was not planning to adopt an economic policy which would fit into the general policies outlined by the United States. It was pointed out to him that certain actions of the Polish Government indicated that it was tending to fall in line with the economic blackout which is being put into practice by the Soviet Government in all Soviet-controlled areas and that if this tendency on

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<sup>12</sup> On January 8, 1946, Dr. Ludwik Rajchman, the Chairman of the Polish Supply and Reconstruction Mission in North America, was invited to the Department to receive copies of a memorandum covering the substance of a proposed exchange of notes which would take place concurrently with the commitment for an Export-Import Bank credit to Poland. The undertakings to be assumed by Poland and set forth in the draft *aide-mémoire* of January 7, 1946, are summarized in telegram 697, January 22, to London, p. 382. Subsequent negotiations resulted in agreement on the texts of notes to be exchanged on the occasion of the conclusion of negotiations for the extension of the Export-Import Bank credit to Poland. For texts of these notes, exchanged on April 24, 1946, see Department of State *Bulletin*, May 5, 1946, pp. 761-762.

<sup>13</sup> On December 6, 1945, the United States Government suggested to the other world governments that a world conference on trade be convened, perhaps in 1946. For text of the United States proposal, see Department of State *Bulletin*, December 9, 1945, p. 912. For additional documentation on the interest of the United States in the convening of an international conference on trade, see *Foreign Relations*, 1945, vol. II, pp. 1328 ff., and *ibid.*, 1946, vol. I.



the part of the Polish Government continued, he was perfectly aware that it would not conform to the basic economic policies desired by the United States Government. Mr. Zoltowski stated that it was possible that because of the stipulations we had made to the granting of credit the Polish Government may find it impossible to accept a credit under these conditions. He was informed again that while we desired in every way to assist the Polish people, it was not essential to the United States Government to grant a credit, nor were we under any obligations to do so.

Mr. Zoltowski stated that he was sorry that the Export-Import Bank had announced that Poland had asked for a credit of approximately \$500,000,000 since while this figure had been mentioned at Potsdam, the situation has since changed and he stated that he personally had been urging Warsaw to drop any requests for a large sweeping credit and substitute therefor requests for specific projects such as railway equipment, port facilities, vehicles, etc. He emphasized that Poland needed goods rather than cash and therefore, according to Mr. Zoltowski, the Polish Government's proposals will be for specific projects rather than for a specific global sum. Mr. Zoltowski was informed that this procedure conformed to the plans being formulated by the United States Government for a limited Polish credit.

Mr. Zoltowski discussed at some length the new Polish nationalization decree and it developed in the course of the conversation that he, and apparently the Ambassador, had the impression that the newspaper stories to the effect that Ambassador Lane had protested against the nationalization decree were correct. We assured Mr. Zoltowski that Mr. Lane, on the contrary, had specifically stated that the United States Government had no objection to the adoption of nationalization laws since this was the sovereign right of any country. It was explained that Mr. Lane had protested against the attitude taken by the Polish Government in refusing to permit representatives of American firms to visit Poland in order to inspect American-owned property, which privilege we claimed on the basis of the 1931 treaty of Commerce, Navigation, Treaty [*sic*] and Consular Rights. It was explained to Mr. Zoltowski that for several months Mr. Lane has been endeavoring to obtain permission for American representatives to enter Poland for this purpose but that he had been unsuccessful in his efforts. Mr. Zoltowski stated he was glad to have this explanation of the nationalization question and he gave categorical assurances that the Polish Government would see that American firms received adequate compensation for any properties nationalized and he stated that Ambassador Lange<sup>14</sup> would in all probability make a public statement

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<sup>14</sup> Oskar Lange, Polish Ambassador in Washington.

to this effect. Mr. Zoltowski was assured that this would be helpful.

In connection with the general question of the nationalization decree, Polish financial obligations to the United States, etc., Mr. Zoltowski suggested that it would be advisable to set up a Polish-American group or commission which would discuss all these questions and reach an equitable settlement. Mr. Zoltowski was informed that we also felt it would be advisable to establish such a commission and that we were planning to instruct Mr. Lane to make a formal proposal to the Polish Government regarding the nationalization decree and the liquidation of this question and other outstanding financial matters.

From the outline of the conversation given above it will be noted that we had a very frank, but friendly, discussion of the entire question.

ELBRIDGE DURBROW

860C.5034/1-1446 : Telegram

*The Acting Secretary of State to the Ambassador in Poland (Lane)*

SECRET

WASHINGTON, January 14, 1946—1 p. m.

US URGENT

29. Urtels 15, Jan. 4; 18, undated; 34, Jan. 8.<sup>15</sup> In connection with nationalization law you are authorized, if you perceive no objection, to address note to PolGov along following lines:<sup>16</sup>

1. This Govt, having studied carefully terms of nationalization law of Jan 3, 1946, particularly those provisions relating to compensation for property subject to nationalization, desires to communicate to PolGov its views concerning this question.

2. In view of this Govt, nationals of US are entitled to adequate and effective compensation for such of their property as is nationalized by PolGov. Compensation features of legislation are of such a general character that adequate and effective compensation appears neither to be assured nor precluded. Whether or not satisfactory compensation is made would appear to depend on administrative decisions under the broad discretionary features of the law.

3. This Govt recognizes that present financial position of Poland does not permit immediate settlement in dollars or currencies freely convertible into dollars for property of US nationals taken by PolGov. However, it believes that compensation, if it is to be effective and hence acceptable, should be made in a manner which will permit conversion of proceeds into dollars at the earliest possible time.

4. Attention of PolGov is invited to Article I of Treaty of Friendship, Commerce, and Navigation between Poland and the United States, signed June 15, 1931, which provides in part as follows:

<sup>15</sup> None printed.

<sup>16</sup> Ambassador Lane delivered a note to the Polish Government on January 18, 1946, along the lines described below; see Lane, *I Saw Poland Betrayed*, p. 231.

"The nationals of each High Contracting Party shall receive within the territories of the other, upon submitting to conditions imposed upon its nationals, the most constant protection and security for their persons and property, and shall enjoy in this respect that degree of protection that is required by international law. Their property shall not be taken without due process of law and without payment of just compensation."

5. In the spirit of this undertaking, it is proposed that this Govt and PolGov establish a mixed commission, composed of an equal number of representatives of each Govt, to determine in detail how just compensation shall be made for properties of US nationals subject to nationalization law. In view of this Govt, commission should decide which assets subject to nationalization are owned by US nationals, amount of compensation to be paid for each such holding taken by PolGov, and means by which compensation is to be paid; and should deal with such other related matters as may be mutually agreed upon.

6. This Govt is deeply concerned at unwillingness of PolGov to permit certain US nationals to enter Poland and survey present condition of their property which is subject to nationalization. Present policy of PolGov in this respect is felt to be inconsistent with letter and spirit of Treaty of Friendship, Commerce, and Consular Rights referred to above. This Govt would welcome assurances by PolGov that US nationals will henceforth be permitted to exercise their right to survey their properties located in Poland, and to enjoy all privileges necessary to the exercise of this right. Work of proposed mixed commission would be seriously handicapped if representatives of this Govt were unable to obtain full information from US nationals interested in property subject to nationalization.

7. This Govt wishes to reiterate its desire to establish a basis for durable and mutually beneficial economic cooperation between Poland and the US. It believes that a just and equitable solution to the problems raised herein will greatly facilitate future economic cooperation between the two countries.

For confidential info of Ambassador, decision on proposed Exim-bank credit to Poland will be withheld pending PolGov reply to this note, and Rajchman will be so informed after note is delivered. At time of delivering note to Rzymowski you are authorized in your discretion to refer to his remark to you (urtel 19, Jan 5) to effect that 1931 treaty does not conform to 1945 conditions and to say that your Govt is unable to reconcile this statement with the repeated assurances which have been given to you that Prov. PolGov fully accepts the obligations of that treaty.

ACHESON

860C.51/1-1946 : Telegram

*The Secretary of State to the Acting Secretary of State*<sup>17</sup>

SECRET

LONDON, January 19, 1946—3 p. m.

PRIORITY

[Received 11:45 p. m.]

692. On Jan 17 the Polish Minister of Foreign Affairs accompanied by the Under Secretary for Foreign Affairs<sup>18</sup> and the Polish Ambassador in London<sup>19</sup> called upon me for the purpose of discussing the following subjects:<sup>20</sup>

1. They complained that Ambassador Lane had informed the Polish Govt that negotiations for an Export-Import Bank loan were being broken off because of the announced policy of nationalization of Polish industry. They stated that there was no discrimination against American interests in Poland, which in any event were not large and said that the rupture of negotiations appeared to give the impression that the US attitude toward Poland was unfavorable, which helped anti-Democratic elements within Poland. They requested that I issue a statement to the effect that the US was not opposed to the nationalization program.

I stated that the US had no intention of interfering in Polish internal affairs. I agreed to look into the question of the loan negotiations but emphasized that the responsibility of making loans rested upon the Board of Directors of the Bank, who dealt with applications on strictly business and financial grounds.

2. The Poles raised the question of the funds of the Bank of Poland in the US, which they stated amounted to 35 million dollars, and said that they desired to use these funds in connection with the international bank. I advised them to take this matter up formally with the Dept through the Polish Ambassador in Washington, which they agreed to do.

3. They stated that the Polish Government was anxious to establish a provisional rate of 1 dollar to 100 zloty in such transactions as the transmission of funds to our mission in Poland, although for commercial purposes some other rate might be arrived at in connection with the discussion of the commercial treaty. They stated that Ambassador Lane had rejected the proposed rate. They also pointed out that the American Embassy did not obtain its Polish currency through official channels.

<sup>17</sup> The Secretary of State was in London as Chairman of the U.S. delegation to the United Nations.

<sup>18</sup> Zygmunt Modzelewski.

<sup>19</sup> Henryk Strasburger.

<sup>20</sup> Assistant Secretary of State James C. Dunn, who was also present at this conversation, prepared a more detailed memorandum of conversation which was transmitted to the Department in despatch 8, January 21, 1946, from the United States delegation to the Council of Foreign Ministers at London (860C.51/1-2146).

I replied that this would have to be considered by Assistant Secretary Clayton and the US Treasury. The Poles pressed for early action. I stated that as I had no one here qualified to advise me on the matter I would refer it to the Dept.

In the course of the discussion the Poles said that the reestablishment of their financial position depended upon coal production, which they expect to reach 50 million tons this year, of which 25 million tons could be exported if they had the necessary transport. They pointed out that the proposed Export-Import Bank loan was for the purpose of purchasing 20,000 railway cars from the US.

Please advise me just what position we have taken on the question of nationalization and on what grounds.

Sent Dept as 692, repeated to Warsaw as 6.

BYRNES

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860C.51/1-2246 : Telegram

*The Acting Secretary of State to the Secretary of State, at London*

SECRET

WASHINGTON, January 22, 1946—5 p. m.

US URGENT

697. For the Secretary. Urtel 692, Jan 19. Next following telegram repeats Dept's instructions to Ambassador Lane on Polish nationalization.<sup>21</sup> Lane has replied stating that he has presented note as requested.

Statements of Polish officials to you in London together with remarks of Zoltowski to Dept officials here and AP report purporting to quote Ambassador Lane's representations to Polish Govt as well as press reports quoting officials of Polish Embassy here make it clear that Poles are deliberately misinterpreting remarks made by Lane to Polish Foreign Minister. Lane reports that he did not protest nationalization law but specifically took position that nationalization was a domestic matter for Poles to decide for themselves. He informed Dept that he had objected to refusal of Poles to permit entry of American citizens to inspect American owned property as provided by terms of 1931 treaty. During the interview Rzymowski remarked that the 1931 treaty does not conform to conditions in 1945, and this in spite of fact that we have received repeated assurances that Polish Govt considers itself bound by terms of that treaty. Lane thereupon reminded Rzymowski that as long as treaty is in effect it is expected that Poland will abide by its provisions. He also reports that he informed PolGov that in view of this refusal he could no longer recommend that Dept approve credits.

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<sup>21</sup> Reference is to telegram 29, January 14, Warsaw, p. 379.

The National Advisory Council is considering maximum Export-Import Bank credit of about \$40,000,000. In addition Federal Liquidation Commission has been authorized to sell surplus on usual terms up to \$50,000,000. Poles have made formal application to Export-Import Bank for credit to purchase 500 locomotives and 20,000 gondola cars which would cost approximately 90 to 100 million dollars. Poles have not yet been informed of proposed limitations on amount of credit. Negotiations have not been interrupted. Poles have been presented with memorandum covering substance of a proposed exchange of notes to take place concurrently with any commitment for Export-Import Bank credit when and if made whereby PolGov will (1) reaffirm principles of Art VII of master lend-lease agreement, (2) affirm accord of PolGov with general tenor of Proposals for Expansion of World Trade and Employment, and agree pending World Trade Conference to abstain from adopting any measures in conflict with principles of proposals, (3) reaffirm most favored nation treatment under treaty of June 15, 1931, (4) reaffirm explicitly Potsdam Election Commitment,<sup>22</sup> (5) agree to show due respect for rights of American citizens in Poland and make adequate and effective compensation for American properties nationalized and (6) afford adequate opportunity for consultation on above matters and make available full information on Polish international economic relations.

Poles here have indicated difficulty about second and fourth of above points. Their difficulty on second point centers around necessity for maintaining restrictions during period of transition, which of course Dept fully recognizes and which has been made clear to Poles. They also question possibility of committing themselves in advance of final agreement to world trade proposals. While Dept recognizes that they cannot make concrete commitments on this point at this time, it is felt that we should obtain assurances from them that they will give general support to our proposals at World Trade Conference. Their objection to fourth point is on basis that political considerations should not be injected into economic negotiations. However, in view of the responsibilities we undertook at Yalta and Potsdam we feel that we should not grant a large credit to Poland without obtaining further assurances on this point, particularly in view of clear indications that Polish Govt may try to evade its obligations.

Dept has not made final determination of policy on whether if it comes to a showdown Dept should insist on attaching above conditions to granting of limited Export-Import Bank credit. This involves

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<sup>22</sup> For declaration with regard to Poland, see section IX of the Report of the Tripartite Conference of Berlin, *Foreign Relations*, The Conference of Berlin (The Potsdam Conference) 1945, vol. II, pp. 1490, 1508.

carefully weighing the responsibilities which we undertook under the Yalta and Potsdam Agreements.

Recommendations on proposed zloty exchange rate will follow.

Repeated to Warsaw.<sup>23</sup>

ACHESON

860C.51/1-2646 : Telegram

*The Secretary of State to the Chargé in Poland (Keith)*

SECRET

WASHINGTON, January 26, 1946—5 p. m.

NIACT

60. It is obvious from urtel 110, Jan. 24,<sup>24</sup> that either Rzymowski or Olszewski, or both, have misrepresented not only Ambassador Lane's statements regarding nationalization of property but also my own statements during interview with Rzymowski in London. All points covered in latter interview were transmitted to you in London's 6 of Jan. 19.<sup>25</sup>

You are instructed to inform Olszewski categorically at earliest opportunity that the views expressed by Amb Lane regarding nationalization of property and zloty exchange rate represent views of USGov. The fact that PolGov officials have on several occasions seen fit to misquote the Amb on subject of nationalization can only lead to assumption that his remarks have been wilfully distorted by those officials, as pointed out in Deptel 49, Jan. 22.<sup>25a</sup> You may reiterate this Gov's recognition of the right of PolGov to nationalize property and point out that Amb Lane's protest dealt only with failure of PolGov to fulfill its obligations under the Treaty of 1931 by not permitting American nationals to visit Poland for purpose of inspecting their properties. USGov attaches greatest importance to entry of Americans into Poland for this purpose and fails to understand PolGov's casual treatment of this matter to date. While it is true that I stated, as Rzymowski has reported, that this Gov does not wish to interfere in Poland's internal affairs, it is important that you emphasize that PolGov should not interpret this as meaning that USGov intends to relinquish in any sense the responsibilities assumed by it in conjunction with Great Britain and USSR with respect to the holding of free and unfettered elections in Poland.

You may also tell Olszewski that I did not at any time inform

<sup>23</sup> As telegram 49.

<sup>24</sup> Not printed; in it Chargé Keith reported on his meeting with the Chief of the Political Department of the Polish Foreign Ministry, Olszewski, who gave Keith the Polish version of the substance of Foreign Minister Rzymowski's conversation with Secretary Byrnes at London (860C.51/1-2446). A brief account of the Keith-Olszewski meeting is given in Lane, *I Saw Poland Betrayed*, p. 233.

<sup>25</sup> Same as telegram 692, January 19, from London, p. 381.

<sup>25a</sup> See footnote 23, above.

Rzymowski that the USGov accepted the exchange rate of 100 zlotys to the dollar which is now being proposed by the PolGov and that I would certainly not have adopted the extraordinary procedure described by Olszewski to notify the Embassy of any such action. As you were informed by London's 6, I told Rzymowski that the matter of an exchange rate would have to be considered further by Dept and by US Treas.

It is suggested that you inform Olszewski orally of the above, at the same time presenting an *aide-mémoire* in order that your remarks may not be subject to further misrepresentation. You may also point out orally that the tactics employed recently by PolGov in its dealings with American officials cannot fail to have an unfortunate effect upon our relations with the Pol Provisional Gov in general and upon the current credit negotiations in particular.

Polemb here will also be informed of the above without delay.<sup>26</sup>

Repeated to London as no. 910.

BYRNES

860C.51/1-2946 : Telegram

*The Chargé in Poland (Keith) to the Secretary of State*

TOP SECRET

WARSAW, January 29, 1946—5 p. m.

US URGENT

[Received January 31—10:47 a. m.]

134. Olszewski received me at ForOff at 7 p. m. 28th. Zebrowski interpreted. I stated points contained Deptel 60, January 26, 11 a. m. [5 p. m.] and gave Zebrowski *aide-mémoire* from which he translated to Olszewski. I communicated only orally last sentence regarding "tactics employed". Olszewski's first question was what was implied by "tactics" and I replied two illustrations were statements made regarding nationalization and exchange rate. Olszewski was unperturbed and said he could not see how misunderstanding could have arisen regarding exchange rate and wanted to make further inquiries.

Olszewski then said if form and content of *aide-mémoire* conformed to Secretary's thoughts he felt we were not getting very far in mutual understanding and Poles would have to consider whether there would not be some other way of proceeding in our relations in endeavor to avoid misunderstandings. Olszewski referred to assumption of willful distortion of remarks and obviously displeased said in effect that they did not do such things.

<sup>26</sup> The misrepresentation of Ambassador Lane's remarks regarding the nationalization of industries in Poland and Secretary Byrnes' remarks regarding the dollar-zloty exchange rate was the subject of a conversation between Acting Secretary of State Acheson and Polish Ambassador Lange on the afternoon of January 30, 1946. The memorandum of this conversation is not printed (860C-5034/1-3046).



I said Ambassador Lane had clearly reported after his conversation with Minister Rzymowski that he had not protested nationalization and that not only had reports been given out regarding Lane's alleged protest on nationalization but inaccurate information was given me regarding Secretary's interview with Rzymowski on exchange rate. Olszewski then stated that Ambassador had not only spoken of infringement of treaty but had expressed himself as much concerned about attitude taken by Minc in his speech and has said that as long as attacks in press and in KRN (I assume Olszewski referred to Minc's speech<sup>27</sup>) continued Poland would not get a dollar and he would not recommend it. Olszewski then said that although the Ambassador had not used word "protest" in connection with nationalization, ForOff had construed Lane's reference to Minc's speech as implying an attack on nationalization.

In referring to remarks made to you in London by Rzymowski and Modzelewski Olszewski said they had notes covering Lane's conversation confirming fact stenographic notes had been taken as Lane was aware and had told me.

Olszewski referred to Minc's speech and others delivered at KRN Congress and stated that there had been no word of attack against American capital at any time. In referring to exchange rate Olszewski stated he had asked me to confirm this information in Washington. I told him I had done so and that it was because I had expected to report it to Dept that as he would recall I had taken particular pains to quote him without error.

In commenting on your statement that US did not wish to interfere in Polish internal affairs Olszewski said Poles were going to have elections, were making plans for them and he did not quite understand why we continually made reference to free and unfettered elections. I replied I thought he would appreciate that we could not overlook responsibilities assumed at Yalta.

At no time did conversation become argumentative nor was there any display of personal animosity or unfriendliness but it was evident they both knew serious situation existed. Olszewski then said he would like to speak in private capacity his remarks to be regarded as unofficial. During past 6 months' period he had felt tendency existed on part of Embassy not to understand problems of Polish Govt. He felt that Ambassador and I had on occasion tried to imply that if this or that were not done Poles would not be able to obtain loans, that he wanted to state that they had tried to keep relations cordial, and that in doing so matter of loans had had no bearing on such action. He expressed wish that we endeavor to inform ourselves (presumably

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<sup>27</sup> Regarding Minc's speech of January 3, see footnote 4, p. 374.

more fully) as to situation here and said that so often it happened that it seemed to be trifling points which had given trouble. He added that they had tried to avoid raising minor issues. I replied I wanted him to know we endeavored to inform ourselves by knowing opinion of all elements within Poland. Olszewski then wished that we might work with Poles with same understanding in all matters as they had asked Ambassador Lange to do with our Govt. Olszewski said he desired talk with me on completely private basis to discuss problems which provided mutual difficulties and invited Zebrowski and me to dinner at his home on 31st. I accepted. Olszewski concluded 2-hour interview by saying he did not understand how misunderstanding with regard to exchange rate had occurred but as for subject of nationalization (presumably the protest) he was still not convinced.

Sent Dept as 134; repeated to Paris for Lane as 13.<sup>28</sup>

KEITH

IO Files: USGA/Ia/46

*Memorandum of Transatlantic Telephone Conversation Between the Chairman of the American Delegation to the United Nations (Stettinius) in London and the Secretary of State in Washington, January 31, 1946*<sup>29</sup>

MR. STETTINIUS: Hello, Jim. How are you this morning? We are getting on all right. We got over the Iranian situation yesterday afternoon all right.<sup>30</sup> Jim, we have a situation before us relative to a Polish resolution on reconstruction<sup>31</sup> that is difficult from the standpoint of certain members of the Delegation having raised the point of political assassinations which are taking place in Poland, and Vandenberg<sup>32</sup> is particularly worried in connection with his constituency

<sup>28</sup> Ambassador Lane was in Paris to attend a conference of economic counselors and advisers from American missions in Europe. In telegram 520, February 2, from Paris, he concurred in Keith's views and added that he strongly recommended that the United States continue to refuse to extend credits to Poland until the questions of press freedom and police repression were satisfactorily settled (860C.51/2-246). Telegram 538, February 4, from Ambassador Lane in Paris, reads in part as follows: "I should like to reemphasize my conviction that a maintenance of a strong policy with respect to all Soviet dominated governments is essential to preserve prestige of the United States and to protect effectively American interests in Eastern Europe." (860C.51/2-446)

<sup>29</sup> This verbatim record was made in London where the conversation began at 2:05 p. m.

<sup>30</sup> For documentation regarding the discussions in the United Nations Organization at this time on the question of Iran, see vol. VII, pp. 304-326, *passim*.

<sup>31</sup> On January 29, 1946, the General Committee of the United Nations General Assembly unanimously recommended that the General Assembly consider a draft resolution by the Polish delegation on the reconstruction of countries, members of the United Nations, devastated by war. For texts of the General Committee's Report and the Polish draft resolution, see United Nations, *Official Records of the General Assembly, First Session, First Part, Plenary Meetings*, p. 581 (hereinafter cited as GA (I/1, Plenary)).

<sup>32</sup> Senator Arthur H. Vandenberg, United States Representative to the First Part of the First Session of the United Nations General Assembly at London.

of 500,000 Poles. I am going to put Ben<sup>33</sup> on the phone and he has a statement which he will read to you, which summarizes the whole thing. We also have a specific recommendation to make. Here's Ben.

MR. BEN COHEN: At this morning's session of the Delegation, which was expected to be purely routine, and for that reason Ed wasn't there, they began to talk about Poland. Great concern was expressed by a number of them including particularly Senator Vandenberg, Mrs. Roosevelt<sup>34</sup> and Walker.<sup>35</sup> There was a feeling that the members of the Delegation were embarrassed by the fact that Bevin<sup>36</sup> had spoken in Parliament about political murders in Poland, and that our Government had not said anything on the subject, and they don't feel free to talk themselves but they felt embarrassed not to be able to say anything. Whereupon, Vandenberg suggested that the Delegation might call attention to yourself and the Department to this Polish situation and suggest that the Department and you inquire into the facts. Senator Vandenberg seemed to feel that if he could state that the Department had announced that there was to be an investigation into the situation, that would relieve him of embarrassment and obviate the need of his making a public statement, at least until he returned home. Vandenberg's suggestion was supported by Mrs. Roosevelt and Mr. Walker, and we agreed at the meeting to put it before you.

The feeling in the meeting is accentuated by the fact that they were told at a previous meeting that our Naval Attaché had disappeared under circumstances which had never been explained.<sup>37</sup> Ed mentioned it to them in the course of a discussion, and the report was current around here, and I have looked into it, and find that the Department merely announced that he had been killed in an accident. While there is some substantial evidence that there may have been other things, apparently we have no evidence to prove that he did not die by accident. They wanted to know more about that since it was mentioned. I make a point of the question because it inflamed their imagination somewhat. Yes, I know, they have difficulty separating their functions and the functions of the Department. But that is just part of the picture, and I suppose particularly to Vandenberg. . . . I only mention this as something to give you the background, so don't place it too much in the foreground of our particular problem.

<sup>33</sup> Benjamin V. Cohen, Counselor of the Department of State and Senior Adviser to the United States delegation to the United Nations General Assembly.

<sup>34</sup> Eleanor Roosevelt, United States Representative to the First Part of the First Session of the United Nations General Assembly.

<sup>35</sup> Frank Walker, Alternate United States Representative to the First Part of the First Session of the United Nations General Assembly.

<sup>36</sup> Ernest Bevin, British Secretary of State for Foreign Affairs.

<sup>37</sup> In late December 1945, Lt. Col. Andrew Wylie, U.S.M.C., Naval Attaché in Warsaw, died in an accidental fall from a damaged bridge in western Poland. Regarding Wylie's death, see Lane, *I Saw Poland Betrayed*, pp. 189-190.

Our position is affected by the fact that the General Committee has reported out a resolution proposed by the Polish Delegation expressing in a lot of language and words the concern of all United Nations in the economic reconstruction in Europe. It was planned to have a day's debate on this in the Assembly. Up until today, both the British and ourselves had not opposed the resolution and, indeed, they thought it might be helpful generally. Now the question is raised whether we can have the debate proceed without speaking pretty plainly about the political conditions in some parts of the world, and in particular, Poland. It was agreed, before the meeting closed, that we would speak to the British to see whether a way could be found to shelve the resolution without debate, but we all think it is very doubtful if that could be done.

Now, I come not to the Delegation's suggestion, but to Ed's and Senator Connally's<sup>38</sup> and mine, as to what might be done.

It is our suggestion that in some way, possibly in a press conference, you might express concern about the reports of the political murders in Poland. You might state that in response to a question or in any other way you choose, and then you could state that you had asked our Mission in Poland to undertake an investigation to develop the facts. You might have the Department show you Bevin's full statement which appeared in the record and I think you probably have it there. It was made a few days ago in the House of Commons. (Mr. Cohen then asked Mr. Noyes<sup>39</sup> to get a copy of this statement from his room to read to Secretary Byrnes.)

If it is found impossible to withdraw the resolution without embarrassment, then it is our thought that if you have made such a statement that you are having an investigation made—that is if you can make such a statement either today or tomorrow—then we believe it would be better if our Delegation not oppose a day's debate, and it would be our thought that if the resolution does come up for debate, we should not oppose its passage but should, in the course of the debate, point out that political freedom is necessary to secure the cooperation of all the United Nations in the great tasks of reconstruction. This is the general situation, and the Steering Committee and Connally, Ed, myself as well as the Delegation would like your advice and instructions.

The question is, first, I think that they would like to know whether you feel or could let us know in the course of the day whether you can make some public statement that you were having these reports of

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<sup>38</sup> Senator Tom Connally, United States Representative to the First Part of the First Session of the United Nations General Assembly.

<sup>39</sup> Charles P. Noyes, Special Assistant to Mr. Stettinius.

political murders in Poland investigated. I think that would be helpful to our problem here immensely.

I will just read you what Bevin did say in the House of Commons on January 23rd in reply to a question whether he had heard certain named specific political murders. In reply to that question he said:

“I am seriously concerned at the moment at the number of political murders that have been committed in the various parts of Poland in recent weeks, in circumstances that in many cases appear to point to the complicity of the Polish Security Police. I regard it as imperative that the Polish Provisional Government should put an immediate stop to these crimes in order that free and unfettered elections may be held as soon as possible in accordance with the Crimea decisions.”

I think really what they want is that you take cognizance of these reports and say you are having an investigation, and indicate that if the investigation warrants, you will call upon the Polish Government to fulfill their responsibilities under the Crimea decisions.

You see, what they would like more than anything else, and Connally will speak to you in a moment about it, would be for you to say that you are undertaking an inquiry and that this is a matter that our Department is investigating. The thought is that if we can't have the resolution withdrawn, should we let it go forward to debate; should we support it and merely add our strong feeling that political freedom is essential to our full cooperation in economic reconstruction; or should we take a more aggressive and more prosecuting attitude on the things that have been occurring in some of these countries? Your thought is the first. Yes.

You agree with our proposal, then, that we should emphasize the principle of political freedom, but should not go into details as to what is happening in different countries.

I think I understand that in general as you have told it to me—you approve of what we are suggesting, and I will put Senator Connally on the line for just a moment.

SENATOR CONNALLY: Hello, Mr. Secretary. Your voice is as clear as a bell. Here is the situation. Vandenberg, as you know, has a political situation in Michigan. 500,000 Poles, he says. Unless you make a public statement over there that you are having these matters looked into, I think he is going to pop off over here and make a statement of his own.

We kind of thought that if you decided to make a statement, you could base it on Bevin's. I think that will satisfy him, but if you don't, he says he is here as a Delegate but also here as a Senator, and I think he will go on his own and make a statement along the line of Bevin's. He said in conversation to me the other night “My God!

Why can't we do something like this." And he has been bawling on this ever since.

The resolution itself is perfectly harmless because it's a general sort of psychological appeal to reconstruct and they probably hope we can help them. Nobody was objecting to it.

They make the point now that if it comes up that reconstruction is such a broad term that it concerns political reconstruction as well as economic, and you can't exclude that from public debate.

Yes, this was dumped in at the last hour and rushed through to the Committee.

Here's Ed.

MR. STETTINIUS: You will send us a transcript of what you say? That's fine; thank you so much. Goodbye.

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Mr. Byrnes said he would examine Bevin's report and determine whether to make a statement. He said he would handle the matter and wire us within an hour. He added that if he made a public statement it would look as though the Polish murders were true, and we weren't sure.

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(Mr. Cohen gave the following as his and the Secretary's conversation:)

MR. BYRNES: If I understand correctly, the Polish resolution relates exclusively to economic reconstruction.

MR. COHEN: That is right.

MR. BYRNES: I think we can support it in general terms if it does not bind us as to details.<sup>40</sup> On the statement, I will have to look into the matter. I had not heard of it before. I hope that I will be able to make the statement.<sup>41</sup> As to the resolution, the situation is too complicated for me to go into detail.

But in general I favor the idea we should confine our speeches to the principles of political freedom and not go into details when we have not conclusive evidence. We are not yet ready to file a formal complaint. We want to avoid a general row. You are over there to make peace not war.

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<sup>40</sup> At its 22d meeting on February 2, 1946, the General Assembly adopted the Polish draft resolution as amended at the initiative of the United States. For text of the amendment, see GA (I/1), *Plenary*, p. 582, footnote 1.

<sup>41</sup> On January 31, 1946, the Secretary of State issued a statement to the press regarding political murders in Poland. For text of the Secretary's statement, see Department of State *Bulletin*, February 10, 1946, p. 209. In a transatlantic telephone conversation with Stettinius at 5 p. m. (London time) on January 31, the Secretary of State read the text of the statement he was about to issue in Washington (IO Files: USGA/1a/Gen 30 (Conv. 59)).

860C.00/2-346 : Telegram

*The Chargé in Poland (Keith) to the Secretary of State*

CONFIDENTIAL

WARSAW, February 3, 1946—2 p. m.  
[Received February 9—11:05 a. m.]

161. Deptel 74, January 31.<sup>42</sup> I gave statement personally to Foreign Minister early evening February 2. Rzymowski said he would reply by written note but wished to remark that members of Security Police were very ones who had suffered most from attacks and that in carrying out government's wish to maintain law and order 1500 of them had been killed, that these attacks were carried out by groups under direction of leaders some of whom were situated American occupation zone in Germany. Of 3 groups one was associated with the NSZ and another was headed by Colonel Ilinski (I believe he is supposed to be stationed at Frankfurt), who receives orders from General Anders.<sup>43</sup> Rzymowski said there was shortly to be a trial which would prove guilt and complicity of these elements. He subsequently referred to similar activities being instigated also by individuals in British zone of occupation. These efforts to undermine government would only contribute to Third World War which he knew United States, Great Britain and Soviets did not want.

Foreign Minister referred to having met Secretary in London in atmosphere of cordiality and regretted our relations appeared to be going through misunderstandings which seemed unfortunate just as day for honoring Kosciusko was near at hand.<sup>44</sup>

He said Poland had allowed press correspondents to report freely and that visiting groups (he mentioned Bishop Woznicki and Michigan State Senator Novak) had seen what was going on in Poland and he knew would tell story when they returned to America.

He mentioned that under the Yalta and Potsdam Agreements Poland considered itself a sovereign nation. Rzymowski was calm during conversation and concluded by expressing hope I would be attending meeting today of "Association of former political prisoners of German concentration camps" (at which he is to make principle address on "the fight against Fascism as the defense of world peace").

KEITH

<sup>42</sup> Not printed; it instructed Keith to bring to the attention of the Polish Foreign Ministry Secretary Byrnes' press statement of January 31, 1946, regarding political murders in Poland (860C.00/1-3146).

<sup>43</sup> Lt. Gen. Władysław Anders, Commander, II Polish Corps, in Italy during World War II. In exile in the United Kingdom.

<sup>44</sup> February 12, 1946, was the 200th anniversary of the birth of Thaddeus Kosciusko. Plans had been made for the joint celebration of the anniversary in Poland and the United States. For President Truman's public statement marking the bicentennial, see *The Public Papers of the Presidents of the United States: Harry S. Truman, 1946* (Washington, Government Printing Office, 1962), p. 116.

860C.51/2-1346

*The Assistant Secretary of State for Economic Affairs (Clayton) to the Chairman of the Board of the Export-Import Bank (Martin)*

SECRET

WASHINGTON, February 13, 1946.

MY DEAR MR. MARTIN: It is understood that a formal application has been recently filed by the Polish Provisional Government with the Export-Import Bank of Washington for credits to purchase 500 locomotives and 20,000 gondola cars, which would call for a credit of \$90,000,000 to \$100,000,000. It is felt that the circumstances call for a policy statement by the Department of State for the guidance of the Export-Import Bank.

The Department refers to the objections which the Polish delegates have informally raised to certain undertakings which it has been proposed should be given concurrently with the granting of any such credit, and to the refusal, in violation of the 1931 Treaty of Friendship, Commerce, and Navigation, (the validity of which the Polish Government has repeatedly reaffirmed) to permit the entry of Americans into Poland to inspect American-owned properties. A copy of the draft *Aide-Mémoire* which has been presented to Dr. Rajchman of the Polish Reconstruction and Supply Mission, relating to the proposed undertakings referred to above, is enclosed for your information.<sup>45</sup>

Two additional considerations of importance have arisen recently, which cannot fail to influence the policy of this Government in the granting of credits to Poland. First, the recent nationalization law, with respect to which this Government has made certain proposals for the purpose of assuring adequate compensation for property owned by United States citizens. No reply has yet been received. Second, the statement of the Polish Foreign Office to the Warsaw Embassy that no action on the proposed bilateral air agreement will be taken until the basic economic problems under consideration in Washington have been resolved. This statement must be interpreted to mean that favorable consideration of the proposed air agreement will depend upon the action of this Government with respect to credits.

It is the opinion of the Department of State that if the Polish Provisional Government gives adequate undertakings substantially in the sense of the enclosed *Aide-Mémoire* and permits the entry of Americans into Poland in conformity with the 1931 Treaty, this Government would be justified in making credits available through the Export-Import Bank up to a maximum of \$50,000,000. While the Department is not at this time disposed to withhold the granting of

<sup>45</sup> Draft *aide-mémoire* of January 7, not printed; for a summary of the undertakings proposed therein, see telegram 697, January 22, to London, p. 382.



a \$50,000,000 credit pending satisfactory action in the two additional considerations enumerated above, developments of this kind indicate the necessity of obtaining concrete assurances from the Polish Government before we extend any more substantial credit. It is not felt, however, that larger or additional credits should be made available by the Bank until such undertakings have been satisfactorily implemented, and until the Polish Government has taken satisfactory action with respect to the two additional considerations enumerated above.

There appears to have arisen some doubt, however, whether the undertakings mentioned above will be obtained from the Polish Government. The Department considers it desirable, therefore, to indicate its views as to the policy that should be pursued in the event that such a contingency should occur.

The Department has been informally advised by members of the Polish Mission that it has objections to certain of the proposed undertakings, and in particular the Department understands that there will be the strongest objection to the proposed reaffirmation of the Potsdam election commitment. This reluctance to reaffirm the commitment may well be a reflection of the possible plans of the Polish authorities. Recent information from Ambassador Lane indicates growing police repression, increased restrictions on the press, and an apparent determination on the part of the present Polish Government to evade the Potsdam commitment to hold free and unfettered elections. This Government, by virtue of the Yalta and Potsdam Agreements, has a responsibility which it is determined to carry out so far as possible, that free and unfettered elections shall be held. While it is the earnest desire of the Department of State to facilitate the granting of credits to assist Polish reconstruction and to give practical evidence of American friendship for the Polish people, it is nevertheless felt to be incompatible with responsibilities of this Government to grant a credit as large as \$50,000,000 unless the conditions mentioned above are substantially met.

This being the situation, it is felt that if the Polish Government should be unwilling to give adequate undertakings substantially in the sense of the enclosed *Aide-Mémoire*, or should continue its present violation of the 1931 Treaty, this Government should refuse to grant an Export-Import Bank credit up to the maximum of \$50,000,000. In view, however, of the friendship that is felt for the Polish people and the desirability of making this evident in concrete form, the Department would be disposed in such a contingency to favor the granting of a credit of not more than \$25,000,000. If such a limited credit should be granted, it is felt that it should be accompanied by a public statement, which in view of its bearing on our foreign relations it is felt should be issued by the Department, affirming the friendship of

this Government for the Polish people, stating the reasons why it has not been possible to make larger credits available, and indicating that if and when the desiderata mentioned above can be substantially obtained this Government would be happy to give sympathetic consideration to a request for further credits.

On the other hand, if the Polish Government should give the undertakings we seek and should reconsider its refusal to grant Americans entry as provided in the 1931 Treaty, the question of later Export-Import Bank credits in addition to the \$50,000,000 mentioned would be determined by the circumstances existing at that time, with particular reference to whether these undertakings had been satisfactorily implemented after the granting of the original credit, and whether satisfactory action has been taken with respect to the two additional considerations enumerated above.

The above statement of policy is for the purpose of making known confidentially to the Export-Import Bank certain considerations which it is felt have an important bearing on the problem of giving all possible assistance to the Polish people consistent with the international responsibilities and declared objectives of this Government.

It is understood of course that any credits extended to the Polish Government with respect to purchases of surplus property abroad are not covered by this letter and are not involved in any negotiations with the Export-Import Bank.

Sincerely yours,

WILLIAM L. CLAYTON

860C.00/2-1946 : Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

TOP SECRET

WARSAW, February 19, 1946—noon.

US URGENT

[Received 2:36 p. m.]

206. At the request of Mikolajczyk, Keith called upon him afternoon February 17th. Following summarizes Mikolajczyk's remarks:

Subsequent to the Secretary's statement regarding political murders,<sup>46</sup> Mikolajczyk was asked by some leading Government officials to issue statement denying participation of Security Police. When he refused to do so, he was asked if he were protecting American and British interests or those of Poland. He replied, "I am protecting the Polish peasants whom the Security Police are murdering. When you stop that there will be no more talking about it." He said that previously when Bevin had made his statement in Commons on these murders<sup>47</sup> and Rzymowski had replied, some of high officials

<sup>46</sup> For text of the Secretary's statement of January 31, 1946, see Department of State *Bulletin*, February 10, 1946, p. 209.

<sup>47</sup> Foreign Secretary Bevin's statement to the House of Commons was made on January 23, 1946; see *Parliamentary Debates*, House of Commons, 5th series, vol. 418, col. 143.

here hoped split could be developed between British and Americans. After Secretary's statement, they saw it was not possible and in consequence, publicity had been avoided and no statement in reply had thus far appeared.

He then stated that about 2 weeks ago (under instructions from the Soviets) leading members of Government adopted policy aimed at creating serious internal situation. Government hoped through arrests and other aggressive action to induce violent counteraction by elements opposed to Government. Resulting civil disorder would provide pretext for Russians to come further into Poland to suppress trouble. Plan was initiated by activities in Bialystok area (see Embtel 200, February 16, 2 p. m.<sup>48</sup>) in which he stated he knew that Government was intending to use one Polish Army division, one security police division and one Russian division. This action coincided with period during UNO meetings before strength of opposition had developed to Soviet stand re Indonesia and Greece, with which stand Polish Government had been instructed to align itself. He said that no sooner had trouble been started in Bialystok area than Polish Government became aware that representatives of American Embassy planned to visit area to examine situation and that British were sending member of Embassy staff to Rzeszow and Przemysl. Continuation of action was therefore suspended and original plans not fully carried out. He said that Russians also became clearly aware of American support being given to British stand at UNO in consequence of which Russian position was, for time being, less favorable. He said that instructions were then sent to Polish delegation at UNO, telling them to vote independently on minor issues, supporting Russians only on vital ones. He continued by stating that had plans developed as originally outlined, it had been hoped that enough internal disturbance [apparent omission] make it timely for PSL<sup>49</sup> Ministers to be dismissed from Government, thus producing a situation which would cause American and British Governments to declare that conditions agreed upon at Yalta were not being fulfilled and to withdraw their Missions from Poland. It was then intended that Russians would take vigorous action and on pretext of suppressing all disorder gain full control. He said that although this Soviet plan was temporarily halted, it was not impossible that it might be renewed in near future if circumstances made it seem appropriate to try to put

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<sup>48</sup>Not printed; it reported the observations made by Embassy officers at villages in the Bialystok area which had recently been attacked and burned by unknown groups (860C.00/2-1646).

<sup>49</sup>Polskie Stronnictwo Ludowe, Polish Peasant Party, headed by Mikolajczyk.

it into effect. Mikolajczyk said that every pressure had been brought to induce him to agree to single list, some Government officials having even told him that members of his party wanted such a list. He said that situation was exactly the contrary. Recently at meeting representatives of PSL and other Government parties, PSL representatives had inquired what was Government's plan as to establishment of single list, proportional representation on list, etc. Representatives of parties supporting bloc had stated that plan had not thus far been formed but they argued that if bloc arrangement could be agreed upon then they could work out other details. He had stated that only after they were able to present their plans could he discuss it. Mikolajczyk stated that feeling is as strong as ever among PSL members that no single list is acceptable. He had explained to his party that their decision must rest on what would bring least harm to nation, that separate list would bring harm and difficulties but they will be far less than if they agree to bloc which would mean that they would be lost forever. He mentioned two arguments brought out in recent speeches, one by member of Socialist Party to effect that a bloc would influence western countries to believe that unity existed among all Polish parties as to Poland's determination to retain new western frontier. The other speaker had argued necessity of bloc to facilitate setting up new constitution. On latter point, Mikolajczyk pointed out that 1935 constitution had been so framed by Government then in power that no changes in legal way could be made in it and that he believed that present government might have in mind now writing constitution which, being agreed to by a bloc, would permit no opportunity for further change, thus enabling present Government to make permanent its power. Mikolajczyk's statements left no doubt that PSL's policy against bloc was unchanged. He said that if it was belief of US Government that single list was not in accord with type of elections anticipated under Yalta Agreement, it would be highly desirable that this be publicized in American press. He stressed importance of such publicity as deterrent to Russian plans described above, just as public knowledge of our agreement with British on certain issues at UNO had had their effect.

When Keith mentioned that he had heard there might be from four to five hundred thousand Russians within Poland, Mikolajczyk stated he did not know how many there were, but perhaps that was too large a number. He said that there was great deal of activity on part of Russian troops in Poland. Keith also remarked he understood that in effect entire Polish coast was partly under Russian control. To this statement no comment was made. Mikolajczyk said, however, that many more political arrests were occurring at present than a short while ago.

Mikolajczyk, who knows that the above information is being sent to the Dept, wishes its distribution to be restricted to absolute minimum, as he is fearful of consequences if such is not the case.

LANE

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[In telegram 231, February 22, from Warsaw, Ambassador Lane commented upon Mikolajczyk's views and concluded as follows: "I feel that we must in every possible way make our influence felt regarding holding of free and unfettered elections between now and date of elections. Because of the attempt of Polish Government to discredit me with my own government I believe that any representations which I may make here should be made concurrently by Department to Polish Ambassador in Washington. I feel that it would likewise be most helpful for Department informally to urge leading American newspapers, of both liberal and conservative tendencies, to send representatives to Poland to observe not only elections but conditions preceding them.

I am fearful that unless we continue to make our position clearly known, to the accompaniment of a continuance of a firm attitude in refusing extend credits unless our conditions are met, our silence will be interpreted here as acquiescence in or lack of interest in the attempt of the Polish Government to continue in power regardless of the will of the electorate. It is evident for this reason that we should continue to emphasize necessity of restoration of freedom of speech and cessation of arrests for political reasons. In addition to our obligations under Yalta decision to insist that its provisions be respected by Poland, we have added right to protest because of imprisonment for alleged political reasons of growing numbers of persons claiming American citizenship of whom the citizenship of some has already been confirmed by Department." (860C.00/2-2246) ]

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860C.00/2-2246 : Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

SECRET

WARSAW, February 22, 1946—noon.

[Received February 24—8:58 p. m.]

232. In reviewing developments here upon my return to Warsaw I have been much impressed by the fact that various actions recently taken by the Polish Govt have coincided in timing with steps taken by Soviet Govt in such a manner as to provide more convincing evidence of Soviet direction of Polish affairs. I believe these actions are prompted by clear desire to embarrass British Govt and in a less degree ourselves and to create a situation in Poland which when

developed further will involve Mikolajczyk as an exponent of British American views and as the Polish character largely responsible for the troubles which Govt will insist it must vigorously eliminate.

Following are the events which I have in mind:

1. Polish Govt note of Feb 14 to British Govt insisting on the termination of British control of Polish military forces outside of Poland.
2. Memorandum from Yugoslav Govt transmitted to President of UNO by Vishinski, regarding alleged movements of Anders troops near Yugoslav frontier.<sup>51</sup>
3. Molotov's speech on eve of elections in Soviet Union implying interference of General Anders in internal affairs in other countries.<sup>52</sup>
4. Commencement of Warsaw trial of NSZ followers Feb 14 which had been scheduled to take place weeks earlier in Lublin.
5. Series of editorials in local Govt controlled press regarding presence of so-called Holy Cross Brigade allegedly of NSZ origin in American occupied zone of Germany.

At same time it should be noted that our negotiations with the Polish Govt on matters of primary interest such as nationalization, air agreement, treaty information, are at least at a temporary impasse. In addition to these matters we have thus far received no satisfaction in response to our inquiries as to arrests for alleged political offenses of valid claimants to American citizenship (my despatch 86, October 31, 1945<sup>53</sup>). The Polish Govt has at the same time not hesitated through its misrepresentations of certain conversations with the Secretary and with Keith to display an attitude not only of lack of understanding but of vicious criticism.

On my return to Warsaw I called on Zebrowski Feb 18 in his capacity as Acting Foreign Minister but did not initiate any discussion on matter of our relations nor did he. I now propose with Dept's approval to remind the Foreign Office from time to time of our interest in receiving responses to our notes on the subjects mentioned

<sup>51</sup> The Yugoslav memorandum regarding the alleged movement of units of the Polish Army in Italy was transmitted to United Nations Secretary General Trygve Lie under cover of a letter of February 15, 1946, from Andrei Yanuar'yevich Vyshinsky, Assistant People's Commissar for Foreign Affairs of the Soviet Union and Chief of the Soviet Delegation to the United Nations. Although Vyshinsky's letter requested that the Yugoslav memorandum be brought to the attention of the Security Council of the United Nations, the question of the Polish Army in Italy was not placed on the Council's agenda. For a summary of this question, see *Yearbook of the United Nations, 1946-1947* (New York, 1947), pp. 407-408. In pursuance of a plan for their demobilization worked out by the United Kingdom Government, the Polish II Corps was transferred to England in October 1946.

<sup>52</sup> Reference is to the speech at a meeting of voters of the Molotov electoral area, Moscow, February 6, 1946, by Vyacheslav Mikhailovich Molotov, People's Commissar for Foreign Affairs of the Soviet Union.

<sup>53</sup> Not printed; it reviewed in detail the situation of presumptive American citizens who had been arrested by Polish authorities (360C.1121/10-3145). For a summary of this situation made at the time, see telegram 508, October 31, 1945, from Warsaw, *Foreign Relations*, 1945, vol. v, p. 397.

above but at same time not to indicate, with one exception, concern over their apparent unreadiness to take favorable action. The exception I refer to is the question of the arrests of American citizens or those who have certain claims to such citizenship. I believe that Foreign Office should be made to understand that unless we can get satisfaction on this issue it is likely, as has been intimated to them already, that failure to cooperate with us on that score can lead to publicity in the US which would be unfortunate.<sup>54</sup> (As recommended in my 231, Feb. 22, 11 a. m.,<sup>55</sup> I also feel we should continue to insist on fulfillment of Yalta decision.)

I believe we have now reached the time when our policy towards Poland must remain completely firm and conducted in such a way as to discourage the thought, not only of the present Govt in power here but of their guiding authorities to the east, that we do not intend to be backed further against a wall. In my opinion every move which we make which they can regard as a partial retreat will decrease the area in which we can operate, will encourage increasing optimism both politically and psychologically of those who oppose our principles and may, if we are not careful, place us on less solid ground to take a stand which may be inevitable.

Sent to Dept as 232, repeated to Moscow as 10 and to London as 33.

LANE

860C.00/2-2546 : Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

SECRET

WARSAW, February 25, 1946—1 p. m.

MOST IMMEDIATE

[Received February 26—4: 53 a. m.]

242. At Soviet Embassy reception commemoration Red Army anniversary February 23, Gomulka<sup>56</sup> stated to me with triumphant air that electoral question is not settled because of Mikolajczyk having made condition of his party joining bloc that PSL should have 75% KRN membership. He said that this proposal was rejected by other parties and Mikolajczyk will have to run on separate list. Gomulka

<sup>54</sup> In telegram 245, February 26, from Warsaw, Ambassador Lane reported on the current status of those claimants to American citizenship being held under arrest in Poland. Of 84 cases during the preceding 6 months, only 15 had been released from prison. Twenty-seven cases had been referred to the Soviet Embassy since they had occurred in areas under Soviet jurisdiction. Of the 42 remaining pending cases, notes had been submitted to the Polish Foreign Ministry regarding 19, and Embassy officers had made oral representations from time to time. (360C.1121/2-2646)

<sup>55</sup> Not printed, but see bracketed note, p. 398.

<sup>56</sup> Władysław Gomułka, First Deputy Prime Minister and Minister of Recovered Territories in the Polish Provisional Government of National Unity; Secretary General of the Central Committee of the Polish Workers' Party.

said that PPR<sup>57</sup> and PPS<sup>58</sup> had proposed equal membership of four principal parties in KRN with minor parties receiving slight reduction. Mikolajczyk had rejected this. Gomulka continued that the country would laugh at the possibility of Mikolajczyk having 75% support of electorate. In reply to my question as to when elections would be held he said that starving people are not qualified to vote intelligently and unless Poland has bread, elections could not be held.

He then proceeded to discuss UNRRA situation (my telegram 229, February 21, 2 p. m., repeated Moscow as 11<sup>59</sup>) saying that UNRRA decision to cut grain deliveries to Poland was based on political reasons,<sup>60</sup> that UNRRA's action was but another example of policy of Western Powers, especially Great Britain, to discriminate against Poland. He said that Germany and Italy were being treated more favorably than Poland and that UNRRA supplies were not being curtailed in India and Africa despite their having applied later than Poland. My arguments on non-political nature of UNRRA and this specific UNRRA action obviously made no impression nor did my reference to Soviet Union being represented on administrative council of UNRRA. His reply to latter was that country which supplied the greater part of the funds had the power to make decisions. In reply to his request that I recommend no decrease in grain shipments reminded him of international character of UNRRA and of real reason for curtailing deliveries, namely, worldwide grain shortage. Obviously he was not or did not wish to be convinced.

Then he asked me to use my influence in obtaining credits for Poland. I said that I had recently been in a false position in this regard but I considered this incident a closed episode and preferred not to argue about it. I expressed belief, however, to Gomulka that he might not be correctly informed as to what our position is. I referred to memoranda which had been given to Minc, Lange and Rajchman last November setting forth our general policy on exten-

<sup>57</sup> Polska Partja Robotnicza (Polish Workers' Party). The Communist Party of Poland had been dissolved sometime in 1938. The party was reestablished in January 1942 in German-occupied Poland under the name Polska Partja Robotnicza (Polish Workers' Party).

<sup>58</sup> Polska Partja Socjalistyczna (Polish Socialist Party).

<sup>59</sup> Not printed.

<sup>60</sup> In February 1946 the UNRRA Mission in Poland advised the Polish Government of the world shortage of cereals and the necessity for introducing stringent measures to conserve indigenous stocks and for curtailing grain importations by 30 percent. Polish officials complained to UNRRA Mission that the reduction in grain allocations to Poland appeared to have a political rather than an economic basis. For an account of the development of relations between the UNRRA Mission and the Polish Government during the period of the world grain shortage, see George Woodbridge, *UNRRA: The History of the United Nations Relief and Rehabilitation Administration* (New York, Columbia University Press, 1950), vol. II, pp. 207-208.



sion of credit by Eximbank<sup>61</sup> and pointed out that these conditions did not apply to Poland alone but to all countries seeking credits, including Great Britain. I said that in addition to our desire for information regarding Poland's economic commitments with other nations we desired in accordance with our rights under treaty of 1931 access for American citizens to inspect their properties which had been recently nationalized and I insisted on adequate compensation. I referred to our failure to obtain information regarding Poland's treaties and said that it was unfair to put blame on US for Poland's not having received credits when it was actually Polish Government which had not supplied information orally promised by Minc last November. Gomulka said he saw no reason why we should not receive this data and that American citizens may come into Poland to inspect properties. As to compensation, he said decree is being issued setting up commission which would provide for Polish majority representation and said that equal representation would be delegation of sovereignty. I referred to Mexican Claims Commissions which provided for equal representation and observed that Mexico, 20 years ago, was more sensitive as to sovereignty in its relations with US than any European country is today. He appeared to be impressed by my argument. Soviet Ambassador,<sup>62</sup> who was celebrating day in very liquid fashion then joined us and rudely accused US Government of being responsible for curtailing of UNRRA grain shipments to Poland in order to bring pressure on Polish Government. He said that if UNRRA, which is considered by everybody to be an American organization, could not furnish grain then Soviet Union would furnish it. In fact, he added, Soviet Union had already given Poland 200,000 tons of grain (cf report that Soviets had taken that amount from Poles, my telegram 229, February 21, 2 p. m., repeated Moscow 11). He said if Soviet Union saved Poland from starvation prestige of USA would be greatly diminished and that of USSR would be consequently increased. He brushed aside my arguments and reasons for UNRRA's action and our not being responsible therefor and said with great vehemence "Let's not be diplomatic. You know as well as I that the person who pays is the person who controls. It is absurd that the poor United States has not enough grain for Polish needs." The interview ended on an outwardly cordial basis even to extent of his saying that if Poland would receive sufficient grain from UNRRA he and Gomulka would call me *Tovarich*

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<sup>61</sup> Ambassador Lane's conversations with Minc and Lange in August, September, and October 1945 regarding the granting of credits to Poland are briefly described in Lane, *I Saw Poland Betrayed*, p. 226. Lane's conversation with Rajchman on November 7, 1945, is related in telegram 543, November 9, 1945, from Warsaw, *Foreign Relations*, 1945, vol. v, p. 409.

<sup>62</sup> Viktor Zakharovich Lebedev.

Lane. (The foregoing account of this conversation has been cleared as to accuracy with Tonesk<sup>63</sup> who acted as interpreter with Gomulka and was present at conversation with Lebedieff which was in French and Russian).

In view of Soviet and Polish obvious intention to discredit US because UNRRA action I earnestly recommend that in the President's reply to Bierut there be reference to misapprehensions which appear to have arisen regarding curtailing of grain shipments to Poland with a full explanation of reasons actuating UNRRA action.<sup>64</sup> It is doubtful whether anything we say or do will induce Soviet authorities to admit our actions are in good faith. The Polish people, however, would in my opinion believe an official statement from the President of the US. I could at same time test the alleged freedom of the press in Poland by requesting that the telegram be published here.

There is no doubt in my mind of the serious nature of the local political situation, phase of which is the food shortage. I shall report further as soon as I have talked with Mikolajczyk.

Sent to Department as 242; repeated to Moscow as 12.

[LANE]

860C.00/2-2646

*Memorandum of Conversation, by the Secretary of State*

TOP SECRET

[WASHINGTON,] February 26, 1946.

Mr. Balfour<sup>65</sup> requested an appointment to see the Secretary to discuss the Polish situation. Mr. Balfour stated that Lord Halifax<sup>66</sup> is away until the end of the week and he wished to get the Secretary's views rather urgently. He handed the Secretary an *Aide-Mémoire*<sup>67</sup> setting forth several points the British would like clarified.

Mr. Balfour said the British wondered whether the Secretary would be inclined to make a statement on the Polish elections similar to the statement Bevin made on February 20.<sup>68</sup>

The Secretary pointed out that recent information from Poland makes the situation rather confused. In the last day or two he said he had heard that Mikolajczyk is asking 75 per cent of the positions in the Government. One source stated he is determined he will not

<sup>63</sup> Lt. William J. Tonesk, Assistant Naval Attaché and Assistant Naval Attaché for Air.

<sup>64</sup> For texts of the exchange of messages between President Bierut and President Truman regarding the critical grain shortage in Poland, see Department of State *Bulletin*, March 31, 1946, p. 542.

<sup>65</sup> John Balfour, British Chargé.

<sup>66</sup> British Ambassador.

<sup>67</sup> *Infra*.

<sup>68</sup> For a summary of Bevin's statement of February 20 to the House of Commons, see numbered paragraph 3 of the British Embassy's *aide-mémoire, infra*.

participate in the Government and has made these claims knowing they will not be granted.

Mr. Balfour said it would seem they are trying to force him into a single list election.

The Secretary explained that this matter is being considered but that our people are not in complete agreement. The question is whether if Mikolajczyk really does not intend to participate in the Government we should oppose a bloc ticket even though we demanded that voters have the right to vote for anyone they please.

Mr. Balfour said the British do not wish to go that far. They think that would be likely to put them in a difficult position later on.

The Secretary told Mr. Balfour that this morning he had asked that Mr. Matthews<sup>69</sup> and Mr. Cohen,<sup>70</sup> who have slightly different views on this matter, get together and agree if possible. He remarked that he noted Bevin's view, stated in the memorandum just handed him, that to state that a single list election would not be free and unfettered would leave us in a bad spot.

Mr. Balfour stated that it might put us in the position of not being able to recognize them if they have a single list election. He said that what his Government hopes the Secretary will do is make a statement soon encouraging them to hold elections on the basis of the 1921 Constitution and as provided in the terms of the Crimea Agreement. He said Mr. Bevin would be pleased if he could find it possible to make such a statement.

The Secretary said he has had in mind making a statement. The differences as to the form of the statement must be compromised and he will then communicate with the British.

Mr. Balfour said he would try to see Mr. Matthews about it tomorrow.

The Secretary showed Mr. Balfour the most recent telegram from Poland regarding the forthcoming elections and said that he did not believe it would be possible to make a statement about a single list, although he agreed that a statement should be made.

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860C.00/2-2646

*The British Embassy to the Department of State*

AIDE-MÉMOIRE

Mr. Bevin is greatly concerned over the political situation in Poland as revealed in recent conversations between His Majesty's Ambassador at Warsaw and M. Mikolajczyk, a summary of which is attached.<sup>71</sup>

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<sup>69</sup> H. Freeman Matthews, Director of the Office of European Affairs.

<sup>70</sup> Benjamin V. Cohen, Counselor of the Department of State.

<sup>71</sup> Paraphrase of telegrams from the British Ambassador in Poland to the Foreign Office, not printed.

If M. Mikolajczyk is to be believed (and he is not normally given to exaggeration or nerves) the critical moment is rapidly approaching which will decide whether reasonably free elections are to be held on the basis of the 1921 Constitution or whether Communist predominance is to be perpetuated either by the passing of a new electoral law and the use of terrorist tactics against the Polish Peasant Party or by the passage of a new constitution through a Constituent Assembly elected with M. Mikolajczyk's consent on a single list basis. In either event Poland would pass under a regime similar to those in Yugoslavia, Bulgaria and Roumania.

2. The question arises therefore what action, if any, His Majesty's Government and United States Government propose to take to forestall this.

3. In reply to a question in Parliament on the 20th February suggesting that an International Commission supervise the preparation and conduct of the elections in Poland, Mr. Bevin made a statement recalling the Polish Provisional Government's pledge in the terms of the Crimea Agreement to hold free and unfettered elections and the assurances given by M. Bierut at Potsdam regarding the holding of elections on the basis of the 1921 Constitution, and added that if these pledges are strictly fulfilled, arrangements for the supervision of the elections by an international commission would appear to be unnecessary. Mr. Bevin hopes that Mr. Byrnes may find it possible to make a statement on similar lines.

4. M. Mikolajczyk has asked that His Majesty's Government should state publicly that single list elections would not be "free and unfettered" elections in accordance with the Yalta Declaration. Mr. Bevin would be glad to learn Mr. Byrnes' views on this point. There appears to be a chance that M. Mikolajczyk will find himself forced to accept the single list system, and if so, such a public statement by His Majesty's Government might be embarrassing and might even be quoted by extreme opponents of the Warsaw Government as creating an obligation to break off relations, which Mr. Bevin doubts if His Majesty's Government in any circumstances ought to do.

5. It will be seen that M. Mikolajczyk envisages the possibility that he and his party will be forced out of the Government. This would put an end to the Polish Provisional Government of National Unity, the formation of which was the condition of His Majesty's Government affording recognition. It is a question therefore whether His Majesty's Government and the United States Government might not usefully draw public attention to this fact, although they would have to avoid putting themselves in a position where they would have to withdraw recognition if the Polish Peasant Party representatives

were turned out of the Government; but this could no doubt be avoided by careful drafting of the statement.

6. Mr. Bevin is anxious, if possible, to go hand in hand with the United States Government in this matter. He has not ignored the possibility of consulting also the Soviet Government, but it is obvious that they are of course behind the Communists and would no doubt do all they could to prevent, or at least hold up, any action likely to hamper communist plans. As time may be short, Mr. Bevin would be grateful to learn the considered views of United States Government at the earliest possible moment.

WASHINGTON, February 26, 1946.

860C.00/2-2646: Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

SECRET

WARSAW, February 26, 1946—4 p. m.

US URGENT

[Received March 7—1:50 p. m.]

247. Mikolajczyk dined with me privately Feb 25. He gave me chronology of recent developments stating that since his talk with Keith <sup>72</sup> there has been a definite change in plan of Communist group in Polish Govt. As he told Keith former plan was to initiate terroristic military operations in Bialystok area with aid of one Soviet Panzer Division, dismiss Mikolajczyk and other PSL Ministers from Govt thereby bringing situation to head with US and British and consequent withdrawal of two Embassies. Because of visit to Bialystok of US Military Attaché and correspondent AP followed by visit of British military officials it was seen that plan had been discovered and change was agreed upon. Date for dismissal of PSL Ministers of Govt was set for Feb 15 which would coincide with opening of NSZ trial and presentation by Vyshinski to UNO in London of Yugoslav note re Anders having recruited Yugoslavs for his army.<sup>73</sup> Mikolajczyk also attributed change to support of British position in Indonesia by Stettinius at UNO meeting.<sup>74</sup>

— As former plan was unworkable govt then decided to adopt other tactics and postpone elections probably for 6 to 8 months. During this period attempts would be made to persuade PSL to adhere to

<sup>72</sup> For the report on the Keith-Mikolajczyk conversation of February 17, see telegram 206, February 19, from Warsaw, p. 395.

<sup>73</sup> Regarding the Yugoslav memorandum presented to the United Nations by Vyshinsky, with reference to the alleged activities of the Polish Army in Italy, see footnote 51, p. 399.

<sup>74</sup> Regarding the consideration of the Indonesian question by the Security Council in January and February 1946, see *Yearbook of the United Nations, 1946-1947*, pp. 338-341. Edward R. Stettinius, Jr. was chairman of the American delegation to the United Nations. For additional documentation regarding the Indonesian question, see vol. VIII.

bloc at the same time that "pacification" of country would be undertaken by security police.

Mikolajczyk said that at Cabinet meeting Feb 21 he was given until March 1 to make up his mind as to whether PSL would make its decision at its own convenience. Mikolajczyk said that at meeting of Feb 21 Govt had proposed to him that four major parties each receive 20 percent representation in KRN and that remainder be divided between two minor parties. Mikolajczyk said he rejected this as obviously his party commands more than 20 percent of total electorate. At this meeting Mikolajczyk had made his condition for representation of 75 percent in KRN which would include both PEL and PSL. This would give Mikolajczyk discretion of determining how many seats he would allot to latter. He told me he had not made any other conditions. Mikolajczyk said that by having complete control of KRN his party would be able to prevent enactment of a constitution which Govt has in mind to perpetuate itself in power and do away with elections in the future.

Mikolajczyk said that at the meeting on Feb 21 Modzelewski had requested Mikolajczyk to refute Byrnes' statement re political murders in Poland.<sup>75</sup> Mikolajczyk refused to do so saying that these murders were continuing. Modzelewski thereupon accused Mikolajczyk of [apparent omission] whereupon, according to Mikolajczyk, he retorted, "Little boy, are you of all people speaking for the Poles?" Mikolajczyk said that following this interchange with Modzelewski, he had spoken for 2 hours citing cases and giving names and dates of political murders by security police.

Mikolajczyk said that he is of belief that once he and his party come out publicly in favor of a separate list, Govt will take position that as he and other PSL Ministers are in opposition to Govt, they must leave the Govt. In this event he hopes very much that British and US Govts will take position that this is a violation of provisions of Yalta Agreement and that as a broadening of the base of the Govt by inclusion of Mikolajczyk and members of his party was a condition which led to recognition on part of US and GB (Great Britain) we would take a strong stand on this matter. He said, however, that it would be preferable not to issue any statement unless dismissal from Govt of him and his PSL colleagues had been effected.

As to grain shortage Mikolajczyk said that he himself had proposed to Govt last summer advisability of obtaining grain through UNRRA but that Minc had vetoed this recommendation on ground that Poland had plenty. According to Mikolajczyk reason for putting food situ-

<sup>75</sup> For text of Secretary Byrnes' press statement of January 31, 1946, regarding political murders in Poland, see Department of State *Bulletin*, February 10, 1946, p. 209.

ation in secondary category was because of desire last summer and autumn to stress recuperation of industry for purpose of enlisting political support of Govt by workers.

Bentinck<sup>76</sup> informs me that he is telegraphing Bevin recommending in case joint statement is made by two Govts that no reference be made to our disapproval of single list. He informs me that Foreign Office considers that a statement disapproving single list might lead to an embarrassing situation after election if single list were adopted. Following my conversation with Mikolajczyk, however, I am convinced that he has no intention of adhering to single list.<sup>77</sup>

Sent to Dept as 247, repeated London 37, Moscow 14 of Feb 26.

LANE

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[Ambassador Lane gave an appraisal of the political situation in Poland in a letter of March 1, 1946, to H. Freeman Matthews, Director of the Office of European Affairs; for text of letter, see Lane, *I Saw Poland Betrayed*, page 193.]

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860C.24/3-846: Telegram

*The Secretary of State to the Ambassador in Poland (Lane)*

SECRET

WASHINGTON, March 8, 1946—2 p. m.

168. Urtel 261, March 1, paragraph 4.<sup>78</sup> For your information Dept desires to clarify that line of credit of \$50 million for purchase of surplus property now under discussion and possible Eximbank loan to Poland of \$50 million are unrelated questions. Surplus property purchase arrangement is not a "loan" and should not be related to any prospective Eximbank loan to Poland. Also surplus purchase arrangement does not represent a commitment by the US that surplus property in amount of \$50 million can be made available to Poland. Arrangement simply means that if surplus property wanted by Poland is available and if detailed agreement on conditions can be reached,

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<sup>76</sup> Victor Cavendish-Bentinck, British Ambassador in Poland.

<sup>77</sup> Telegram 131, February 27, to Warsaw, requested Ambassador Lane to obtain Mikolajczyk's views regarding a possible Anglo-American statement opposing a single electoral list in the Polish elections (860C.00/2-2746). In telegram 260, March 1, from Warsaw, Ambassador Lane expressed the view that it would be preferable to make no statement unless Mikolajczyk and his party were excluded from the Government (860C.00/3-146).

<sup>78</sup> Not printed; this telegram reported an unofficial and private discussion which Ambassador Lane had with an unnamed Polish Government official on February 27 regarding the possibility of compensation for American properties affected by Polish nationalization decrees. Paragraph 4 of the telegram stated that the Polish official had urged Lane to recommend a credit of \$100 million to Poland, the greater part of which would be in surplus war supplies. (660C.6131/3-146)

Foreign Liquidation Commissioner will sell to Poland on credit terms within limits agreed.

Surplus property to be sold to Poland under above arrangement does not include munitions or military supplies. Dept assumes that statements of Marshal Rola Zymierski<sup>79</sup> reported urtel 261, paragraph 5,<sup>80</sup> refer not to above surplus property arrangement but to previous Polish request for military equipment which was rejected by Dept. Dept has no intention of reopening this question at this time.

BYRNES

711.60C/3-946 : Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

RESTRICTED  
US URGENT

WARSAW, March 9, 1946—9 p. m.  
[Received March 11—7: 56 p. m.]

323. Foreign Minister invited me to Foreign Office. Modzelewski was also present at interview.

Rzymowski said that during night of March 2nd-3rd Polish Military Mission in Berlin had been "invaded" by American troops and that members of mission had been confined under arrest for 36 hours.

I said I had received no report of this incident but that if Rzymowski would furnish me with detailed memorandum I should be glad to transmit it to Berlin for suitable action. I said that I was sure that if the facts justified it we would give the Polish Government every satisfaction.<sup>81</sup>

<sup>79</sup> Marshal Michal Rola-Zymierski, Polish Minister of Defense and Vice President of the Presidium of the National Council of the Homeland.

<sup>80</sup> According to the cited portion of the telegram under reference, Marshal Rola-Zymierski, in the course of a luncheon at the Yugoslav Embassy on February 28, 1946, insisted on United States aid to Poland, especially army supplies (660C-6131/3-146).

<sup>81</sup> Telegram 378, March 19, from Warsaw, transmitted the summary of a Polish Foreign Ministry note of March 12 which claimed that the offices of the Polish Restitution Mission in Berlin were entered and searched on the evening of March 1 by American military police supported by armored cars and German policemen. In the course of the search, a member of the Polish Military Mission and his wife were arrested and incarcerated for 42 hours despite his exhibition of a diplomatic passport. (740.00119 Control (Germany)/3-1946) After receiving details of the incident from American authorities in Berlin, the Department, in telegram 283, April 3, to Warsaw, outlined a reply to be made to the Polish Foreign Ministry. United States military authorities had carried out a raid on certain buildings in the American sector of Berlin suspected of being bases for black market operations, and such evidence was indeed found. Eleven Polish nationals, including the member of the Polish Military Mission, were arrested in the course of the raid. As soon as the identity of the representative of the Polish Military Mission was made, he was transferred to "guest" status and then released. Subsequently, appropriate apologies were made to the Polish Military Mission. Since the Polish Restitution Mission was not accredited to the American zone of Berlin, it was asked to move to the Soviet zone where the Polish Military Mission had its officially assigned quarters. (740.00119 Control (Germany)/3-2646)



I said that this reminded me of a note which I had written on March 4 regarding the attempted entry of the quarters of the American Consul at Poznan at 2 a. m. despite the fact that a sign clearly showed the room was the official quarters of the Consul. I said that in the note which we had written to the Foreign Office we likewise cited the fact that on two occasions Polish security police accompanied by some Russians had endeavored to enter the quarters of Mr. Alexander P. Radomski, Attaché of this Embassy in the Grand Hotel at Lodz. I mentioned that we had not received a reply to this note.

I took occasion to mention to Mr. Rzymowski that I had addressed a note to Mr. Modzelewski who was then Acting Minister for Foreign Affairs, on October 26, 1945 regarding the arrests of American citizens in which I requested Mr. Modzelewski to confirm in writing a verbal statement by him to me a few days previously that this Embassy would be permitted to visit American citizens under arrest. I said that to this day we had not received even the courtesy of an acknowledgement to this note. I said that perhaps as Messrs. Rzymowski and Modzelewski are unfamiliar with conditions in the US it might be appropriate for me to say that this is one matter on which all American public opinion is united whether it be Leftist or Rightist, that American citizens residing abroad shall not be subjected to maltreatment. I added that I felt sure that Ambassador Lange, who has lived in the US for many years, would bear out my contention to this effect. I added that to this day we had not made public the fact of these arrests but that sooner or later, whether it be today, tomorrow, next week or in 6 months, the facts would have to be made known, otherwise my Government would be put in the position of concealing from the Senators and Representatives of the persons arrested the plight in which they were. I impressed on them the seriousness of the situation.

Modzelewski replied it was necessary to make an investigation in many of these cases and that that took a great amount of time.

He said further that many of these persons may be American citizens but they had taken part in criminal acts and were being held for that reason.

I reminded him that regardless of investigations which had to be made I had not received a reply to my note in which I asked for a written confirmation of his verbal promise.

Modzelewski stated that he would "try" to answer my note before long.

Mr. Modzelewski said he could not understand why I made a liaison between the complaint which they had made regarding the treatment of Poles in Berlin holding diplomatic passports and the cases which I had cited regarding the treatment of private American citizens. I

reminded him that the cases in Poznan and Lodz involved US officials accredited to Poland and while I did not wish in any way to defend the treatment accorded Polish officials in Berlin at least until I knew all the details, the incident regarding which he complained was in a military zone and the matter of diplomatic immunity presumably does not arise there.

Modzelewski then complained that Polish battalions were being organized in the American Army in the American zone of occupation and that many of these persons were members of the NSZ. He said that Poland objected to this as it is well known in international law that a person cannot join a foreign army without the consent of his government and that American citizens were not permitted to join a foreign army without the consent of the Government of the US. I said I did not know of any such provisions and I cited the case of former Ambassador Bullitt<sup>82</sup> who served as a Major in the French Army during the last war without losing his American citizenship.

Modzelewski made a thinly veiled threat to the effect that if cases such as he complained of continued they would have serious effect on the relations between the two countries and for that reason he wished to impress on me the seriousness thereof.

Not wishing to be brought into an acrimonious discussion of attitude of the Polish Government towards the US especially as the incident with Secretary Byrnes in London which involved me personally would undoubtedly have arisen, I did not make any retort except to say that if the Foreign Office would furnish me with memoranda giving details of the two situations of which they complain I should take the matter up promptly with Berlin and with my Government.

Sent to Dept as 323; repeated Berlin as 66.

LANE

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360C.1121/3-646: Telegram

*The Secretary of State to the Ambassador in Poland (Lane)*

SECRET

WASHINGTON, March 12, 1946—9 p. m.

US URGENT

184. Reurtel 245 of Feb. 26.<sup>83</sup> Dept agrees that situation with respect to claimants to American citizenship now detained by PolGov is a serious one and should be resolved in immediate future. Accordingly, you are instructed to address a note to Pol FonOff citing Emb's previous efforts to communicate with and obtain information concern-

<sup>82</sup> William C. Bullitt, American Ambassador to the Soviet Union, 1933-36; to France, 1936-40.

<sup>83</sup> Not printed; it asked the Department for instructions regarding the situation of those claimants of American citizenship under arrest in Poland (360C.1121/2-2646).

ing claimants to American citizenship who have been arrested during past 6 months and requesting a prompt reply in the premises.

You may in your discretion refer again to Modzelewski's oral statement made on October 19 that officers of Emb would be permitted to interview all persons claiming American citizenship who are held under arrest by Polish authorities. You may point out that US Govt is greatly concerned over treatment accorded American citizens held by Polish authorities and that it fails to understand Polish Govt's refusal to accord to those individuals privileges provided by Polish American treaty of Friendship, Commerce and Consular Rights. This Govt is particularly concerned over reports that American identifying documents held by such claimants to American citizenship have in some cases been confiscated by Pol authorities. You may say that this Govt attaches greatest importance to receipt of a prompt reply from PolGov and a prompt implementation of provisions of the treaty cited. You may also state that if within a reasonable period of time no satisfaction is received from PolGov, US Govt will be forced to give consideration to the issuance of a public statement regarding extraordinary treatment being accorded American citizens by Pol Prov Govt. A draft statement will be transmitted for Emb's comments before publication.

As you know Dept is endeavoring to arrange for repatriation of American citizens in Poland and hopes that those American citizens who are regarded by PolGov as unsatisfactory from a political standpoint may be repatriated at an early date. It is hoped that the initial group of American citizens can leave Poland in time to board a vessel sailing from Sweden first part of May and that a minimum of 200 persons per month can be shipped via Sweden until such time as more extensive repatriation facilities can be arranged. You are authorized to bring the above to the attention of Pol FonOff also if you think it necessary to do so.<sup>84</sup>

BYRNES

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860C.24/3-1446: Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

SECRET

WARSAW, March 14, 1946—3 p. m.

MOST IMMEDIATE

[Received March 15—5:53 p. m.]

353. Deptel 168, March 8, 2 p. m. I am grateful to the Dept for clarifying the situation with respect to the Export Import Bank credit

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<sup>84</sup> In telegram 395, March 21, from Warsaw, Ambassador Lane reported the delivery of a note to the Foreign Ministry on March 20 in pursuance of his instructions. At the time of the delivery of the note, Foreign Minister Rzymowski observed that the real difficulty was in determining how many of the claimants of American citizenship had subsequently acquired Polish citizenship. (360C-1121/3-2146)

and the credit for the purchase of surplus war materials in Europe. In the latter connection we have received telegram from Virden<sup>85</sup> at Paris indicating intention to have Army Colonel stationed in Warsaw as representative Central Field Commissioner for Europe for purpose intensifying their working arrangements with Polish Govt.

This Embassy has not been informed of the actual establishment or the terms of the 50 million dollar credit for purchase of surplus war materials. Granted, however, that some agreement has been concluded under which materials are now being delivered I should like again to emphasize that because of conditions existing at this particular time it is highly desirable that further utilization of this credit should not be facilitated. It is obvious that the Polish Govt will publicize the receipt from US of any material as has already been the case to indicate that we are giving the Govt support. This will be a great blow to the Polish people who are urging US in both signed and anonymous letters to uphold the principles of Yalta and to put an end to the terrorism which is going on (mytels 231 and 232 of Feb 22 and 306 of March 7<sup>86</sup>). The Dept will appreciate in view of the general situation here, which I am describing below, that any stand which we take with regard thereto would greatly lose its force if simultaneously news of our granting a credit to Poland were announced. I earnestly hope, therefore, that Dept will take steps so that the Colonel representing Central Field Commissioner for Europe may be instructed in case he proceeds to Warsaw at this time to confine his activities to informing me of details of arrangements consummated and under discussion and not to take matters up with Polish Govt without my consent.

I cite following instances which have happened within past few days in political situation.

1. Temporary arrest of a group of PSL members during the time meeting of March 10 was being held to prevent their attendance.

2. Surrounding and searching PSL Headquarters March 12 as reported mytel 338, March 13, 5 p. m.<sup>87</sup>

3. Increasing reports of movements of Soviet-Polish troops and mechanized equipment.

4. Attempts made to prevent circulation of *Gazeta Ludowa* organ of PSL. Vice Consul Krakow reports impossible to purchase paper in that city and we can no longer obtain our copy through subscription as formerly.

5. Increasing number of arrests principally of former members of Armija Krajowa.<sup>88</sup>

<sup>85</sup> John C. Virden, Central Field Commissioner for Europe, Office of Foreign Liquidation Commissioner.

<sup>86</sup> Telegrams 231 and 306 not printed; for summary of telegram 231, see bracketed note, p. 398.

<sup>87</sup> Not printed.

<sup>88</sup> Anti-German underground resistance army in Poland during World War II.

While it may be contended that we have no cause to protest until it is actually proved that free elections have not been held, I feel strongly that we should protest now that the holding of free elections is being made impossible by the repressive measures taken by the Government against free expression of opinion. British Ambassador and I feel that the moment has come for our two governments to make representations through identical notes. The Soviet Government will undoubtedly refuse to join with US but in order to avoid a protest, as in the case of Bulgaria, I feel that it would be advisable to inform Soviet Government prior to despatch our communications.

The foregoing has been discussed with British Ambassador who is communicating with his Government in the sense of the immediately preceding paragraph.

Sent Dept as 353, repeated London as 55 and Moscow as 35.

LANE

860C.00/3-1946: Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

SECRET

WARSAW, March 19, 1946—2 p. m.

[Received March 20—11: 15 a. m.]

380. Mikolajczyk confirmed to me information transmitted in mytel 377 of March 19, noon <sup>89</sup> re dismissal of Kapelinski as Minister of Posts and Telegraphs.

Mikolajczyk said that during Moscow Conference last June it was agreed that his party should be given four portfolios in Govt among them Ministry of Posts and Telegraphs which was to have been filled by Thugutt then in London.<sup>90</sup> Thugutt, according to Mikolajczyk, was afraid to come to Poland and consequently never filled the position. Mikolajczyk says that argument of PPR is that it is not the fault of the Govt if Thugutt declined to join. Mikolajczyk says that unfortunately Thugutt's refusal to join Govt weakens argument of PSL in this instance. PPR takes the position that Kapelinski who was originally of the PPS but who recently joined PSL has only been acting as the head of Ministry but not actually as Minister. Mikolajczyk has protested further that Bierut's action in notifying the Council of Ministers of Kapelinski's dismissal is contrary to Moscow protocol which provides that changes in Govt must be approved by Presidium of National Council of Homeland. He hopes, however,

<sup>89</sup> Not printed.

<sup>90</sup> In mid-June 1945, Polish political leaders from within Poland and from the *émigré* group in London met in Moscow and reached agreement on the establishment of a Polish Provisional Government of National Unity. Regarding this conference, see telegram 2218, June 21, 1945, from Moscow, *Foreign Relations*, 1945, vol. v, p. 352.

that British and ourselves will make a firm protest to the effect that appointment of Putek, who is member of SL,<sup>91</sup> is a change in the basic condition of the Govt as agreed upon at Moscow and in accordance with which recognition was accorded Provisional Govt of National Unity by Great Britain and ourselves.

Mikolajczyk says that if we allow this instance to pass with [*without*] protest we will be inviting a repetition of similar action which might eventually involve his own dismissal from the Govt. He was very much in earnest in describing it as a very dangerous precedent.

I trust, therefore, that Department will instruct me to send written communication to Minister of Foreign Affairs along the lines of Mikolajczyk's recommendation and I suggest further that Department inform Lange in a similar sense.

LANE

840.50 UNRRA/3-2846

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*The Polish Ambassador (Lange) to the Secretary of State*<sup>92</sup>

The Ambassador of Poland presents his compliments to the Secretary of State and has the honor to refer to the communication of the Acting Secretary of State dated January 10, 1946,<sup>93</sup> concerning the decision of the Congress of the United States in voting the American contribution to the United Nations Relief and Rehabilitation Administration, whereby the Congress requests the President to facilitate through the appropriate channels the admission into areas receiving UNRRA aid of properly accredited members of the American press and radio, in order that they may be permitted to report without censorship on the utilization and distribution of UNRRA supplies and services.

The Ambassador has the honor to inform the Secretary of State that foreign correspondents who come to Poland are being granted all available facilities to enable them to exercise their functions fully and freely. Copies filed by properly accredited foreign correspondents in Poland are not submitted to any censorship.

All such facilities are, of course, extended to properly accredited members of the American press and radio.

WASHINGTON, March 28, 1946.

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<sup>91</sup> Stronnictwo Ludowe (Peasant Party). In August 1945, the prewar Peasant Party split. The faction favoring close cooperation with the Communists retained the name Peasant Party (SL). The faction led by Mikolajczyk added the word "Polish" to the title of their party (PSL).

<sup>92</sup> This note was delivered to the Acting Secretary of State by Stefan Litauer, the Counselor of the Polish Embassy, on March 29, 1946; see memorandum of conversation, *infra*.

<sup>93</sup> Note of January 10, 1946, not printed.

860C.5034/3-2946

*Memorandum of Conversation, by the Acting Secretary of State*

[WASHINGTON,] March 29, 1946.

Participants: Dr. Stefan Litauer, Counselor of the Polish Embassy; Mr. Dean Acheson, Under Secretary of State; and Mr. C. Burke Elbrick, Assistant Chief, Division of Eastern European Affairs.

Dr. Litauer, Counselor of the Polish Embassy, stated that Ambassador Lange, who is now in New York attending the Security Council Meeting, requested that he deliver in person a note replying to a note presented by Ambassador Lane to the Polish Foreign Office regarding the nationalization of industry in Poland and compensation for nationalized property of American citizens.<sup>94</sup> Dr. Litauer stated that the laws and decrees mentioned in his note, which are intended to implement the nationalization law, would probably be issued within the next ten days. He pointed out that the Polish Government was prepared to grant permission for the entry of American citizens to inspect American properties in all meritorious cases. Dr. Litauer was informed that the note would be carefully studied.

Dr. Litauer also presented a note in reply to the Department's note of January 10 to the Polish Embassy concerning assurances regarding the admission of American press and radio members into Poland as an area receiving UNRRA aid.<sup>95</sup> The note is self-explanatory.

Dr. Litauer then said that certain German radio stations in the American zone of occupation in Germany are apparently permitted to broadcast "propaganda" contrary to the decisions taken at the Potsdam Conference regarding Poland's western frontier. He left an excerpt from the "Daily Digest of World Broadcasts" published by BBC quoting Radio Stuttgart as advocating the return to Germany of Breslau, Oppeln, etc., Dr. Litauer said that the Polish Government felt that this activity was not compatible with the stand taken by the Allies regarding Poland's frontiers.

Dr. Litauer was informed that inquiries would be made of the United States Military Authorities in Germany regarding their policy with respect to radio broadcasting and freedom of speech.

DEAN ACHESON

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<sup>94</sup> For text of the Polish Embassy's note of March 29, 1946, regarding the nationalization of industry in Poland, see Department of State *Bulletin*, April 21, 1946, p. 670. Regarding the note delivered by Ambassador Lane to the Polish Government on January 18, 1946, on the same subject, see telegram 29, January 14, to Warsaw, p. 379.

<sup>95</sup> Department's note of January 10, not printed; Polish Ambassador's note of March 28 is printed *supra*.

860C.00/3-2046 : Telegram

*The Acting Secretary of State to the Ambassador in Poland (Lane)*

SECRET

WASHINGTON, March 29, 1946—8 p. m.

US URGENT

268. Urtel 247, Feb. 26. From your reports it would appear that Govt intends to postpone elections with a view to eliminating organized participation in the elections by Pol Peasant Party as a separate party. London's 3187 Mar 20 sent Warsaw as 46 indicates that Bierut has announced postponement of Pol elections until autumn though no confirmation has been received from Emb.<sup>96</sup>

It has been suggested that this Govt associate itself with Brit Govt in requesting clarification of Pol Govt plans for the holding of elections. If you perceive no objection you may inquire immediately at FonOff when Govt intends to hold elections. Should it appear from reply that Govt intends to postpone elections, Dept is prepared to send you appropriate instructions. You may inform your Brit colleague of action taken. For your info no definite commitments were made by Pres Bierut at Potsdam to American delegation regarding election date.<sup>97</sup>

You may request that a copy of draft electoral law be transmitted to you as soon as it is prepared in order that it may be studied by Dept.

ACHESON

860C.00/4-146 : Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

TOP SECRET

WARSAW, April 1, 1946—1 p.m.

[Received 8 p.m.]

444. Following small dinner for Mr. Hoover<sup>98</sup> March 30 at which

<sup>96</sup> Telegram 3187, March 20, from London, not printed (860C.00/3-2046). In telegram 456, April 3, from Warsaw, Ambassador Lane reported on a conversation with Acting Foreign Minister Modzelewski who stated that it was doubtful if elections would be held before September at the earliest (860C.00/4-346).

<sup>97</sup> In telegram 446, April 1, from Warsaw, Ambassador Lane reported on his discussion with the British Ambassador in Poland regarding this telegram from the Department. Mr. Lane concluded his report as follows: "British Ambassador informs me that according to information which he has received from Mr. Bevin latter insisted at Potsdam that Bierut give a more specific date for elections than 'early in 1946'. For that reason final assurance was made in following words 'in any case early in 1946'." (860C.00/4-146)

<sup>98</sup> Former President Herbert Hoover (1928-1933); Chairman of the Famine Emergency Committee. At the request of President Truman, Mr. Hoover headed a special mission of American relief experts which, during the spring of 1946, surveyed the principal nations affected by food shortages. Mr. Hoover's visit to Poland at the end of March 1946 is described in Lane, *I Saw Poland Betrayed*, pp. 221-223. For text of Mr. Hoover's report to President Truman on the results of his mission, May 13, 1946, see Department of State *Bulletin*, May 26, 1946, p. 897.



Gomulka and Mikolajczyk were only Polish officials present Mikolajczyk remained to talk with me alone. He said he was in most serious position of his life and he showed considerable nervousness, quite contrary to his usual phlegmatic calm, speaking in a whisper and refusing to be seated altho talk lasted over half an hour. The following seven points were discussed by him :

1. Summary Peoples Courts which are being established thruout country are "putting away" for period of 2 years all persons of political prominence or influence on whom they can lay their hands on alleged ground that they are suspected of having violated economic regulations but really because of affiliations with PSL or AK underground.

2. Citizens Militia is being greatly increased. As members thereof are furnished with arms candidates are very carefully screened to make certain that political background is satisfactory to Govt.

3. Proposal for national referendum is ostensibly to obtain popular approval of Unicameral Congress and support of Govt's foreign and internal policies but is actually for purpose of replacing elections which were agreed upon at Yalta, Moscow and Potsdam.

4. A definite attempt is being made to link PSL and Mikolajczyk personally with activities of NSZ underground which in past few weeks have been becoming more violent resulting in murders of unknown but considerable number of Soviet soldiers and Jews.

5. Instructions have been sent by General Staff to Military Commandants thruout country that classes of 1924 and 1925 are to be called for induction into Army. Instructions state specifically, however, that under no conditions are any men who have served in the west to be taken into the Army. This would automatically deprive of arms all those returning from Italy and UK.

6. Mikolajczyk expects shortly that he will be dismissed from Govt. Intimations to this effect have already been made to him by controlling group. During our talk Mikolajczyk mentioned no names and for that reason I cannot be more specific.

7. In the event that Mikolajczyk is dismissed from Govt he earnestly hopes that such action will be protested vigorously but that under no circumstances should US and British Embassies be withdrawn as this would be playing right into the hands of the Communist minority which desires to consolidate its position thruout country without foreign interference.

As both British Ambassador and I are of opinion that Mikolajczyk's life is in danger I earnestly request that this telegram be given the most limited distribution within the Department.

LANE

860C.00/3-1946 : Telegram

*The Secretary of State to the Ambassador in Poland (Lane)*

SECRET

WASHINGTON, April 6, 1946—5 p. m.

US URGENT

299. Urtels 377<sup>99</sup> and 380.<sup>1</sup> You are authorized to address note to Pol FonOff along general lines set forth below. In drafting note Embassy's copy of minutes Moscow meetings should be consulted and further conference with Mikolajczyk will be desirable to coordinate our version of agreements with his in order to make sure position taken in note is consistent with firm agreements made:

US Govt has learned with some surprise that member of SL has been appointed Minister of Posts and Telegraphs and that Kapelinski member of PSL and acting director of Ministry has been dismissed.

Pol Govt will recall that full agreement was reached in conversations re formation Pol Prov Govt which were held at Moscow in spring of 1945 and that numerical representation in Cabinet of Poles within and outside Poland was decided upon at that time with complete concurrence of Polish reps. It will also be recalled that Prov Govt, as agreed upon by Pol reps and reps of USSR, UK and US in accordance with decisions made at Crimea Conference, was established and recognized as provisional Govt only pending holding of elections and formation of representative Govt. It must be apparent to Pol Prov Govt that specific obligations assumed at Moscow can hardly be fulfilled if agreement in question is to be subject to unilateral change by that Govt.

While US Govt is aware that Mr. Thugutt, who was originally appointed Minister of Posts and Telegraphs, declined to accept position, it is not clear why Pol Prov Govt found it necessary or desirable to disturb balance agreed upon at Moscow by appointing member of SL to position. In accordance with spirit of Moscow Agreement US Govt is obliged to point out that number of Cabinet reps of those democratic elements which were not participating in Lublin Govt prior to Moscow conversations should not be reduced.

The US Govt would appreciate receiving an explanation of Pol Govts reasons for the action described.

Embassies at Moscow and London are instructed to bring above to attention of Govts to which accredited and invite them as parties to

<sup>99</sup> Dated March 19, not printed; in it Ambassador Lane reported that British Ambassador Cavendish-Bentinck had requested instructions from London to address a note to the Polish Government reminding it of the assurances given at Potsdam by Bierut to Prime Minister Clement Attlee that elections would be held as early as possible in 1946. Cavendish-Bentinck recommended that Ambassador Lane be given instructions to deliver a similar note. (860C.00/3-1946)

<sup>1</sup> Dated March 19, p. 414.

Moscow Agreement to associate themselves with this Govt in making similar representations.<sup>2</sup>

To Warsaw as 299 repeated Moscow as 640 London as 3015.

BYRNES

848.00/4-1246

*The British Embassy to the Department of State*<sup>3</sup>

Ref: 1212/-/46

MEMORANDUM

His Majesty's Government have been considering what action can be taken to prevent the Polish Provisional Government gradually producing a situation in which any hope of moderately free elections will be frustrated for good and the dictatorship of a Communist minority is permanently established. The referendum<sup>4</sup> may, for instance, be used as an excuse for not holding elections and the National Council might take decisions on constitutional points on the basis of the referendum (e.g. as regards the question of whether there should be one or two chambers in the new Polish Parliament), which should properly be taken by the new Assembly after the election. His Majesty's Government think, therefore, that they should shortly make their maximum effort to ensure the holding of early elections in fulfilment of the Yalta Agreement and the undertakings given to Mr. Bevin at Potsdam, and to prevent the Opposition parties being hamstrung meanwhile.

2. Representations to this end are unlikely to be effective unless the United States Government and His Majesty's Government can convince the Polish Provisional Government (who will no doubt have Soviet backing in withstanding them) that the consequences will

<sup>2</sup> Telegram 1081, April 8, from Moscow, suggested that the Embassy in Moscow postpone taking up with the Soviet Government the Department's instructions until Ambassador Lane's proposed method of approach had been decided. The telegram continued: "This appears all the more desirable since from our record of minutes of Moscow meetings it does not seem that firm agreement was reached between Polish leaders on proportional representation of parties in government nor any agreement that such proportional representation as was established when Provisional Government was formed in July 1945 would be maintained until elections." (860C.00/4-846)

<sup>3</sup> This memorandum was handed to Under Secretary Acheson by the British Chargé on April 16; see memorandum of conversation by Mr. Acheson, April 16, p. 423.

<sup>4</sup> At the beginning of April 1946, the leadership of the six major Polish political parties agreed to support a referendum which would be held in late June in advance of the national elections. In reporting on this referendum in telegram 485, April 6, from Warsaw, Ambassador Lane stated that it was proposed that the referendum contain the following three questions: (1) Does the nation favor a unicameral or a bicameral legislature; (2) does the nation support the Oder-Neisse line as Poland's western frontier; (3) does the nation support the nationalization of industry and land reform. (860C.00/4-646)

otherwise be unpleasant. The question is, therefore, what "sanctions" could if necessary be invoked. His Majesty's Government do not think that the threat of publicity only will be sufficient. His Majesty's Government, moreover, have no very important levers at their disposal. They could refuse to ratify any agreement, which might be reached for a financial settlement, including the transfer to the Polish Government of the gold of the Bank of Poland under British control. His Majesty's Government do not know whether the United States Government have any specific levers to use with the Polish Provisional Government. But failing anything better it might be possible to make a threat of a general nature and say that in default of the Polish Provisional Government adopting a satisfactory attitude in regard to the demands set out in following paragraph they will receive no further help in the form of credits or otherwise and must expect a generally unsympathetic attitude towards all their requirements both political and economic. It would, of course, also be stated that the reasons for this attitude would be made abundantly clear to world opinion.

3. The Polish Provisional Government should be required to fulfil the undertakings given at Potsdam to hold elections early this year on the basis of the 1921 Constitution, by fixing and announcing immediately an early date for the elections, and should as soon as possible communicate to His Majesty's Government and the United States and Soviet Governments the draft of an election law conforming to the principles of the 1921 Constitution. The strongest representations should be made regarding all forms of activity on the part of the Polish authorities and security police directed against the opponents of the present Communist clique and also regarding departures from the Moscow Agreement (elimination of M. Kapelinski and failure to replace the late W. Witos by another member of the Polish Peasant Party on the praesidium<sup>5</sup>). It is for consideration whether it is not desirable to go further and demand as guarantee that the conditions for free and unfettered elections shall not be prejudiced in advance of the elections, that the Ministry of Public Security<sup>6</sup> should be abolished and the Security Police placed under the control of W. Kiernik<sup>7</sup> as Minister of the Interior. Such a demand might be criticised as involving a departure from the Moscow Agreement, but could

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<sup>5</sup> Wincenty Witos, Polish Prime Minister, 1920-21, 1923, 1926, leader of the Peasant Party before World War II and titular leader of the Polish Peasant Party until his death in October 1945, had been a Vice President of the Presidium of the National Council of the Homeland.

<sup>6</sup> Stanisław Radkiewicz, the Minister of Public Security, was a member of the Polish Workers' Party.

<sup>7</sup> Władysław Kiernik, the Minister of Public Administration, was a member of the Polish Peasant Party.

be defended in view of Polish departures from the Agreement referred to above.

4. If the United States Government agree to action on the above lines, His Majesty's Government suggest the foregoing proposals should be first discussed by one of the two Ambassadors with M. Mikolajczyk and thereafter, if time permits, the two Ambassadors should submit concerted recommendations as to the precise form and contents of the representations they should make. His Majesty's Government would prefer not to consult the Soviet Government beforehand, since they would no doubt merely seek to delay or thwart the proposed representations. But His Majesty's Government see no objection to informing them as the third Yalta Agreement power immediately before the representations were made and inviting them to take parallel action.

WASHINGTON, April 12, 1946.

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860C.51/4-1546 : Telegram

*The Secretary of State to the Ambassador in Poland (Lane)*

SECRET  
NIAOT

WASHINGTON, April 15, 1946—7 p. m.

317. In lengthy informal conversation with Stanczyk<sup>8</sup> just prior to his departure for various cities in East and Middle West question of Pol elections arose with particular reference to their bearing on present Pol credit negotiations. Stanczyk presented to officers of Dept present his view of political situation in Poland which is already known to Emb. In discussing credit negotiations Stanczyk reiterated opposition previously expressed by Pol Reps to inclusion of political matter among conditions demanded of Pol Govt preliminary to extension of credit. (This refers to condition calling for reaffirmation by Pol Govt of its intention to hold free, unfettered elections in accordance with Yalta and Potsdam Agreements.) He agreed Western Powers had been given reason to doubt Pol Govt's good faith in this respect but said Pol pride would not countenance dictation from abroad. (This obviously does not apply to Soviet activities in Poland.) Therefore he suggested no further effort be made to introduce Pol political commitments into credit negotiations, but that other means be found to accomplish same purpose. He firmly believes Pol Govt would be willing to make separate public declaration regarding elections prior to conclusion of credit negotiations and recommended that attempt be made to solve matter in this

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<sup>8</sup> Jan Stanczyk, Polish Minister of Labor and Public Welfare and a leader in the Polish Socialist Party (PPS). The conversation took place on April 11.

way. He said he would gladly support such a move and he felt it would fulfill objectives of both parties to negotiations.

It is believed that public definitive statement by Pol Govt reaffirming Yalta election commitments would, if properly made, serve purpose envisaged in paragraph 4 of proposed note to be exchanged between Pol and Am Govts setting forth conditions under which credit will be considered. Furthermore publication of declaration of this nature would give sorely needed encouragement to Mikolajczyk's followers. This procedure would permit advancing of immediate limited credit to Poland thus evidencing our willingness to aid in reconstruction of country and would at same time serve notice on Pol Govt that this Govt attaches greatest importance to holding of elections and that any further employment of dilatory tactics by Prov Govt in this connection would serve to delay aid to country.

Dept plans send you subsequent telegram authorizing you to make appropriate representations to FonOff.

BYRNES

860C.00/4-1646

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

[WASHINGTON,] April 16, 1946.

Participants: Mr. J. Balfour of the British Embassy;  
Mr. Dean Acheson, Under Secretary of State; and  
Mr. C. B. Elbrick, Assistant Chief, Division of Eastern European Affairs.

Mr. Balfour called to present a note<sup>9</sup> expressing the British Government's views regarding the present political situation in Poland and recent actions of the Polish Government indicating the latter's apparent intention to ignore or evade its commitments regarding Polish elections. Mr. Balfour in presenting the note referred particularly to the proposal to hold a referendum this summer which it is felt may be intended to take the place of elections. He also referred to the repressive activities of the Polish Secret Police, the replacement of Kapelinski, Polish Director of Posts and Telegraphs and member of the Polish Peasant Party (Mikolajczyk) by a member of the communist dominated Peasant Party, and to the rumor that the late Wincenty Witos, formerly Vice President of the National Council and member of the Polish Peasant Party, would be similarly replaced by a member of the communist clique. He said that Great Britain had no further levers to use in forcing the Polish Government to live up to its commitments and said that he was not sure that we had any such

<sup>9</sup> Memorandum of April 12, p. 420.

levers either. However, he said that the British Government feels that drastic action on the part of the British and American Governments is necessary if rule by the communist minority in Poland, which is becoming more apparent each day, is to be avoided.

Mr. Balfour was informed that the Department has had this matter under study for some time and that it had authorized Ambassador Lane at Warsaw to make representations to the Polish Foreign Office regarding the removal of Mr. Kapelinski. Ambassador Lane had not yet had an opportunity to discuss this matter with Mikolajczyk and had not made any such representations, but had recommended, following recent conversations with the British Ambassador, that no action be taken until the two ambassadors could formulate proposals with regard to other disturbing phases of political activities in Poland. Mr. Balfour was informed that Ambassador Lane had not yet submitted these recommendations.

Mr. Balfour then went on to say that the British Government proposed that strong representations be made regarding the points raised above; namely, the dismissal of Kapelinski, the failure to replace Witos by a member of the Polish Peasant Party and that the Polish Government be called up [*upon*] to disband the Ministry of Public Security (which controls the Secret Police), and that its duties be taken over by the Ministry of Public Administration. The view was expressed to Mr. Balfour that any such recommendation regarding the Ministry of Public Security could only be looked upon by the Polish Government as undue interference in the country's internal affairs and that it would stand little, if any, chance of success.

Mr. Balfour was also informed that this matter would receive the earnest attention of the Department in the immediate future and that, depending upon developments and recommendations from Warsaw, some appropriate action would probably be taken in the near future. It was stated that the British Embassy would be kept currently informed of all developments in connection with this matter.

Mr. Balfour also left a note<sup>10</sup> requesting the views of the American Government regarding the possibility of accepting a certain proportion of members of the Polish army now serving in Italy. Mr. Balfour was told that the immigration laws which governed entry of aliens into the United States fixed a definite quota which cannot be exceeded in the case of Poles or any other nationality, and that any immigration over and above that quota would have to be authorized by Congress. He was told, however, that this matter would also receive early attention of the appropriate officers of the Department.

DEAN ACHESON

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<sup>10</sup> Of March 15, not printed.

860C.00/4-1646: Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

SECRET

WARSAW, April 16, 1946—1 p. m.

MOST IMMEDIATE

[Received April 18—1:07 p. m.]

523. British Ambassador and I have discussed fully situation referred to in mytels 515, April 14 and 516, April 14.<sup>11</sup> We have impression that Mikolajczyk perhaps through conditions unknown to us is not anxious to be involved in any conversations with us at this time. We both have been told that he will not return to Warsaw for 10 days (whether his trip is for political or agricultural reasons is immaterial) which means that he will probably arrive on the eve of the Assembly of the National Council of the Homeland on April 26. There are two courses open to us: 1, to consult Mikolajczyk prior to presenting note regardless of date or, 2, to present note prior to April 26 regardless of conversation with Mikolajczyk. Cavendish-Bentinck and I are agreed that course 2 is preferable because (a) we have not until now been physically able to contact Mikolajczyk, (b) and are not certain that whether for political reason or because of his personal safety he desires to refrain from conversing with either or both of us, (c) we are apprehensive lest we be faced with a *fait accompli* at the National Council Meeting commencing April 26 fixing the date of elections and making it doubly difficult for us to make objections once the legislative body has approved the postponement until autumn as now seems to be the case.

British Ambassador and I agree that Kapelinski's dismissal should not be made the specific reason for a protest but at best as part and [of] a general protest. Thugutt's refusal to take the post of Minister of Posts and Telegraphs; the fact that it could be argued that Putek's party (SL) is as far as nomenclature is concerned identical with Mikolajczyk's party at the time of the Moscow conversations of 1945; and the uncertainty (on the basis of our records and of Tonesk's recollections) as to what definite commitments were made with the approval of the Yalta powers regarding "balance agreed upon at Moscow" (see Deptel 299, April 6) with respect to proportionate party representation in various ministerial and other posts would in our opinion weaken any representations on Kapelinski's dismissal. We have copies of Ambassador Harriman's telegrams 2218 of June 21,

<sup>11</sup> Neither printed; in telegram 515, Ambassador Lane reported that he tried by every possible means, without success, to contact Mikolajczyk in order to obtain his recollection of the June 1945 Moscow conversations with respect to the number of Cabinet posts to be occupied by Mikolajczyk's party (860C.00/4-1446). Telegram 516 transmitted paraphrase of a telegram from the British Foreign Office to the British Embassy in Washington setting forth Ambassador Cavendish-Bentinck's appraisal of the situation in Poland relative to free elections and the possible form of Anglo-American protests thereon (860C.00/4-1446).



1945 and 2233 of June 23,<sup>12</sup> which embody reports of conversations between Poles but which do not indicate that any written commitments were made at Moscow re proportional representation of respective parties in Provisional Government of national unity.

Bentinck and I favor a more general course not exactly as suggested by Mr. Bevin but referring in notes as parallel as possible and to be delivered jointly by Bentinck and me to FonOff (to prevent impression that we are being played against each other) to the following effect:

1. The late Wincenty Witos First Vice President of National Council of Homeland and one of outstanding leaders of PSL has not been replaced in accordance with arrangement agreed to at Moscow (I am not entirely sure that on basis of minutes of Moscow conversations we are justified in making an issue over this question as it would not appear that any time limit is set for replacements).

2. Mr. Kapelinski until recently in charge of the Ministry of Posts and Telegraphs and of the same party as Mr. Thugutt who declined the position of Minister of that Ministry has been summarily replaced by a person of another party, Mr. Putek. The Government of US in accordance with the spirit of the Moscow Agreement is obliged to point out that the number of Cabinet representatives of those democratic elements which were not participating in the Lublin Government prior to the conversations at Moscow should not be reduced.

3. There has been a failure to hold elections despite the promises made at Yalta, Moscow and Potsdam even though 10 months have elapsed since the agreement reached at Moscow. (The British position is much stronger than ours because of the specific assurance by Bierut to Bevin in Potsdam that "in any case elections will be held early in 1946 in Poland.")

4. The activities of the security police with the large number of arrests of political opponents of the Minority Regime now in power and the internal censorship of the press in time of peace—both measures impeding the holding of "free and unfettered elections" as agreed upon at Yalta, Moscow and Potsdam—are not consonant with our views of democratic liberty.

Bentinck and I are in general agreement as to courses to pursue but naturally with some differences as to details. His views will undoubtedly be communicated to Department in his telegram of today to London. I agree as to advisability (see my letter to Matthews of March 1<sup>13</sup>) re publicity on situation in US. I think, however, that it would be preferable to emphasize in public statement each of freedom of press and arrests for political offenses with emphasis on arrests of American citizens. To me the last argument is the most

<sup>12</sup> *Foreign Relations*, 1945, vol. v, pp. 352 and 354, respectively.

<sup>13</sup> For text of Ambassador Lane's letter of March 1, 1946, to Matthews, see Lane, *I Saw Poland Betrayed*, pp. 193-196.

cogent as the US people is concerned (see mytels 245, February 26, 289, March 5, 290, March 6, 458 April 3 and 481, April 6<sup>14</sup>).

I suggest, therefore, that I be instructed to deliver note concurrently but not necessarily in the same language with my British colleague prior to the holding of National Council of Homeland (KRN) referring to four points above but emphasizing points 3 and 4 which in my opinion far outweigh points 1 and 2. I believe it would be well as suggested by Bevin to apprise Soviet Government as one of Yalta powers of our intention to make protest thereby giving [it?] opportunity (which presumably will not be accepted) to join Great Britain and ourselves. Bentinck and I agree that Bevin's suggestion re inclusion of security police under Ministry of Public Administration (Kiernik PSL) would be regarded and perhaps rightly as interference in Polish domestic affairs. I do not agree with Bevin's argument that if Soviets and Poles break Moscow agreement such action gives US and the British the same right to do so.

My final recommendations with the concurrence of my British colleague are:

1. We should deliver note to FonOff as soon as possible embodying four points outlined above. I should deeply appreciate it if Department would telegraph me text of note to be delivered which because of Mr. Bevin's telegram 3438 to Washington it is assumed will be general and not merely confined to Kapelinski case (see mytel 299, April 6<sup>15</sup>). It is essential that note should be sent in time to be considered by Government prior to KRN meeting April 26.

2. We should when the proper moment occurs make a public statement in Washington re our policy in granting and refusing credits and specifically referring to situation in Poland today which precludes US granting further benefits under existing legislation. This statement should in my opinion contain a complete list of claimants to US citizenship who have been arrested for political reasons (see mytel 245, February 26<sup>16</sup>).

The British Embassy [*Ambassador?*] and I agree that it is of the utmost importance for us to receive with the least possible delay parallel although not necessary identic instructions as to communications we should deliver to FonOff. We should prefer to deliver such communications jointly.

Please instruct urgently.

Further comments follow in telegram 524, April 16 marked Personal for the Secretary.

<sup>14</sup> None printed; these telegrams were all concerned with the efforts to obtain the release of claimants to American citizenship under arrest in Poland.

<sup>15</sup> Apparent reference to telegram 299, April 6, to Warsaw, p. 419.

<sup>16</sup> Not printed, but see footnote 54, p. 400.

Sent Department as 523; repeated Moscow as 72 and London as 86, April 16.

LANE

860C.00/4-1646 : Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

SECRET

WARSAW, April 16, 1946—2 p. m.

MOST IMMEDIATE

[Received April 16—1:35 p. m.]

524. Personal for the Secretary. While my 523, April 16, 1 p. m., immediately preceding this message, sets forth my views as to step we should now take re Poland I should like to point out to you that any representations which we may make will probably be ineffective insofar as the Polish situation is concerned, unless the Soviet Government should decide to change its present policy of controlling Polish domestic affairs and specifically of maintaining in power the Communist clique. For the sake of the record it is desirable that representation along the lines suggested in my 523 be made prior to the meeting of the National Council of the Homeland now scheduled for April 26. As the Council is, however, controlled by the Communist Government clique it is obvious that the Council will follow the Government's policy, both with respect to the referendum and the date of the elections which it is now believed the Council will fix at this next meeting. The Government acting under the directions and with the support of the Soviet Government will, in my opinion, reject the British-American protest. This will serve to make our relations with present Polish Government even more unpleasant than those existing today but will, on other hand, clarify our position and, if Department makes situation public, it will likewise make known to world Soviet attitude towards Poland.

As I pointed out in my letter to Matthews of March 1, the situation here boils down in the last analysis to decision as to what our policy is going to be towards Soviet Union.

LANE

860C.00/4-646 : Telegram

*The Secretary of State to the Ambassador in Poland (Lane)*

SECRET

WASHINGTON, April 16, 1946—3 p. m.

NIACT

322. You are authorized to inform Pol FonOff informally (see immediately preceding telegram<sup>17</sup>) that recent developments such as

<sup>17</sup> Telegram 321, April 16, to Warsaw, not printed; it instructed Ambassador Lane that in making representations to the Polish Government he should carefully avoid any mention of current credit negotiations and base his representations entirely on the Yalta and Potsdam agreements and the general desire for good relations between the United States and Poland (860C.00/4-1446).

referendum proposal and postponement of elections until fall (urtel 485 Apr 6<sup>18</sup>) give rise to doubt as to Pol Govt's intention to fulfill Yalta election commitments affirmed at Potsdam. US Govt as party to these agreements is obliged to call attention to this fact and to point out that any departure from letter and spirit of Yalta and Potsdam decisions re elections will have most unfortunate effect in this country and will only serve to create further obstacles to building harmonious working relationship between US and Poland. To dispel all doubt as to Pol Govt's actual intentions therefore it would be highly desirable for that Govt to issue in immediate future public definitive declaration reaffirming its intention to hold free and unfettered elections this year. To be effective declaration should contain exact wording of Polish reaffirmation at Potsdam of Yalta agreement re elections and particularly the commitment at Potsdam as to participation of all democratic parties and should be published in press throughout Poland. You should point out that at Potsdam Pol Prov Govt "agreed to the holding of free and unfettered elections as soon as possible on the basis of universal suffrage and secret ballot in which all democratic and anti-Nazi parties shall have the right to take part and to put forward candidates". You may make it plain that in view of its own commitments at Yalta and Potsdam US Govt attaches greatest importance to holding of elections in accordance with those agreements and that publication of declaration of nature suggested could not fail to have salutary effect upon Pol-Am relations in general.

Please telegraph Pol Govt's reaction urgently.

BYRNES

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860C.00/4-1946: Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

SECRET

WARSAW, April 19, 1946—4 p. m.

MOST IMMEDIATE

[Received April 21—9:41 a. m.]

550. I called on Acting FonMin Modzelewski today and made oral statement to him along lines of Deptel 322, April 16. Lt. Tonesk then translated to him in Polish the text of a memo in English which I left with Modzelewski. I was anxious that there should be no misrepresentation of my remarks. I emphasized and the memo so stated that Dept has instructed me to telegraph urgently Polish Govt's reaction to the points presented by the Dept.<sup>19</sup>

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<sup>18</sup> Not printed, but see footnote 4, p. 420.

<sup>19</sup> Telegram 567, April 25, from Warsaw, reported that on April 24 Ambassador Cavendish-Bentinck handed a note to the Polish Acting Foreign Minister along the lines of the memorandum presented by Ambassador Lane (860C.00/4-2546).

As to the referendum Modzelewski said that it has a political purpose: To ascertain the position of the various parties. He said the referendum would contain three points (1) are you in favor of a Chamber and Senate or of only a Chamber (2) are you in favor of the principles of the Agrarian Reform Law and the decrees of nationalization of industry being embodied in the new Constitution (3) are you in favor of the frontier of Poland up to the Oder and Dnieper [*Neisse*] Line being stable. Answers to all three questions will be yes or no.

Modzelewski said that although all six parties are in agreement that referendum should be held they are not all agreed on the questions which are to be submitted to the people. For instance he said that Popiel's<sup>20</sup> Labor Party is in favor of a bicameral Congress. He said that this referendum would be freely held and would probably be in June the date to be definitely fixed at forthcoming meeting of KRN.

As to holding of elections to which the referendum will be a preface Modzelewski said firmly that Poland has no intention not to live up to its Yalta and Potsdam commitments and that I could assure the Department that free elections will be held. He expressed his unofficial view that they will be held in October. He said that it would not be possible to hold the elections until after the harvest as it was desirable that the population should not be starving at the time of the elections. He said that the PriMin will in his address to the KRN discuss elections and that they would also undoubtedly be discussed by the KRN but he said he could not definitely state whether the date of elections will be fixed at the forthcoming meeting of the KRN or later. He said that Mikolajczyk's party desires to have the elections concurrently with the referendum or immediately thereafter but that a majority of the KRN would undoubtedly vote for a date in the Autumn.

As Modzelewski indicated that he had fully answered my questions I reminded him of the Dept's request that Polish Govt make statement reaffirming its Potsdam commitments and that this statement should be published throughout Poland. Modzelewski said that this was a matter which he personally could not decide but that he would be glad to submit it to the Council of Ministers which meets next Thursday April 25 and that he would notify me of the Council's decision either Friday or Saturday following.

He said that a draft electoral law has been prepared by the electoral committee of the KRN and that this will be submitted to the KRN for its approval. He promised to send me unofficially a copy

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<sup>20</sup> Karol Popiel, President of the Executive Committee of the Labor Party (Stronnictwo Pracy)—SP.

of this draft in accordance with the request which I had made on April 1 in accordance with Deptel 268, March 29.

I pointed out in conversation which was pleasant throughout that I hoped very much Council of Ministers would accede to our request for public declaration. I reiterated Dept's opinion that such a statement would have beneficial effect on relations between two countries and would serve to dissipate unfavorable attitude which exists in certain quarters in US as a result of present conditions in Poland. Modzelewski expressed opinion that the questions raised in Dept's telegram would undoubtedly be answered in the various speeches which would be made during the meeting of the KRN. I reiterated my hope however that the Govt would see fit to accede to our request.<sup>21</sup>

LANE

860C.51/4-2146 : Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

SECRET

WARSAW, April 21, 1946—noon.

**MOST IMMEDIATE**

[Received 1:37 p. m.]

553. Personal for the Secretary. Deptels 328 and 329 April 18.<sup>22</sup> I am very much concerned over Department's apparent intention to grant credits on basis of Polish proposal. Lack of good faith of present Polish ruling clique has been so clearly shown on so many occasions that acceptance of their promises whether verbal or written would in my opinion imply a lack of understanding on our part of entire situation and would be greatest possible discouragement to Polish people which still retains hope that US will maintain firm attitude. I am likewise much disturbed by Dept's 317, April 15, indicating a confidence in Stanczyk's statements which in my opinion is not justified on the basis of his known unreliability.

On my urging British Ambassador is returning from Krakow today to consult with me on instructions which he has received re joint representation. I should have preferred not to have made representations April 19 during absence of Cavendish-Bentinck but in view of Dept's having stressed urgency I took unilateral action which

<sup>21</sup> In telegram 637, May 2, from Warsaw, the Ambassador reported the receipt of the following note from Acting Foreign Minister Modzelewski, dated April 29: "In answer to Your Excellency's memorandum of 18 April 1946 on the subject of elections in Poland, I have the honor to express the opinion that the statement of the Prime Minister of the Polish Provisional Govt of National Unity made at the tenth session of the National Council of the Homeland on the 26 April 1946 completely explains and disposes of the question raised in the memorandum referred to." (860C.00/5-246) Prime Minister Osóbka-Morawski's remarks are quoted in the *aide-memoire* from the Polish Embassy, April 30, p. 440.

<sup>22</sup> Neither printed; they concerned the notes which would be exchanged between the Polish Embassy and the Department of State on April 24 concluding the negotiations for an Export-Import Bank credit to Poland (860C.51/4-1846). For texts of notes, see Department of State *Bulletin*, May 5, 1946, pp. 761-762.

may surprise British with whom until now I have consulted on every phase of our commitments under Yalta and Potsdam decisions.

With the greatest earnestness of which I am capable I beg the Department not to approve the extension of any credit facilities at this time. When the terroristic activities of the security police come to an end, when freedom of the press is restored and when American citizens are released from Polish prisons then and not until then should US public funds be used to assist the Polish Provisional Govt of national unity.

LANE

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860C.51/4-2146 : Telegram

*The Secretary of State to the Ambassador in Poland (Lane)*

SECRET

WASHINGTON, April 22, 1946—8 p. m.

NIACT

342. Reurtel 553, April 21. While the points raised in urtel re credits are appreciated and while it is realized that if credit is granted PolGov may possibly not live up to all commitments, nevertheless it is felt that for following reasons it is advisable to grant limited credit now.

(1) PolGov has accepted all the economic stipulations asked by Dept in connection with credit, summary of which previously transmitted to you.

(2) Poles have also accepted suggested changes in Polish note re elections outlined mytel 328, 329, April 18.<sup>23</sup>

(3) Credit solely for purchase coal cars and locomotives which PolGov has stated in writing will be used ship coal to countries Western Europe. If we should refuse credit this purpose now we might be open accusation next winter that vitally needed Polish coal could not be moved to Western Europe because US Gov refused credits.

(4) Cars will assist Poland to trade with West and help Polish people to solve internal distribution problems.

(5) It has been made definitely clear to Poles that if they do not implement in a reasonable way various undertakings of an economic and political nature no further credits will be available. Poles have indicated they will endeavor obtain additional substantial credits as soon as we will make them available. This gives us further means of pressure.

(6) Granting of credits with full publicity here and in Poland will indicate Polish people West has not forgotten them. Poles promised give full publicity in Poland these commitments. We will publish notes with full explanation of reason for granting this special limited credit as soon as notes exchanged.

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<sup>23</sup> See footnote 22, p. 431.

For above reasons it is planned formally exchange notes here April 24.

British Embassy informally advised in confidence of these developments.

BYRNES

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860C.51/4-2246

*The Foreign Liquidation Commissioner (McCabe) to the Polish  
Ambassador (Lange)*

WASHINGTON, 22 April, 1946.

MY DEAR MR. AMBASSADOR: Representatives of your Government have expressed an interest in the purchase of United States surplus property. I am glad to inform you that the Office of The Foreign Liquidation Commissioner has surplus property available which may be acquired by your Government. The quantities and types of such surplus property, the prices thereof and other terms of sale, including provisions for exchanges of property, are matters for agreement between the Office of the Foreign Liquidation Commissioner, or its Field Commissioners, and the representatives of your Government. For the purposes of any purchases which are made by your Government prior to January 1, 1948 of surplus property made available by the Office of the Foreign Liquidation Commissioner, we would be willing to extend a line of credit to your Government for an aggregate amount not in excess of \$50,000,000, subject to the following conditions and terms of payment:

(1) A sum in United States dollars, equal to the total purchase price of individual sales of such surplus property shall be paid in twenty-five (25) equal annual installments beginning on July 1, 1952 and continuing thereafter on July 1, of each year up to and including July 1, 1976, subject to the provisions of paragraphs (4), (5) and (6) of this letter.

(2) Interest shall accrue from the respective dates specified in the individual sales contracts for the taking of delivery by the Government of Poland, and shall be paid on the outstanding unpaid balance of the total purchase price. The rate of interest shall be two and three-eighths percent (2 $\frac{3}{8}$ %) per annum, payable on July 1 of each year, the first payment to be made on July 1, 1947.

(3) Except as otherwise provided herein, all payments of principal and interest shall be made in United States dollars to the Treasurer of the United States, through the Federal Reserve Bank of New York.

(4) (a) In the event the Government of the United States wishes to receive local currency of the Government of Poland for the payment of any or all expenditures in Poland of the Government of the United States and its agencies, the Government of the United States may request at any time or times, and the Government of Poland agrees



to furnish at such time or times, Polish currency at an exchange rate as provided in sub-paragraph (4) (b), in any amount not in excess of the net outstanding balance of principal (whether or not then due in United States dollars) plus interest (then due in United States dollars) payable under the terms of this letter; provided, however, that except by mutual agreement between the Government of the United States and the Government of Poland, the Government of the United States shall not be entitled to receive in any single calendar year under the terms of this paragraph (4) and paragraph (6) any local currency or property the combined total value of which is in excess of \$2,000,000. In the event that local currency is received by the Government of the United States under the terms of this paragraph, the United States dollar equivalent of the amount received shall be credited first to past due interest, if any, and then pro rata to all remaining unpaid installments of principal.

(4) (b) The exchange rate shall be that established by the International Monetary Fund, provided that, if no such rate exists, the rate shall be that rate most favorable to the United States which was used in any Polish Government transactions with any party during the preceding twelve months period.

(5) The Government of Poland may anticipate the payment, in United States dollars, of any installment of principal, or any part thereof, provided that this right of anticipation may not be exercised when any installment of principal or interest is past due and unpaid.

(6) When the Government of the United States wishes to acquire any property, real or personal, tangible or intangible, or to improve any property in which it has interest, at the expense of the Government of Poland, the Government of the United States will request at any time or times and the Government of Poland agrees at any such time or times to enter into negotiations with the Government of the United States and to use its best efforts to consummate without any undue delay appropriate contracts by mutual agreement wherein the Government of Poland will furnish to the Government of the United States the properties or improvements it desires or which its representatives have selected. Representatives of the Government of the United States may at their discretion conduct discussions directly with owners of property or with contractors for improvements as to fair terms and price prior to the acquisition of such property or improvements by the Government of Poland for delivery to the Government of the United States. When performance of any such contract is made by the Government of Poland, the Government of the United States shall credit the Government of Poland with the United States dollar equivalent of the fair value received at an exchange rate as provided in sub-paragraph (4) (b), such credit being applied first to past due interest, if any, and then pro rata to all remaining unpaid installments of principal. The total value of property to be delivered by the Government of Poland in any calendar year shall be subject to the annual limitation specified in sub-paragraph (4) (a).

(7) If these terms are agreeable to your Government it is requested that you indicate its acceptance thereof by signing and returning to me the enclosed duplicate original of this letter. When this has been done I shall inform my Field Commissioners as to the terms in order

that they may be appropriately incorporated or referred to in any contracts for the sale or exchange of surplus property which may be executed between my Field Commissioners and representatives of your Government.

As we have explained in our informal discussions with representatives of your Government, the purpose of this letter is to facilitate our surplus property transactions by arriving at an overall understanding as to a maximum line of credit, credit terms and exchanges of property.

My letter to you dated February 7, 1946<sup>24</sup> regarding a dollar credit agreement for surplus property sales is hereby withdrawn.

Sincerely yours,

THOMAS B. McCABE

*Special Assistant to the Secretary of State  
and Foreign Liquidation Commissioner*

The terms of the foregoing  
letter are hereby accepted.

/s/ Oskar Lange  
(Date) April 22, 1946

860C.51/4-2446

*Memorandum of Conversation, by the Acting Secretary of State*

SECRET

[WASHINGTON,] April 24, 1946.

Participants: Dr. Oscar Lange, Polish Ambassador;  
Dr. Litauer,  
Dr. Rajchman,  
Mr. Zoltowski,  
Mr. Dean Acheson,  
Dr. Elbridge Durbrow,  
Mr. C. B. Elbrick and  
Mr. Robert G. Hooker, Jr.

The Polish Ambassador, accompanied by the Polish officials noted above, called at the Department today for the purpose of exchanging notes concluding negotiations for a credit to Poland.<sup>25</sup> After the exchange of notes by which a credit of \$40,000,000 was authorized, the Polish Ambassador thanked us for the interest shown by the American Government in the rehabilitation of Poland, as evidenced by the present credit and stated that this action would further unite the two countries.

Dr. Rajchman asked if the Polish Embassy could be given a copy of our press release<sup>26</sup> in order that it might be cabled to Warsaw and

<sup>24</sup> Not printed.

<sup>25</sup> For texts of the notes exchanged on April 24, see Department of State *Bulletin*, May 5, 1946, pp. 761-762.

<sup>26</sup> For text of the press release issued by the Department of State on April 24, 1946, on the occasion of the exchange of notes of the same date, see *ibid.*, p. 761.

issued simultaneously there. It was explained to Dr. Rajchman that our release was unilateral and should have no effect upon whatever release the Polish Government might wish to issue. It was pointed out that the American Government was only interested in the publication in Poland, as well as in the United States, of the notes exchanged. The Polish representatives assured me that the notes would be published in Poland and indicated that they had been concerned about the press release, since it was their understanding that announcement of the authorization of the credit was to be made simultaneously in the two countries. They were informed that that was not our understanding, and they agreed to publish their own release along with the notes when publication takes place in Poland.

I reminded the Ambassador of Dr. Rajchman's promise to supply texts of all trade agreements entered into by the Polish Government or to indicate in writing any such agreements which are now inoperative. The Polish representatives agreed to this.

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860C.51/4-2546 : Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

SECRET MOST IMMEDIATE  
URGENT

WARSAW, April 25, 1946—5 p.m.  
[Received April 26—10:35 a.m.]

570. Dept's telegram 342, April 22, 8 p. m. was received morning April 24. Dept's decision to extend credits to Polish Provisional Govt is most discouraging to me for it indicates either that the Dept has little confidence in my evaluation Poland during my 9 months here, of the situation in Poland or that for reasons of which I am unaware it does not wish to accede to my recommendations. As notes have presumably already been exchanged between the Dept and Polish Embassy in Washington, any further recommendations by me on this matter would presumably be futile.

I do wish, however, now to place on record my official protest as American Ambassador to Poland that we have agreed to extend credits to a Govt which has not only assumed in its controlled press an attitude hostile to the US but has likewise refused to accord to us the rights to which we are entitled by treaty and specifically our right to visit and interview claimants to American citizenship who are now held in Polish jails for alleged political offenses. To the best of my recollection the Polish Provisional Govt has up to date not acceded to any important request which the US Govt has made of it.

It is especially to be regretted that the extension of credit to the Polish Provisional Govt (which has the support at the utmost of between 10 and 15 percent of the Polish people) is announced immed-

ately subsequent to the arbitrary action of the Polish Govt in fixing an unrealistic rate of exchange of 100 zloty to the dollar during the negotiations which were taking place to determine a fair rate. Our granting of credits at this moment can, therefore, be interpreted by the minority group in power in Poland as an encouragement to continue to flout the Yalta and Potsdam decisions (through terroristic activities of the Security Police and through censorship of the press) and to maintain its present attitude of denying to us the rights to which we are entitled under treaty.<sup>27</sup>

As soon as the KRN meeting which begins April 26 is terminated, I propose to fly to Paris to consult with the Secretary as to what our future policy will be towards the Polish Provisional Govt of national unity in the light of the foregoing.

Sent to Dept as 570; repeated to Paris for the Secretary of State as 75, April 25.<sup>28</sup>

LANE

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860C.00/4-2546 : Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

SECRET  
PRIORITY

WARSAW, April 25, 1946—7 p. m.  
[Received April 27—11:36 a. m.]

573. During past few weeks several Polish employees of this Embassy as well as of British and French Embassies have been interviewed by Security Police and have been invited to join UB organization so that they may report on activities of respective Embassies. When this condition was first reported to me I did not inform Dept as I fearful lest lives of persons involved would be jeopardized. As number of persons interrogated by UB has become increasingly

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<sup>27</sup> According to a memorandum of April 24, 1946, by Elbridge Durbrow of the Division of Eastern European Affairs, George Middleton, First Secretary of the British Embassy, called urgently to read a telegram which had just been received from the British Foreign Office. Durbrow's memorandum read in part as follows: "Mr. Bevin stated that he was 'dismayed' that the United States Government had decided to grant credit to the Polish Government since the promises we had extracted from that government were mere paper commitments which the Polish Government most likely will not live up to. He was afraid that this action by the United States Government would indicate that we were backing up the Communist controlled Polish Government and that our action would not be understood by the democratic elements in Poland. Mr. Bevin suggested that if it was not too late the Embassy should immediately endeavor to induce the State Department to withhold granting of credit at least until a definite nearby date is set for the elections." Durbrow explained again to Middleton the reasons why the United States felt that it was advisable to grant the credit to Poland and expressed the belief that it would no longer be possible to refuse to grant the credit at such a late date. (860C.51/4-2546)

<sup>28</sup> The Secretary of State was Chairman of the U.S. delegation to the Council of Foreign Ministers, meeting in Paris April 25-May 15, 1946.

greater I feel that the danger to individual has correspondingly decreased.

Procedure apparently employed by UB in almost all cases is identical, if employee refuses to join organization, he or she is threatened with death and with death of family. Employee is usually given further time to think over matter but is told that divulging info re interview with UB will be punishable by death. UB agents are also actively investigating nature of work of persons interviewed and friends received at homes of almost all Polish employees of this Embassy. British Ambassador reports to [apparent garble] similar conditions British Embassy.

Provided Dept has no objection I propose in near future as does British Ambassador to protest to FonOff re activities of Security Police endeavoring to compel Polish citizens to divulge information regarding activities of Embassy by which they are employed. Although no Polish employee of this Embassy is entrusted with confidential info or activities, it is very much to be regretted that the Polish personnel should be subjected to such threats as indicated above and I feel that in the interests of these employees as well as of our own we are fully justified in registering an emphatic protest.<sup>29</sup>

Sent to Dept as 573, repeated to Paris for Secretary of State as 77[?] to London as 92 and to Moscow as 80.

LANE

860C.5034/4-3046

*The Polish Ambassador (Lange) to the Acting Secretary of State*<sup>30</sup>

The Ambassador of Poland presents his compliments to the Acting Secretary of State and pursuant to the note of March 29, 1946,<sup>31</sup> and to the exchange of notes between the United States Government and the Government of Poland under date of April 24, 1946,<sup>32</sup> has the honor to inform him about the issuance of rules and regulations under the Nationalization Act of January 3, 1946, and particularly about the decree of the Council of Ministers issued April 1, 1946, in the matter of procedure governing nationalization of enterprises.

The decree of the Council of Ministers issued April 1, 1946, contains the regulations relating to the procedure governing the final

<sup>29</sup> In telegram 389, May 2, to Warsaw, the Department stated that it had no objection to the action suggested in this paragraph, but assumed that the Embassy was satisfied that its Polish employees would not be subject to further persecution as a result of the Embassy action (860C.00/4-2546).

<sup>30</sup> This note was left with the Acting Secretary of State by the Counselor of the Polish Embassy on May 2; see memorandum by the Acting Secretary of State, May 2, p. 443.

<sup>31</sup> Department of State *Bulletin*, April 21, 1946, p. 670.

<sup>32</sup> *Ibid.*, May 5, 1946, pp. 761-762.

determination of enterprises subject to nationalization. These regulations guarantee the owners of enterprises which are sought to be taken over by the State an opportunity to assert their rights in proceedings before the appropriate Regional Nationalization Commission and before an appellate body, namely the General Nationalization Board attached to the Central Planning Office.

The agency in charge of executing the decree in question is required to publish a list of enterprises to be taken over by the State (Article 23) and sufficient time must be allowed for the filing of exceptions by any owner concerned, against the inclusion of a particular enterprise in the list of nationalized enterprises. (Article 28). Such owners are entitled to call witnesses and experts in the proceedings before a Regional Nationalization Commission. (Articles 37 and 43).

The owners concerned may appeal decisions of Regional Commissions to the General Nationalization Board attached to the General Planning Office within fourteen days from the date of publication of such decisions in the official Journal. Proceedings before the General Board shall be public. (Article 50). Notice of sessions of the General Board shall be given by publication in the "Monitor Polski". (Article 56).

Another section of the decree is emphasized in view of its particular interest to the United States. Owners affected by the Act may appoint proxies and attorneys to protect their rights in proceedings before a Regional Commission and before the General Board. (Article 75). Thus, under these rules and regulations, compensation proceedings may be instituted only after it has been determined whether a particular enterprise is subject to the provisions of the Act and has been formally taken over by the State.

The Polish Government wishes to stress the close relationship existing between the time when it will be possible to pay effective compensation to citizens of the United States and the time required for the reconstruction of Poland's war ravaged economy. In order to achieve the objectives sought in the note of January 17, 1946<sup>33</sup>—that compensation to citizens of the United States be "effected in a manner which would permit an exchange of the amounts paid for dollars in the shortest possible time"—the dollar reserves of Poland must first be substantially increased through the development of exports which in turn is contingent on the expansion of the country's production. The Polish Government expresses its hope that the stabilization of the world's economy will make it possible for large scale financial assist-

<sup>33</sup> Regarding the note delivered by Ambassador Lane to the Polish Government on January 18, 1946, with respect to the nationalization of industry in Poland, see telegram 29, January 14, to Warsaw, p. 379.

ance to be made available to Poland in order that the reconstruction program may be accelerated and thus permit Poland to make compensation payments of the kind referred to in the note of January 17, 1946, sooner than would otherwise be the case.

In view of the difficulties explained in the above paragraph and the further difficulty of making final appraisal of any specific property involved in terms of a transferable foreign currency, the Polish Government feels compelled to point out that it would appear to be premature at this present moment to undertake final determinations of individual cases. The Polish Government wishes, however, to express its readiness to begin general discussions with the Government of the United States on compensation to any American citizen for enterprises taken over by the Polish State.

WASHINGTON, April 30, 1946.

860C.5034/4-3046

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*The Polish Embassy to the Department of State*<sup>34</sup>

AIDE-MÉMOIRE

Last week, at the Polish National Council in Warsaw, the Prime Minister of Poland<sup>35</sup> made the following statement on the question of Parliamentary elections in Poland:

“We desire that the will of the people and their sovereign rights should find an early expression in general, secret, proportional, direct and equal elections to a constituent Assembly in which all democratic and non-fascist political groups should participate. In this desire we are in full agreement with the provisions of the Yalta and Potsdam Conferences. The elections to the constituent Assembly will, therefore, be held in autumn this year and the referendum will be an initial step leading to these elections. The referendum will be held on June 30th.”

The above statement disposes of any doubts as to the fact of holding elections as well as to their democratic character.

WASHINGTON, April 30, 1946.

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<sup>34</sup> This *aide-mémoire* was left with the Acting Secretary of State by the Counselor of the Polish Embassy on May 2; see memorandum by the Acting Secretary of State, p. 443.

<sup>35</sup> Edward Boleslaw Osóbka-Morawski.

360C.1121/5-146 : Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

WARSAW, May 1, 1946.

[Received May 6—8: 38 p. m.]

625. Following is translation text of Polish FonOff note dated April 27:

“In reply to note 323 of March 15, 1946 delivered by Your Excellency March 20<sup>36</sup> I have the honor to inform Your Excellency as follows:

From the time of the first intervention of the American Embassy concerning persons claiming the right to American citizenship and American citizens the Ministry of Foreign Affairs has registered 55 cases of arrest.

Of this number 13 persons have so far been released from prisons. Among the remainder persons only 6 had American passports while the remainder are persons who claim the right to American citizenship on the basis of a birth certificate. One of them, Edward Drozd, was arrested by the Soviet military authorities in December 1944.

The criteria of American legislation concerning citizenship based on *jus soli* while Polish legislation accepts *jus sanguinis* as basis for citizenship constitute a conflict in the legislation of the two states.

For the purpose of removing the conflict in legislation of various states concerning citizenship and in order to remedy the evil consequences emanating therefrom an international conference under the sponsorship of the League of Nations was called at The Hague in March, 1930. On April 12, 1930 this conference approved a convention concerning certain problems pertaining to citizenship laws. The convention was not signed by either the United States of America nor the USSR but due to the fact that it was signed by over 20 states including all other great powers it is considered an expression of international opinion and a definition of a binding customary international standard.

The convention first of all affirms that every state has the authority to determine in its legislation who is its citizen. This is an example of matters which according to paragraph 7 article 2 of the United Nations Charter are subject to the internal authority of the state. The convention states that this legislation should be accepted by other states as long as it is in accordance with international agreement, international custom and the generally recognized legal principles concerning citizenship. With this reservation every question concerning whether anyone as citizen of a given state should be decided in accordance with the legislations of that state. It is logical from this that a person who is the citizen of two or more countries may be recognized as a citizen by each of the states whose citizenship he possesses.

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<sup>36</sup> Ambassador Lane's note of March 15 is not printed, but its substance is contained in the Department's instructions in telegram 184, March 12, to Warsaw, p. 411.



The Polish Delegation foresaw difficulties and succeeded in including in the convention article 4 which states that a state cannot carry out diplomatic protection on behalf of one of its citizens on the territory of and in relation to a state of which that person is also a citizen.

This means that each of two interested states has the right to consider a person of dual nationality on its territory as solely its citizen ignoring the fact that he is at the same time the citizen of another state. Further this second state has the same right on its territory in relation to a citizen of the first state.

Polish legislation has determined that Polish citizenship is acquired (1) by birth of parents who are Polish citizens (2) by proving right thereto, by regaining citizenship temporarily lost or in doubt, or adoption (3) by marriage (4) by naturalization (5) by accepting a public office or being accepted for military service in the Polish state if a contrary reservation has not been made.

In all cases of persons who claim the right to American citizenship and reside in Poland for a number of years the Polish authorities must conduct an investigation to verify whether the above circumstances exist which by proving undisputed Polish citizenship would thereby cause the loss of American citizenship by these persons from the point of view of Polish legislation.

Owing to the damaged condition of the country resulting from war activities and the destruction of archives of all sorts of which the Govt of the US of North America is undoubtedly aware, difficulties are encountered in assembling the necessary data to determine individual circumstance envisaged by the law concerning citizenship. These difficulties sometimes cause a delay of many months in processing a case. The American Embassy undoubtedly in an entirely different situation as regards the securing of essential documents in the US since it does not encounter any difficulties in this direction, also requires a correspondingly long time to secure them.

Certification of the sole fact of birth in the US in such a situation cannot exhaust the matter without determination by the Polish authorities whether circumstances exist which might possibly cause the loss of American citizenship and thereby prove Polish citizenship.

At the present moment this is the only possible method for determining the citizenship of interested persons in view of the basic conflict in the legislation of both states concerning citizenship.

With reference to permission to communicate with persons claiming the right to American citizenship and who are arrested I wish to inform Your Excellency that this matter has been adjusted as follows:

1. At the request of the Ministry of Foreign Affairs the appropriate Polish authorities will present to each arrested person claiming the right to American citizenship a questionnaire to be filled out in duplicate. After being filled out one copy will be transmitted by the Ministry of Foreign Affairs to the American Embassy.
2. The questionnaire will be prepared in accordance with the enclosed specimen.
3. The American Embassy will receive all possible information and will be enabled to exercise protection within the limitations

foreseen in regulations over persons whose American citizenship will be determined on the basis of the questionnaire.

Independently of the above individual cases when the American Embassy will be particularly interested in direct communication with the arrested persons claiming the right to American citizenship a meeting with him will be made possible.

I take this opportunity to inform Your Excellency that the majority of the persons claiming the right to American citizenship have been accused of anti-state and terroristic activity.

In summing up the above I would like to particularly underline that the delay in the handling of the above named individual cases is not always within the control of the appropriate authorities but is caused by *force majeure* that is in the majority of cases as I have already mentioned by destruction of essential archives by war activities.

In the light of such a situation the statement concerning the unusual treatment of American citizens by my Government mentioned in Your Excellency's note cannot have a just basis.

I take this opportunity to again assure Your Excellency of my highest respect. Signed, Modzelewski.<sup>37</sup>

860C.00/5-246

*Memorandum of Conversation, by the Acting Secretary of State*

SECRET

[WASHINGTON,] May 2, 1946.

Participants: Dr. Litauer, Counselor of the Polish Embassy;  
Mr. Dean Acheson, Acting Secretary of State; and  
Mr. C. Burke Elbrick, Assistant Chief, Division of  
Eastern European Affairs

Dr. Litauer called today for the purpose of leaving a note summarizing a decree of the Polish Council of Ministers, dated April 1, 1946,<sup>38</sup> which purports to implement the nationalization law of January 3, 1946. I thanked Dr. Litauer for this communication and said that the interested officers of the State Department would study it.

I then told Dr. Litauer that there were two matters that I should like to discuss with him which are a source of great concern to the United States Government.

He would recall that the Polish representatives in the negotiations had agreed to the publication in Poland, as well as in the United States, of the notes exchanged at the conclusion of the negotiations. Eight days have now passed since the notes were exchanged and, ac-

<sup>37</sup> Telegram 652, May 6, from Warsaw, summarized the views of the Embassy on this note as follows: "Implications of Polish Govt's note are so broad that unqualified acceptance of Polish Govt's position would in Embassy's opinion stop US Govt from interceding in behalf of American nationals who may also possess Polish nationality and thus nullify some provisions of the Consular Treaty of 1931 as it pertains to rights of Americans while in Poland." (360C.1121/5-646)

<sup>38</sup> See note from the Polish Ambassador dated April 30, p. 440.

ording to our information, these notes have not yet been published in Poland. It is the view of this Government that Poland has not lived up to its commitments and to the conditions established prior to the authorization of the credit to Poland. I asked him to inform his Government of this fact and to request that the notes be published in Poland without delay. Dr. Litauer tried to explain that the non-publication to date may be due to the fact that the texts which were transmitted by cable were delayed in transmission or were so badly garbled that they could not be read upon receipt. He said that the complete text had been forwarded by courier and that the courier had arrived in Warsaw yesterday. He promised to take the matter up with his Government and to inform the Department of the action taken.

Perhaps in anticipation of some such rebuke, Dr. Litauer had prepared an *aide-mémoire*<sup>39</sup> which quotes a portion of the speech of the Polish Prime Minister before the National Council in Warsaw which makes reference to the elections in accordance with the provisions of the Yalta and Potsdam Agreements and which states that the elections will be held in the autumn of this year and the referendum, to take place on June 30, will be an initial step leading to these elections.

The second matter of concern to this Government is the fact that the text of a speech made before the National Council of Poland by the Vice President of the Polish Peasant Party<sup>40</sup> had not been received in this country for publication although American correspondents in Warsaw had attempted to cable the text. It appears that the Polish censorship authorities have suppressed the text of this speech. This is a violation of the commitments which the Polish Government has made on several occasions regarding freedom to be granted to Allied press correspondents. This commitment was made at (1) Potsdam<sup>41</sup> (2) in the assurances given by the Polish Embassy in response to a congressional inquiry made at the time of UNRRA appropriations<sup>42</sup> and (3) a note presented by the Polish Ambassador on April 24, 1946 at the conclusion of the credit negotiations.<sup>43</sup> This failure to observe this commitment is very disturbing to the United States Government and Dr. Litauer was requested to bring this matter to the attention of the Polish Government and to request that permission be given immediately to American correspondents to transmit Banczyk's speech

<sup>39</sup> Dated April 30, p. 440.

<sup>40</sup> Stanislaw Bańczyk. His speech was made on April 26.

<sup>41</sup> See section IX of the Report on the Tripartite Conference of Berlin, August 2, 1945, *Foreign Relations, The Conference of Berlin (The Potsdam Conference) 1945*, vol. II, p. 1508.

<sup>42</sup> See note from the Polish Ambassador to the Secretary of State, March 28, p. 415.

<sup>43</sup> Department of State *Bulletin*, May 5, 1946, p. 762.

to the United States. Dr. Litauer said he thought a large part of Banczyk's speech had already been published in today's *Herald Tribune* in a despatch by Homer Bigart. While it is true that Bigart's article contains a very severe criticism of the methods of the Communist-controlled Provisional Government, it does not quote Banczyk's speech. Occasion was found before Dr. Litauer departed to inform him of this fact and to impress upon him the importance of communicating this Government's views on the subject to Warsaw.

DEAN ACHESON

860C.00/5-446 : Telegram

*The United States Political Adviser for Germany (Murphy) to the Secretary of State*

CONFIDENTIAL

BERLIN, May 4, 1946—10 p. m.  
[Received May 5—12:55 p. m.]

1188. From Lane.<sup>44</sup> Following is substance of my talk with Modzelewski May 4, noon, immediately prior to my departure for Paris by airplane. As this telegram is being dictated in airplane, I regret I am not able to refer to previous telegrams on all subjects discussed.

1. I referred to assurances given by Rajchman and Zoltowski during credit negotiations that we would be furnished with copies of all trade agreements now in effect and of future agreements to which Poland may be a party. I referred specifically to our desire to obtain text of Soviet-Polish agreement of April 15, 1946 (Deptel 369, April 30<sup>45</sup>). Modzelewski said that we would receive copies as promised and added somewhat unpleasantly that Poland always complies with its undertakings. I asked when we would receive agreements. Modzelewski said that it would be necessary for him to confer with Jedrychowski, Minister of Navigation and Foreign Trade. I asked why it would be necessary to consult him in view of promises made by Polish Govt in Washington. Modzelewski said that Jedrychowski has originals of all treaties. I countered that we are not asking for originals but only for copies of agreements and inquired whether FonOff has such copies. Modzelewski said that FonOff had copies [apparent omission] would receive them. As it was evident from conversation that Modzelewski was giving me the usual run-around I said that I would like to be able to inform Secretary Byrnes as to when we would receive such copies. Modzelewski finally said, "next week". In order that there might be no misunderstanding I

<sup>44</sup> Ambassador Lane was en route to Paris to discuss the situation in Poland with the Secretary of State and other Government officials.

<sup>45</sup> Not printed.

asked, "Then I may assure Mr. Byrnes that treaties will be furnished us next week?" Modzelewski replied in the affirmative.

2. I said that Modzelewski's note <sup>46</sup> in reply to our memo of April 19 re date of elections <sup>47</sup> did not refer to our suggestion that pertinent portion of Potsdam Decision re Polish elections [apparent omission]. Modzelewski replied, as in his note, that Osobka-Morawski's speech before KRN covered this. I said that Premier's speech was not as specific as we would have liked. I said that we had presumed that notes recently exchanged in Washington following credit negotiations would have been published before now and would therefore have satisfied the suggestion made in my memo of April 19. I said that conditions agreed upon had not been published in Polish press despite agreement to this effect. Modzelewski said that release to press by Under Secretary Acheson contained observations which had not been previously agreed upon between Lange and Dept. He said that he had no objections to Dept's comments but the fact was that these observations came as a surprise to Lange. He said that Polish Govt had not published text of notes exchanged because it had not yet received them from Lange. I inquired whether Lange had addressed notes on such important matter without authorization of his govt. Modzelewski replied that Lange had been entirely correct in obtaining authorization from his govt which had in fact been confirmed by President Bierut but that actual text of notes had not been received. I expressed failure to understand that Lange would have addressed notes without receiving detailed textual authorization. Modzelewski's comment was, "We will publish them when received."

3. I delivered a first person note, date May 3, copy of which will be transmitted to Dept by despatch. (Deptel 372, April 30, mytel 624, May 1 and Dept's reply to latter message <sup>48</sup>). Modzelewski made surprising statement that there is no censorship of any messages sent by foreign correspondents in Poland. He said that in his opinion some employee in telegraph office in order to make trouble between us and Poland may have failed to transmit press despatches on Banczyk's speech but the fact that speech was published in Polish press (so far as I know only in *Gazeta Ludowa*) there was no reason why Govt would object to transmission abroad. He said that Polish Govt

<sup>46</sup> For text of Acting Foreign Minister Modzelewski's note of April 29, see footnote 21, p. 431.

<sup>47</sup> Ambassador Lane's memorandum to the Polish Foreign Ministry dated April 19 not printed, but see telegram 550, April 19, from Warsaw, p. 429.

<sup>48</sup> None printed; these messages were concerned with the representations Ambassador Lane was to make to the Polish Government requesting that American correspondents be permitted immediately to send Banczyk's speech in full by wire to the United States and that no further obstacles be placed to their reporting freely on all developments in Poland (860C.00/4-2846 and 860C.00/5-146).

wishes to know what our correspondents were sending but that there is no censorship and that messages are being transmitted no later than 15 minutes after receipt at telegraph office. We have evidence of censorship of outgoing telegrams. It is clear that Modzelewski as in preceding paragraph is pretending to evade responsibility for actions committed by subordinate officials who undoubtedly act under orders of their superiors. Larry Allen <sup>49</sup> informs me that his story of May Day parade which was filed May 1, 3 p. m. was not sent, according to notations by telegraph office on his telegram which was received in Prague, until 9 a. m., May 2, thus greatly detracting from news value.

4. I reminded him of promises to furnish me with draft electoral law. He said that proposed law had been so much changed in electoral sub-committee of KRN that original draft had no further importance and would merely mislead us as to scope of final legislation. He promised to furnish us with draft as soon as it is approved and in the meantime would send us copy of law on referendum as passed by KRN.

5. He [I?] said that I had received morning May 4 telegram from Dept authorizing me to protest re practice of Security Police in intimidating Polish members of Embassy staff.<sup>50</sup> I said that employees had been threatened with punishment and in some cases even with death if they did not agree to furnish UB with information re Embassy's activities. I said that in the first place our regulations prohibit us from imparting confidential matters to alien members of staff so that there would be no confidential information which Polish members could give to Secret Police. Secondly, I have no activities in Warsaw which I desire to keep from Polish Govt. I said that I resent that Polish police should adopt scandalous procedure of threatening members of my staff. I said that members of staff felt they could not serve two masters. This attitude does not imply disloyalty to Poland but in view of fact that they are receiving their salaries from US they wish to be loyal to Embassy. I said that I had consulted with several colleagues who had confirmed similar practice employed with respect to their Polish staff. In view of receipt of instructions from my Govt, I desired to protest emphatically and request that procedure be discontinued. Modzelewski asked me to supply names; I said I could not do so as this would undoubtedly endanger the lives of members of my staff. He said he did not wish names of our employees who had been questioned but names of security police who had done the questioning. I said obviously names of police had not been disclosed by the police to our employees and for that reason I

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<sup>49</sup> Correspondent for the Associated Press.

<sup>50</sup> Reference to telegram 389, May 2 to Warsaw; see footnote 29, p. 438.

could not comply with his request. Modzelewski said he would look into the matter but it was obvious from his general discomfiture that he was not able nor willing to make any effective representations to the police authorities.

6. I referred to two incidents which had taken place at airport May 4 on my attempted departure for Paris: (a) Security Police had demanded search my baggage. Military Attaché for Air refused but police still insisted and stated that they wish to ascertain whether I was smuggling gold out of the country. (b) Security Police officer refused to return my passport to me when flight was postponed on ground that I might substitute somebody in my place on the plane. I said that I regarded these two incidents as an insult to me and that I wished to protest re the insolence and hostile attitude of the Secret Police towards me and my Embassy. Modzelewski immediately said there is no argument in the matter, that I was completely right and that if I would furnish him with the names of the offending officers he would take immediate action. Embassy Warsaw is endeavoring to obtain names which it will furnish to Foreign Office as requested.

Sent to Dept as 1188; repeated to Warsaw as 133. [Lane.]

MURPHY

860C.51/5-646: Telegram

*The Secretary of State to the Acting Secretary of State*<sup>51</sup>

SECRET

PARIS, May 6, 1946—10 p. m.

[Received 11:27 p. m.]

2181. For the Acting Secretary from Secretary. I have received a verbal report this afternoon from Lane regarding his conversation with Polish Acting Foreign Minister May 4, and regarding Poland's having failed to live up to conditions agreed to in exchange of notes relative to the extension of a total credit of 90 million dollars. I have informed Lane that I support his recommendation that no further negotiations be had with Poland about surplus property until conditions agreed upon in Eximbank credit contract have been met by Poland. Lane tells me that Modzelewski promised him May 4 to furnish us during the present week with copies of Poland's economic treaties. We should insist that this promise be fulfilled.

Lane also informs me that up to May 4 Polish Government had not published text of notes exchanged in Washington as had been agreed upon. He reports that Modzelewski was evasive regarding date of publication and indicated that text of notes, although authorized by Polish Government, had not yet been received from Ambassador

<sup>51</sup> Messages to and from the Secretary of State at the meeting of the Council of Foreign Ministers in Paris were transmitted via the Embassy in Paris.

Lange. If the Polish Government does not comply with provisions agreed upon, I would consider withholding credit negotiated within Eximbank.

According to information which Lane has obtained from OFLC,<sup>52</sup> total of approximately \$3,700,000. has been delivered to Poles from surplus supplies and further delivery of material totalling \$10,115,297.11 has been authorized for delivery. Lane says that he was assured by General Pritchard that delivery of this last-mentioned property can be stopped if Department will so instruct OFLC. Will you please arrange for the issuance of such instructions?

Will you kindly inform Ambassador Lange of foregoing and also instruct Embassy in Warsaw to advise appropriate Polish authorities.

[BYRNES]

860C.24/5-846

*Memorandum of Conversation, by the Acting Secretary of State*

SECRET

[WASHINGTON,] May 8, 1946.

**Participants:** Dr. Litauer, Counselor of the Polish Embassy  
Mr. Acheson—U  
Mr. Elbrick—EE

Dr. Litauer called this afternoon at my request. I told him that the United States Government has seen fit to send instructions to the Foreign Liquidation Commission's representatives abroad to the effect that all further deliveries of surplus war materials to Poland are to be suspended immediately. I told him that this was due to the fact that the Polish Government had failed, in our view, to carry out commitments made at the time of the recent credit negotiations. I referred specifically to the failure of the Polish Government to publish the text of the notes exchanged at that time; the failure of the Polish Government to permit the transmission of a press message reporting a speech recently made to the National Council by the Vice-President of the Polish Peasant Party; and the continued delay in furnishing to this Government the texts of the various trade agreements which Poland had entered into with other countries. I told him that this Government was distressed and baffled at the failure of the Polish Government to live up to these commitments, and I emphasized again that the suspension of surplus property deliveries is due entirely to this fact.

Dr. Litauer said that he feared that the text of the notes as transmitted by cable from here had not been received by the Polish Foreign Office and that the courier carrying the text from Washington had

<sup>52</sup> Office of Foreign Liquidation Commissioner; agency concerned with the disposal of surplus property.



just arrived in Warsaw today. He had previously informed us that the courier had arrived on May 2. As for the speech by the Vice-President of the Polish Peasant Party, he insisted that there was no censorship in Poland and said that the Embassy had received a telegram from Warsaw stating that Zebrowski of the Political Department of the Foreign Office had recently informed Mr. Keith, Counselor of the American Embassy, to that effect. Dr. Litauer was reminded that the Associated Press correspondent had filed the speech at the telegraph office in Warsaw and had been informed by the censorship that it could not be transmitted.

Dr. Litauer wished to know whether it had been a condition in connection with the credit negotiations that the texts of the Polish trade treaties be made available at any given time. He was told that there was no time element involved other than the fact that Dr. Rajchman, who represented the Polish Government in the credit negotiations, had assured officers of the State Department as long ago as January 7, that these treaties would be made available. It appeared therefore that the Polish Government has had sufficient time to accomplish this.

In conclusion I told Dr. Litauer that I hoped that the Polish Government would fulfill the commitments in question without delay. Dr. Litauer said he would report this to his Government and again make appropriate inquiry as to the circumstances surrounding the failure of the Government to carry out these commitments.

DEAN ACHESON

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740.00119 Council/5-1546: Telegram

*The Acting Secretary of State to the Secretary of State, at Paris*

SECRET

WASHINGTON, May 15, 1946—8 p. m.

US URGENT

2357. For Secy and Ambassador Lane. Polish Counselor Litauer and Financial Counselor Zoltowski this afternoon requested that suspension of surplus property deliveries be lifted in view of fact credit notes were published Sun in Warsaw press<sup>53</sup> (See Warsaw's 117 May 12 to Paris<sup>54</sup>) and Banczyk speech dispatch was received May 12 by AP. I informed Litauer Dept is investigating reasons for delay in transmission of Banczyk speech and report on this subject is expected

<sup>53</sup> Acting Secretary of State Acheson's memorandum of his conversation with Litauer and Zoltowski, May 15, 1946, not printed (860C.51/5-1546). Litauer presented the Acting Secretary with an *aide-mémoire*, dated May 15, which purported to explain the delay in the publication in Poland of the notes of April 24 (860C.51/5-1546).

<sup>54</sup> Telegram 678, May 12, from Warsaw, repeated to Paris as 117, not printed; it reported on stories appearing in principal Warsaw newspapers on May 12 regarding the conditions of the American credit to Poland (860C.51/5-1246).

from Warsaw Emb. I reminded him that texts of Poland's trade treaties had not yet been received and stated this Gov is at loss to understand reasons for PolGov's delay in making texts available.

Litauer claims furnishing of texts was not precondition of credit authorization and argued that PolGov in accordance with promises would fulfill all commitments. He cited publication of credit notes as example. He said until USGov lifted suspension of surplus property credit he felt PolGov would not be inclined to furnish texts.

In view of rapidly deteriorating political conditions in Poland according to press reports from Warsaw and Moscow today re arrest of Mikolajczyk party leaders question arises as to advisability of lifting suspension of credits before Poles have fulfilled all commitments. Meanwhile Warsaw is instructed to inquire what arrangements Pol ForOff is making to provide treaty texts and to report promptly to Dept and Paris.

Since Litauer pressed to have suspension lifted immediately and asked for reply as soon as possible I would appreciate receiving your recommendations.<sup>55</sup>

Repeated to Warsaw.

**ACHESON**

860C.51/5-1746: Telegram

*The Secretary of State to the Acting Secretary of State*

SECRET

PARIS, May 17, 1946—11 a. m.  
[Received May 17—6: 53 a. m.]

2409. For Acting Secretary from Secretary. I have instructed Lane shortly after his return to Warsaw to inform President Bierut as well as other appropriate Polish officials that our decision regarding the furnishing or withholding of materials under the credits arranged in April in Washington through exchange of notes will be based on reports to the Dept from the Embassy in Warsaw. I wish Lane to say to Bierut that in accordance with the Yalta decision the American Ambassador has an obligation to report to his Govt on conditions in Poland in connection with forthcoming elections and that this Govt is much disturbed by Lane's reports which indicate lack of freedom of the press and acts of repression, including arrests coming after the formal assurances given by the Polish Govt.

I have asked Lane also to inform President Bierut with the utmost frankness that I deeply regret the attitude which Polish Govt officials

<sup>55</sup> In telegram 2400, May 17, from Paris, the Secretary of State replied as follows: "Until Embassy Warsaw reports that all conditions which were agreed upon during credit negotiations in Washington have been met by Pol Prov Govt we should not release material which was to have been furnished under credits. Please so inform Polish Emb." (860C.51/5-1746)

have assumed in their conversation with him and with Keith, indicating that our action in withholding materials which were to have been delivered under credits is not understood. This Govt's action was due to the Polish Govt not having fulfilled its part of the transaction, i.e. publication of the notes exchanged in Washington, furnishing us with texts of trade treaties to which Poland is a party, and permitting foreign correspondents to report freely on conditions in Poland. Since our action was announced to the press, first named condition has been met by Polish Govt in publishing texts of notes. Treaty texts have not been furnished us despite assurance by Modzelewski to Lane on May 4 that we would receive them following week (beginning May 5). As to third condition, our information indicates that censorship of outgoing press despatches is still in effect.<sup>56</sup>

[BYRNES]

860C.00/5-2046

*Memorandum of Conversation, by the Acting Secretary of State*

[WASHINGTON,] May 20, 1946.

Participants: Mr. John Balfour, Minister Counselor of the British Embassy;  
 Mr. Dean Acheson, Under Secretary of State;  
 Mr. C. Burke Elbrick, Assistant Chief, Division of Eastern European Affairs.

Mr. Balfour said he wish[ed] to inform the Department that he had been authorized to state that there is no truth in the news report that had appeared in the American press on May 15 to the effect that Great Britain was prepared to break off relations with the Polish Government. He had been informed that no officer in the British Foreign Office (to which the report had been attributed) had made any such statement.

Mr. Balfour said that the Embassy had again been directed by the British Foreign Office to consult the State Department on the subject of possible parallel representations to the Polish Government regarding the disturbing political situation in that country. He called attention to the various points raised in a memorandum dated May 20 which he left with me. (Copy attached.<sup>57</sup>)

<sup>56</sup> According to his account in *I Saw Poland Betrayed*, p. 239, Ambassador Lane made three attempts to see President Bierut in pursuance of the Secretary's instructions, but the Polish President declined to receive the American Ambassador.

<sup>57</sup> *Infra*.

In discussing the fifth paragraph of the memorandum in which attention is called to the possible ejection of Vice Prime Minister Mikolajczyk and the representatives of the Peasant Party from the Provisional Government, it was pointed out to Mr. Balfour that any representations which we might make to the Polish Government based upon the assumption or the possibility that Mikolajczyk would be eliminated from the Cabinet might have undesirable repercussions and, in openly linking Mikolajczyk with the American and British Governments, would expose him to further attack by the Provisional Government. Mr. Balfour agreed that such a move might be inadvisable. He said, however, that he felt some action should be taken to impress upon the Polish Government the importance which the British and American Governments attach to the holding of "free and unfettered" elections and to the maintenance of the composition of the Provisional Government as decided upon at Moscow until such elections are held.

In discussing the sixth paragraph of the attached memorandum, Mr. Balfour inquired concerning our reasons for suspending deliveries of surplus property to Poland under a recent credit authorization. He said that it appeared to him that the suspension affected only the surplus property credit of \$50,000,000 and not the Export-Import Bank of \$40,000,000. He was informed that while it is true that the only positive action that has been taken concerned the suspension of surplus property deliveries, the contract between the Polish Government and the Export-Import Bank had not yet been signed and the credit authorization provided by the exchange of notes on April 24, 1946 had, therefore, not been implemented. Mr. Balfour was also informed that the State Department has no intention of lifting the credit suspension until the Polish Government has complied with all the conditions previously cited by the Department. These include not only the matter of censorship of an AP press news despatch reporting an important political speech in Poland, but also the furnishing to us of texts of Poland's trade agreements with other countries. The matter of censorship has not yet been clarified satisfactorily, although there is some doubt as to the reason for the failure of the message to come through. None of the treaty texts has yet been furnished to this Government. Mr. Balfour was also informed that this Government does not intend to go through with the credit deal until and unless it is satisfied that Poland will carry out the economic and political commitments made at the time the credit was authorized.

DEAN ACHESON

860C.00/5-2046

*The British Embassy to the Department of State*

## MEMORANDUM

Ref: 1212/-/46

The Foreign Office have asked His Majesty's Embassy to speak again to the State Department with a view to concerting United States representations to the Polish Provisional Government regarding the political situation in that country between now and the time when the promised elections are held sometime in the latter part of this year.

2. His Majesty's Government believe that as much as 95% of the Poles in Poland are anti-Communist in sentiment. Moreover, in Poland, unlike the Balkan countries, the opposition to the Communist-dominated Government in power is active and well led. It should therefore be the aim of His Majesty's Government and the United States Government to take any steps open to them to prevent the Opposition being deprived of freedom of association and expression, and to ensure that the elections are not rigged when the time comes or the Opposition prevented from going to the polls.

3. To this end His Majesty's Government suggest that the two Governments should now make joint representations in Warsaw on the following lines which were suggested in this Embassy's memorandum of the 12th April: the two Governments should continue to insist that an actual date be named for the elections and that the draft of an electoral law conforming to the principles of the 1921 Constitution be communicated to them. They should express their concern lest the conditions for free and unfettered elections may be prejudiced in advance by the actions of the Polish authorities and Security Police, and should demand the cessation of all forms of activity (such as arrests, censorship, raids on Party offices, interference with meetings, etc.) calculated to hamper the freedom of any of the recognized democratic political parties in putting forward their own candidates and programmes.

4. At the same time the two Governments should enquire why M. Witos has not been replaced on the Praesidium and why M. Kapeinski was eliminated from the Government. They should make it clear that, until the elections have taken place, they mean to insist upon the full observance of the Moscow Agreement as the result of which recognition was granted to the present Polish Provisional Government.

5. There is also the further consideration of the possible ejection of M. Mikolajczyk and the representatives of the Peasant Party from

the Provisional Government. His Majesty's Government propose that it should be made clear to the Polish Government that the expulsion of M. Mikolajczyk and his supporters and the dissolution of the Peasant Party would be regarded as a breach of the international obligations which the Polish Provisional Government have undertaken. It might be added that the continued presence abroad of the bulk of the Polish armed forces and civilian refugees, which is alleged to be the cause of international friction, is in the view of His Majesty's Government and the United States Government directly attributable to the failure in the past of the Polish Provisional Government to live up to the spirit of its obligations.

6. As regards the means of bringing pressure to bear in support of the foregoing representations: It is clear that the United States Government are in a stronger position than His Majesty's Government. His Majesty's Government hope that the United States Government are prepared to make the full implementation of their credit agreement dependent upon satisfactory behaviour by the Polish Provisional Government and to make it plain to the Polish Provisional Government that they may expect no help or sympathy unless the joint requirements of the United States Government and His Majesty's Government are satisfied.

WASHINGTON, May 20, 1946.

860C.51/5-2146

*Memorandum by the Assistant Chief of the Division of Eastern European Affairs (Elbrick) to the Director of the Office of European Affairs (Matthews)*

[WASHINGTON,] May 21, 1946.

MR. MATTHEWS: In accordance with the Secretary's instructions from Paris (Paris' telegram 2400 of May 17<sup>58</sup>) deliveries of surplus property to Poland are still suspended, and the contract with the Export-Import Bank for a \$40,000,000 credit for locomotives and coal cars has not been signed.

The notes exchanged at the time of the credit authorization were published on May 12 in Poland and accordingly one of the conditions cited in connection with the suspension of surplus property deliveries has now been met by the Poles. The question of censorship involving the transmission of a press despatch quoting Banczyk's speech has not been completely clarified; the Poles, however, claim they have proof that this message was not stopped by the Polish censorship. The texts of Poland's trade agreements have not yet been forthcoming, and it

<sup>58</sup> See footnote 55, p. 451.

appears from Warsaw's 723 of May 18<sup>59</sup> that Vice Minister of Foreign Affairs, Modzelewski, is again attempting to evade the issue. He has informed our Chargé d'Affaires at Warsaw that certain information contained in these treaties or their accompaniments may be seen by a member of the Embassy staff but may not be copied. He has also indicated that certain information can not be shown to the Embassy, because it is considered to be secret. While the opinion of all interested Divisions of the Department has not yet been obtained, it appears obvious that the information which Modzelewski says the Polish Government is prepared to give us will be unsatisfactory. Accordingly, the question arises as to whether we should continue to suspend surplus property deliveries indefinitely pending a change in this attitude of the Polish Government.

The question likewise arises, in view of the disturbing political situation in Poland, whether it might be desirable to continue to withhold the Export-Import credit and the surplus property credit even though the Polish Government may decide to comply with the third condition cited above in the near future. The political situation is deteriorating rapidly according to press reports and to reports from our Embassy at Warsaw. Apparently the Security Police are carrying out repressive measures against the Polish Peasant Party (Mikolajczyk) leaders. The aim of the Government in the opinion of our Embassy is to destroy if possible Mikolajczyk's prestige and that of his followers by branding them as "Fascists" and linking them with the so-called "terroristic underground". These repressive activities would naturally prevent the holding of "free and unfettered elections" in accordance with the Yalta and Potsdam decisions and in accordance with the reaffirmation of the Polish Government to hold such elections, as expressed in Ambassador Lange's note of April 24 at the time the credit notes were exchanged.

C. BURKE ELBRICK

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860C.51/5-2346

*Memorandum of Conversation, by the Acting Secretary of State*

SECRET

[WASHINGTON,] May 23, 1946.

Participants: Dr. Stefan Litauer, Counselor of the Polish Embassy; Mr. Janusz Zoltowski, Financial Counselor of the Polish Embassy; Mr. Dean Acheson, Under Secretary of State; Mr. C. Burke Elbrick, Assistant Chief, Division of Eastern European Affairs.

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<sup>59</sup> Not printed.

Dr. Litauer and Mr. Zoltowski called to inquire concerning developments with regard to the recent suspension of surplus property deliveries to Poland.

I informed Dr. Litauer that in view of the fact that the notes exchanged at the time of the authorization of the credits to Poland had been published in Warsaw, and that the censorship matter seems to have been disposed of, there remained only one condition which we expected the Polish Government to fulfill, namely the furnishing of the texts of Poland's trade agreements. I said that with regard to this point, we seemed to be retrogressing in as much as the Polish Foreign Office had informed our Embassy at Warsaw that certain treaties or parts of treaties would be furnished to us but that others, and particularly those parts concerning prices and quantities of commodities could not be made available. I said that this Government would be willing to lift the suspension of surplus property deliveries upon the receipt of satisfactory assurances from the Polish Government that all of the treaties now in force, including information concerning prices and quantities, would be furnished to us. Upon the receipt of these treaties, this Government will then proceed with the signing of the contract for the Export-Import Bank credit of \$40,000,000.

Mr. Zoltowski, in reply to my inquiry, admitted that it had been agreed during the credit negotiations that Poland would make available to the United States all texts of trade treaties still in force, and he agreed that without information concerning prices and quantities such treaty texts would not be of great value to this Government.

Both Dr. Litauer and Mr. Zoltowski thanked me for this effort to solve a difficult situation. I expressed the hope at least twice during the interview that no further obstacles would be placed in the way of execution of the credit conditions. I made it clear that any further failure—at present unforeseen—to live up to the conditions would cause this Government to reconsider its position with regard to credits to Poland.

In departing Dr. Litauer said that he would communicate our views to the Polish Foreign Office.

DEAN ACHESON

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860C.51/6-1446 : Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

RESTRICTED

WARSAW, June 14, 1946—9 a. m.  
[Received June 21—12:07 p. m.]

888. Rajchman called on me evening June 12. He said he wished discuss our "unprecedented" action in suspending credits. In answer



to my argument that not credits but merely deliveries had been suspended pending satisfactory fulfilment of conditions agreed upon in Washington, Rajchman was adamant that even the law firm of Covington Burling and Rublee had expressed desire to defend Polish point of view on ground that US Govt had defaulted on its agreement.

I told Rajchman that I had asked for audience with President Bierut 2 weeks ago and that as my instructions from Secretary Byrnes required my seeing the President, I did not believe it to be correct to discuss the situation beforehand with others in the Polish Govt. I said, however, that I would naturally be glad to discuss the situation in front of any persons whom President Bierut might have present at interview.

Rajchman said he thought it would be advisable for me first to discuss general situation with Modzelewski who would be familiar with various details and who would naturally be person to inform President. I repeated that I would be glad to discuss matter in presence of Modzelewski but that I insisted on seeing President. I said that I very much regretted delay in fixing appointment with President.

Rajchman said that our action in suspending (*sic*) credits had created very unfavorable effect in PSL and that Mikolajczyk was very antagonistic towards us as result. He said that our action had united public opinion and that all parties of Poland are now in agreement because of anti-American feeling. I said (with my tongue in my cheek) that I was delighted that we had been responsible for bringing political unity to Poland as this was one of basic policies of our Govt. I did not say to Rajchman, whose lack of reliability should now be clear to Dept, that Mikolajczyk had spoken in contrary sense with Keith in May and with me on June 11. Furthermore communiqué issued by Catholic Bishops at Czestochowa reported in mytel 875, June 12,<sup>60</sup> indicates very contrary attitude on part of Polish people.

In reply to my complaint that Polish Govt had not furnished us with copies of texts of economic and financial treaties to which Poland is a party, Rajchman said that even though oral assurances may have been given in Washington by Polish representative on this subject I should know as a person with long diplomatic career that only written assurances are binding.

Rajchman said that he found as a result of our action in suspending (*sic*) credits that American people which had originally been hostile towards present Polish Govt was now taking attitude favorable thereto and in opposition Dept. I said that once facts were known about conditions in Poland, American people would fully understand position of US Govt and that I am in no way worried re reaction of

<sup>60</sup> Not printed.

American public. I felt it necessary to express this point of view because of Rajchman's intimidating attitude.

I think that foregoing should be sufficiently clear as to attitude of Polish Govt as to require no comment on my part.

Sent Dept as 888, repeated Paris for Secretary Byrnes as 171, to London as 135, copy to Moscow via pouch.

LANE

860C.51/6-1446: Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

RESTRICTED

WARSAW, June 14, 1946—6 p. m.

MOST IMMEDIATE

[Received June 17—1: 12 p. m.]

897. June 13 at British Embassy reception, Osubka-Morawski made reference to suspension of credit during my stay in Paris. I said I had instructions from Secretary to see President Bierut but that up to now Bierut did not receive me. Osubka said that I should come to see Osubka as head of the Govt rather than Bierut who is head of Legislative branch of Govt. I said that I would have no objection to calling on Osubka but as Ambassador I felt I was privileged to report on matters of high policy to head of the country to whom I had presented my credentials especially if so instructed by Secretary of State.

Osubka received me today in company with Modzelewski. After my having explained situation re suspension of deliveries under \$50,000,000 credit for OFLC material, Osubka asked two direct questions (1) whether US Govt was disposed in principle to give financial assistance to Poland and (2) what conditions were attached thereto.

I said that so much time had elapsed since seeing the Secretary in Paris I could not speak for him without receiving new instructions but that I was confident on the basis of my talks with Mr. Byrnes in Paris that deliveries under the credit would be granted provided Polish Govt lived up to conditions on which agreement had been reached and that condition outstanding was furnishing us with copies of texts of economic treaties to which Poland is a party. Prime Minister promised that commercial treaties to which Poland is a party will be published within 8 days. He said that these treaties, however, do not contain price and amounts of material to be delivered to other countries, information in which he understands we are especially interested. Not as an obligation but as a mark of friendship Polish Govt will be glad to furnish us this information in confidence.

Osubka said that our action in suspending credit was a great blow to Polish pride especially when such matters as non-transmission of Allen's despatch on Banczyk's speech was brought into the matter. He expressed hope that in future financial matters would be treated

independently of other matters. I reminded him that there had been strong expressions of opinion in Congress re insistence of freedom of speech and liberty to report on conditions on the part of American correspondents and that this feeling was general and did not apply solely to Poland.

If Dept feels that publication of texts of economic treaties and furnishing us with information re prices and materials meet our conditions re extension of credits I assume that we would have no further justification for withholding delivery of materials under OFLC credit.

In that case will Dept please instruct me so that I may advise Premier.

My comments on attitude of Osobka will follow in subsequent message.

Sent to Dept as 897, repeated to Paris for the Secretary as 174.

LANE

860C.00/6-1546 : Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

SECRET  
PRIORITY

WARSAW, June 15, 1946—9 a.m.  
[Received June 17—1:35 p. m.]

898. In addition to question of credits I mentioned to Osobka Morawski July 14 [*June 13?*] our inability to interview claimants to American citizenship who had been arrested despite many requests to do so. I referred to our rights under treaty of 1931. After conferring with Modzelewski, Osobka said that we would be given permission to interview claimants provided we made request in each specific case. He said that this procedure had now been agreed upon with Ministry of Security. He said he had been very much concerned with general downward trend of relations with US and expressed hope that we would not transmit to Washington only information obtained from enemies of Polish Govt who desired to make trouble between two countries. I said we transmitted information from as many sources as possible but that in my opinion most serious situation was regarding arrests of Americans and threatening by Security Police of members of Embassy staff in order to obtain information. Osobka said that he would be glad personally to look into all complaints and asked me to maintain frequent touch with him and not necessarily through FonOff.

Osobka's willing initiative may, I think, be interpreted in two ways (1) it is an attempt to emphasize importance of himself and Polish Socialist Party which appears to have been elated by Moscow conversations.<sup>61</sup> (2) Polish Govt may have become so alarmed over increas-

<sup>61</sup> A Polish Government delegation headed by President Bierut, Prime Minister Osóbka-Morawski, and Minister of Defense Rola-Zymierski visited Moscow be-

ing antipathy in US as result of terroristic measures that Government decided to bypass [garble] in FonOff who have shown studied hostility towards US.

In any event, conciliatory attitude and apparent desire to placate US are a satisfactory development and indicate wisdom of our adopting strong stand whenever Polish Govt does not live up to commitments. I sincerely trust that Polish Govt will now carry out its promise to publish texts of economic treaties. I am not sanguine, however, in light of activities of Security Police throughout Poland that we may see any improvement in treatment of American citizens at hand of police as I seriously doubt whether Osobka has any power in this direction.

Sent Dept 898, repeated Paris for Secretary as 175.

LANE.

124.60C/6-446 : Telegram

*The Acting Secretary of State to the Ambassador in Poland (Lane)*

SECRET

WASHINGTON, June 20, 1946—11 p. m.

US URGENT

557. In response to suggestion outlined urtel 821 June 4<sup>62</sup> you are authorized to present note to FonOff along following lines:

“US Gov is greatly disturbed by reports from Am Emb at Warsaw that Pol employees of Emb are being subjected to intimidation by Pol Security Police for purpose of obtaining info re Emb activities. It appears that these employees have been threatened if they refused to agree to furnish such info to Police. Pol Gov will certainly agree that this regrettable practice is highly improper and is inadmissible in conduct of relations between friendly states.

US Gov has felt that continuation of such reprehensible activities could not fail to have detrimental effect on relations between two countries and accordingly matter was brought orally to attention of Vice Minister Modzelewski on May 4. It was pointed out at that time that Emb carried on no activities which it desired to keep from Pol Gov. Unfortunately Security Police activities referred to have continued despite these representations. US Gov must register vigorous objection to this practice and requests that Pol Gov take appropriate steps to cause its discontinuance.”<sup>63</sup>

tween May 23 and 25, 1946, for conferences with Iosif Vissarionovich Stalin, Chairman of the Council of Ministers of the Soviet Union, and with Foreign Minister Molotov. The conferences apparently dealt with financial and trade relations between Poland and the U.S.S.R., as well as a wide range of other topics.

<sup>62</sup> Not printed; it reported that the Polish Security Police were continuing to intimidate members of the Embassy staff in an effort to obtain information on Embassy activities and suggested substance of a first-person note of protest to be presented to the Polish Foreign Office (124.60C/6-446).

<sup>63</sup> Telegram 964, June 26, from Warsaw, reported delivery of the note quoted herein (124.60C/8-2646). For Ambassador Lane's account of his meeting with the Director of the Political Department of the Polish Foreign Ministry on the occasion of the delivery of this note, see Lane, *I Saw Poland Betrayed*, p. 200.

Dept desires that no publicity be given to these representations at this time but you should report promptly any instances of pressure on the Pol staff subsequent to presentation of your note.

ACHESON

860C.51/6-2146 : Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

SECRET

WARSAW, June 21, 1946—1 p. m.

MOST IMMEDIATE

[Received 4:10 p. m.]

930. In reply to Dept's 547, June 19, 2 p. m.,<sup>64</sup> I agree with Dept that assurances given to me by Premier Osóbka Morawski justify us in renewing delivery of materials under 50 million dollar OFLC credit. If therefore, I am so authorized by Secretary I shall inform Polish Govt that deliveries are to be renewed.

In the event that assurances given to me by Osóbka are not carried out re publication of treaty texts and furnishing us with information re quantities and prices we can always again suspend further deliveries.

In order that our action in renewing deliveries may not be used as political capital immediately prior to holding of referendum on June 30 I suggest that provided Polish Govt has fulfilled Osóbka's promises Dept issue press statement re action taken on the afternoon of Saturday June 29. We feel that it is important that any press announcement should not be made subsequent to referendum so as to avoid impression being created that our action is due to our satisfaction with procedure employed and with result of referendum.<sup>65</sup>

Sent Dept as 930; repeated Paris for Secretary as 179.

[LANE]

760C.00/6-2146

*Memorandum of Conversation, by the Chief of the Division of Eastern European Affairs (Thompson)*

[WASHINGTON,] June 21, 1946.

Participants: Polish Ambassador, Dr. Oskar Lange  
Acting Secretary of State, Mr. Dean Acheson  
(Present—Mr. Llewellyn E. Thompson, Chief, Division of Eastern European Affairs)

The Ambassador said that he was returning to Poland next week and had called to say goodbye. He said one of the chief purposes of

<sup>64</sup> Not printed.

<sup>65</sup> Telegram 3053, Delsec 607, June 22, from the Secretary of State at Paris, authorized Ambassador Lane to inform the Polish Government that the deliveries of surplus property would be resumed (860C.51/6-2246). For text of the Department's announcement of June 26, regarding the resumption of these deliveries, see Department of State *Bulletin*, July 7, 1946, p. 33.

his trip was to settle the matter of the Ambassadorship and Polish representation at UNO. He emphasized that no decision had yet been taken but that he thought it was likely that he would be named as the Polish representative to the United Nations and that a new Ambassador would be appointed.<sup>66</sup> The Acting Secretary said that we would be very sorry to lose the Ambassador but he recognized the difficulty of carrying on both functions, and the importance of representation at the United Nations.

The Ambassador said that there would be other serious matters to discuss as he felt that Polish affairs were approaching a crisis for two reasons—the first political, the second economic.

With respect to the political situation, he said that the conception of the present Polish Government of National Unity had been premised upon unity of the Big Three with respect to Poland and that it had not been expected that the Polish Government would be faced with difficult and delicate choices.

With respect to the economic situation, the Ambassador said that he had always felt that, economically, Poland should be tied with the west for the reason that this was Poland's natural market and that it could supply the commodities that Poland needed. With the exception of a temporary need for coal, the Soviet Union did not need Polish products and was not in a position to supply Poland's needs except for a few items. He felt, however, that as a result of the recent visit of the Polish delegation to Moscow Poland was tending to become economically linked with the Soviet Union. The Ambassador said that he had no official details of the recent Moscow negotiations but that from what he could gather from Polish press reports and from an assistant who had recently arrived from Warsaw, agreement had been reached on the following points:

(1) The Soviet Union had agreed as an emergency measure to supply wheat to Poland. The Ambassador said he did not know what amount was involved.

<sup>66</sup> Telegram 1116, July 19, from Warsaw, reported that Lange had stated that it had not been decided whether he would return to the United States as Ambassador or UN Delegate. "He explained that while he would be pleased to be the delegate, he had informed the government that he could not accept the position unless a decision was taken prior to his appointment to the effect that Polish policy would be independent and based solely on Polish interest. He added that he had not been satisfied with the role he had to play as UN delegate heretofore and while Poland would maintain most friendly relations with Soviet Union, he could not agree to being the delegate if Polish policy blindly followed that of Soviet Union." (701.60C11/7-1946) According to a memorandum by Acting Secretary of State Acheson dated August 22, 1946, Ambassador Lange called on the Acting Secretary on the occasion of his return from Poland and stated that pending the appointment of a new Polish Ambassador to the United States he would continue to serve as Ambassador as well as representing Poland at the United Nations (860C.00/8-2246).

(2) The Soviet Union had agreed to forgive the Polish debt to the Soviet Union for the arming of the Polish military forces. He mentioned that this included General Sikorski's<sup>67</sup> as well as General Berling's<sup>68</sup> army.

(3) The Soviet Union had agreed to assist in rearming the Polish army.

(4) The Soviet Union had agreed to supply to Poland as a gift sufficient gold to replace the gold reclaimed by Great Britain in the settlement with Poland. The Ambassador thought that the amount was £3,000,000.

(5) The Soviet Union had agreed to supply Poland with foreign exchange to cover purchases abroad for the reconstruction of Poland. The Ambassador was not aware of the amount involved.

The Ambassador said that the first question he would be asked by the Polish Government, as well as by individual Poles, would be to what extent the United States was prepared to assist in the reconstruction of Poland. The Acting Secretary said, with respect to the political situation, that this Government, of course, had hoped that the three powers which had agreed at Yalta would carry out that agreement and that we would all work together in the reconstruction of Poland and the other countries of eastern Europe that had suffered so greatly. He added that we still felt this should be done and that we saw no reason why it could not be accomplished. With respect to the economic situation, he pointed out that Ambassador Lane had within the last few days had a conversation with the Polish Foreign Office concerning the removal of the difficulties in the way of the implementation of the United States credit. With respect to a long-range program of economic assistance, he pointed out that our interest was well known and that the Ambassador would be able to explain the situation in this country, which had a large Polish population that followed these matters with intense interest, and the importance of public opinion in this country in relation to this matter.

The Ambassador said that with respect to the Polish community in this country his Embassy had followed a policy of having no policy toward these Poles and had only discussed with them relief questions and similar matters. He said he felt that this attitude had borne fruit and that the attitude of Polish-Americans had been evolving favorably toward the Polish Government. He felt, however, that the visit of General Bor-Komorowski had had an unfavorable effect, both on Poles in this country and on the Polish Government.<sup>69</sup> He felt

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<sup>67</sup> Gen. Władysław Sikorski, Prime Minister of the Polish Government in Exile and Commander in Chief of Polish Armed Forces, 1939-1943.

<sup>68</sup> Lt. Gen. Zygmunt Berling, Commanding General of the First Polish Army in the Soviet Union which participated in the liberation of Poland in 1944 and 1945.

<sup>69</sup> Gen. Tadeuz Bor-Komorowski, Commander of the Polish Home Army until his capture by the Germans in October 1944; following his liberation from prison.

that General Bor's reception by General Eisenhower <sup>70</sup> had been particularly unfortunate and that he had even had serious inquiries as to whether General Bor was to lead an army of Polish *émigrés* in a war against the Soviet Union. He said he had also heard that an invitation had been issued by a Polish group in this country to Arciszewski <sup>71</sup> to visit the United States.

The Acting Secretary said that the Ambassador would be able to explain that the visit of General Bor had had no political significance so far as the United States Government was concerned and he pointed out that he had personally been responsible for the decision to issue a visa to General Bor. He said that the application had been presented to him with another application of a Communist member of the Spanish government-in-exile and he had decided that there was no valid reason why both visas should not be granted. He pointed out that the visas had been granted to them as individuals and that it was unfortunate that the fact that General Bor had been received by General Eisenhower had been interpreted outside this country as an indication that the visit had any official significance.

The Ambassador said he thought it was also unfortunate that the press in this country constantly referred to only one Polish political party, namely the Polish Peasant Party, and said he thought this was misunderstood both in Warsaw and in Moscow. The Acting Secretary said that it was natural that the press in this country which probably knew little about Polish internal politics should refer to this party, which was an important one, and whose leader, Mr. Mikolajczyk, had visited this country and was well known. He hoped that the Ambassador would be able to explain these matters to his

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in May 1945, he assumed the post of Commander in Chief of the Polish Armed Forces (of the Polish Government in Exile in London). During May and June 1946, Bor-Komorowski visited the United States as a guest of the Polish-American Congress and had occasion to meet with various American dignitaries including members of Congress, governors of states, and mayors of cities. In visits to the Department of State on April 29 and again on June 5, the Minister Counselor of the Polish Embassy, Stefan Litauer, protested Bor-Komorowski's visit to the United States and emphasized the unfortunate effect that the visit would have in Poland. On both occasions, officers of the Division of Eastern European Affairs reminded Litauer that freedom of expression was a fundamental tenet of the American form of Government and the fact that Bor-Komorowski had spoken against the Polish Provisional Government was not sufficient to exclude him from the United States. (Memoranda of April 29 and June 5, 1946, 860C-01/4-2946 and 711.60C/6-546, respectively). On June 19, the Polish Foreign Ministry handed Ambassador Lane a note characterizing the friendly reception given to General Bor-Komorowski as an unfriendly act towards the Polish Provisional Government (711.60C/6-2146).

<sup>70</sup> During his visit to Washington, on June 12, 1946, General Bor-Komorowski was received, in the company of members of the United States Congress, by General of the Army Dwight D. Eisenhower, Chief of Staff of the United States Army.

<sup>71</sup> Tomasz Arciszewski, Prime Minister of the Polish Government in Exile in London, November 1944 to 1947.



Government and he would look forward upon his return to more of these interesting talks with him.

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860C.51/6-2546

*Memorandum of Conversation, by the Chief of the Division of Eastern European Affairs (Thompson)*

[WASHINGTON,] June 25, 1946.

**Participants:** Dr. Stefan Litauer, Minister Counselor of the Polish Embassy;  
Mr. Janusz Zoltowski, Financial Counselor of the Polish Embassy;  
Mr. L. E. Thompson, Chief, Division of Eastern European Affairs; and  
Mr. C. Burke Elbrick, Assistant Chief, Division of Eastern European Affairs.

Dr. Litauer and Mr. Zoltowski called at the Department at my request and were informed that this Government considered the assurances given to Ambassador Lane by Prime Minister Osobka-Morawski on June 14, regarding the furnishing of Poland's treaty texts, to be satisfactory.<sup>72</sup> Accordingly, the Department is authorizing the resumption of deliveries of surplus property to Poland, and Ambassador Lane has been instructed to inform the Polish Government. The hope was expressed to the Polish Representatives that the information promised by Prime Minister Osobka-Morawski, including confidential information regarding quantities and prices, would be made available shortly.

In reply to their question, Dr. Litauer and Mr. Zoltowski were informed that this Government's position with regard to the implementation of both the surplus property credit and the Export-Import Bank Credit had not changed since their conference with Mr. Acheson on May 23. In other words, while the Department is willing to proceed with the deliveries of surplus property to Poland, following the Prime Minister's assurances, the Export-Import Bank credit contract is not to be signed until the information promised by the Polish Government actually received.

Dr. Litauer said that the account of the Prime Minister's assurances to Ambassador Lane, which had been received by the Polish Embassy here, was rather vague and he was not sure that the Polish Government would be able to supply all of the confidential information regarding prices and quantities concurrently with the publication of the treaty

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<sup>72</sup> See telegram 930, June 21, from Warsaw, p. 462.

texts. He said, for example, that certain of the information might be forthcoming immediately, but that it might not be possible to furnish the remainder until some later date. I repeated to both gentlemen that the American position had not changed and that this Government expected to receive all of the information in question before proceeding to the implementation of the Export-Import Bank credit. It was pointed out to them that Prime Minister Osobka-Morawski's assurances to Ambassador Lane indicated to us that the texts of the treaties and the confidential information regarding prices and quantities would be delivered to us more or less simultaneously. The hope was expressed that this matter could be clarified shortly in Warsaw.

LLEWELLYN E. THOMPSON

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860C.51/6-2546

*Memorandum of Conversation, by the Assistant Chief of the Division of Eastern European Affairs (Elbrick)*

[WASHINGTON,] June 25, 1946.

Mr. Sichel<sup>73</sup> called at my request, and I informed him of the contents of the Department's telegram no. 4934 of June 24 to London.<sup>74</sup> This authorized the Embassy at London to inform the British Foreign Office that this Government considers it undesirable to impose any further conditions to the implementation of the surplus property and Export-Import Bank credits authorized by the exchange of notes on April 24, 1946. Mr. Sichel was informed that it appears that the Polish Government is desirous of fulfilling the obligations assumed at the time the credits were authorized, and particularly with reference to the one outstanding item regarding the furnishing of Poland's economic agreements, and that this Government is therefore prepared to resume the deliveries of surplus property to Poland.

Mr. Sichel expressed the opinion that the British Foreign Office would be disappointed at this news, since it had hoped that the United States Government would withhold the credits until after the elections actually take place in Poland. He was informed that the Department is studying the Polish political situation with a view to taking such action as might be useful in bringing about such elections and that the British Government would be kept informed.

C. BURKE ELBRICK

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<sup>73</sup> Herbert M. Sichel, First Secretary of the British Embassy.

<sup>74</sup> Not printed (860C.51/6-2146); it was in reply to telegram 6181, June 21, from London, which reported that the British Foreign Office had again made clear its hope that the United States would not make credits to Poland operative again with the mere publication of commercial treaties but would continue as well to insist on free and fair elections.

560C.1121/5-146: Telegram

*The Acting Secretary of State to the Ambassador in Poland (Lane)*

WASHINGTON, June 28, 1946.

592. In response to note of Polish FonOff in urtel 625, May 1, you are instructed to transmit to FonOff note reading in substance as follows: <sup>75</sup>

"My Govt has examined with particular interest the views expressed in Your Excellency's note dated April 27, 1946 concerning the right of arrested persons claiming American citizenship to have officers of the AmEmbassy contact them personally to obtain directly from these persons the facts regarding their claim to American citizenship. My Govt has instructed me to state that it cannot accept the grounds upon which you undertake to justify failure to permit prompt access of American officers to such persons.

"With respect to Your Excellency's statement that American legislation concerning citizenship is based on *jus soli*, while Polish legislation accepts *jus sanguinis* as basis for citizenship, I am directed to point out that, although under the provisions of Article 14 of the Amendments to the Constitution of the United States, 'All persons born . . . in the United States and subject to the jurisdiction thereof, are citizens of the United States . . .,' attention is also invited to the fact that the first session of the Congress of the United States provided by statute that children born abroad of American parents acquired American citizenship at birth. This statute was amended from time to time and the principle thereof is now incorporated in subsections *c*, *d*, and *g* of Section 201 and subsection *b* of Section 204, and Section 205 of the Nationality Act of 1940, which recognize the acquisition of American nationality at birth abroad. As a consequence it will be observed that American laws follow both of the principles mentioned in Your Excellency's note.

"Your reference to the proposed convention concerning certain problems pertaining to citizenship laws which was signed by the representatives of some governments during the international conference held under the sponsorship of the League of Nations at The Hague in 1930, has been noted. This Govt. did not sign the proposed convention because it was deemed inadequate in certain respects. Therefore it is not in any way bound by the provisions thereof. It is believed that the conclusion stated in your note that the convention should be considered as a 'definition of a binding customary international standard' is not warranted, especially as it is understood that this document has not been formally ratified by many of the nations that signed it. The rejection of the proposed convention by this Government is a

<sup>75</sup> As revised by Ambassador Lane with the approval of the Department, the following note was delivered to the Polish Acting Foreign Minister on August 6, 1946. Ambassador Lane's proposed revisions were contained in telegram 1107, July 18, from Warsaw, and the Department's approval was communicated in telegram 707, July 30, to Warsaw (360C.1121/7-1846 and 138 Poland/28a). The revisions are indicated in the two following footnotes. Prior to delivery of the note, Ambassador Lane reported that the Polish Government had already granted exit visas to 56 American nationals (360C.1121/8-646).

clear indication that, so far as it is concerned, the convention is not 'a binding customary international standard'.

"The suggestion which you advanced that this convention affirms the right of every State to determine in its legislation who are its citizens and that this is an example of matters covered by paragraph 7, Article 2, of the United Nations Charter, which are subject to the internal authority of the State, has also been given careful consideration. In the opinion of my Govt. this does not permit the Polish Govt. alone to determine the nationality status of persons within its territory claiming American as well as Polish nationality. It is considered essential that the full facts in each case shall be available to officers of this Government when persons claiming its nationality are involved, since the legislation of the United States may entitle them to its citizenship and the protection that flows therefrom.

"With respect to personal interviews with persons claiming American citizenship who are suspected of wrongful acts, my Govt. considers that prompt access should be given officers of the US Govt. to all persons asserting claim to American nationality without prior effort on part of Polish authorities to determine for themselves whether the claim is justified, since my Govt. cannot permit any foreign gov't. to decide whether a person born an American citizen has subsequently lost his citizenship. Right of representatives of my Govt. to obtain full information re claim of American citizenship of the arrested person by contacting him directly is believed to be supported by the provisions of Article XX of Treaty of Friendship, Commerce and Consular Rights between the United States and Poland signed on June 15, 1931 and duly ratified by both govts.

"In this connection I wish to state that my Govt. reserves the right to determine whether service in Polish Army shall constitute basis for loss of United States citizenship, especially when it seems possible in cases of persons having the nationality of both countries and temporarily sojourning in or passing through Poland, that such service may have been the result of duress or coercion. Reference is made in this connection to note of Polish FonOff no. EIII.715/2/3 dated July (no day given) 1937, which reads (translation) in part as follows:

'According to Section 5, Article 4 of the law of January 20, 1920 on Polish nationality, Polish citizenship is acquired by admission to Polish military service, if, however, particular reservations have not been made.

'Admission to military service must be in accordance with existing laws for the acquisition of Polish citizenship to be legal, and the reservation that admission to military service is not equivalent to acquisition of Polish citizenship must not be made. This last action could be taken, regarding the people who entered the military service before Oct. 1, 1920, six months before the ordinance of June 7, 1920, went into effect, that is, before Jan. 1, 1921; and, in the case of people admitted later, the reservation could be written in the military document given at the time of joining.

'Exemption from military service must not take place before Oct 1, 1920, that is, three months after the above mentioned ordinance went into effect.

'According to the interpretation of the administrative authorities, Polish citizenship was acquired by virtue of Article 4, Section 5 of the Law of Jan 20, 1920, in cases where the man in question was admitted to military service under the provisional law of Oct 27, 1918, that is, before Nov 18, 1924, when the obligatory military service law of May 24, 1924 went into effect. From that time on foreigners serving in the Polish Army acquire Polish citizenship only by formal grant.

'It must be further observed that, according to Article 3 of the ordinance of the National Defense Council of July 19, 1920, relating to the engagement of foreign volunteers, a foreigner does not acquire Polish nationality by the sole reason of the engagement.

'Concerning those persons who have acquired American citizenship before Jan 31, 1920, by their birth in the US, they do not owe military service in Poland because of their status as foreigners. If it has been otherwise, it has most often happened through the negligence of those in question in not providing themselves in time with certificates proving their foreign citizenship. After the question of their citizenship has been cleared up, they are relieved of military duty and their names are removed from the military lists (journal of Laws No. 83,757-8404, and the following, of the orders to the law on military service of Aug 28, 1934).

'Those who have been taken into the Polish army through lack of documents proving their foreign citizenship, before the 18th of Nov 1924, have not acquired Polish citizenship by the fact of their military service.

'The Consulates of the United States of America are in a position to inform themselves through the competent administrative authorities of the *powiat* or of the *voievodes*, and finally through diplomatic channels, on the question of exemption from military service of American citizens who have been unjustly drafted.'

"In order to effect an early settlement of pending cases agreement is desired on the following subjects: <sup>76</sup>

"Prompt extension of permission to American nationals to travel to the American Embassy for the purpose of establishing American nationality."<sup>77</sup>

"Prompt extension to American nationals of permission to leave Polish territory after they have been appropriately documented as American nationals in all cases in which no valid reason for their detention is or can be adduced by the Polish Govt.

"Reasonable facilities to American nationals in order that they may obtain transportation, necessary local documentation, et cetera.

"Equal status with Polish citizens for American nationals for passage on passenger vessels operating under Polish flag.

"Reasonable extension of the privilege of exit permits for use by alien wives and children of American nationals to enable them to come to the US.

"The US Gov attaches greatest importance to this matter and would appreciate early favorable reply from PolGov which would contribute greatly to the improvement of relations between our governments."<sup>78</sup>

ACHESON

<sup>76</sup> As revised by Ambassador Lane, the note contained the following additional paragraph at this point: "Prompt access to be given officers of the United States Government to all arrested persons asserting claim to American nationality without prior effort on the part of the Polish Government to determine for themselves whether the claim is justified or not."

<sup>77</sup> As revised by Ambassador Lane, this paragraph read as follows: "Prompt extension of permission to persons claiming American nationality to travel to the American Embassy for the purpose of establishing their American nationality."

<sup>78</sup> In telegram 593, June 28, to Warsaw, the Department had transmitted explanatory comment which Ambassador Lane was authorized to use in connection with his delivery of the note. The comment read in part as follows: "Written correspondence between Govts deals with legal aspects this question. There are however aspects of equal or greater importance which neither PolGovt nor US Govt can afford overlook. US and Poland have been drawn together by

860C.00/7-346 : Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

SECRET

WARSAW, July 3, 1946—10 a. m.

US URGENT

[Received 1:17 p. m.]

1010. In interview which Keith had with Mikolajczyk July 2d latter supplied following information:

Mikolajczyk considered referendum had been carried off without any serious disorders.<sup>79</sup> However, many PSL members were arrested throughout country past 2 days including 3,000 in Poznan and every member of PSL Wroclaw County Council. Outstanding development is evidence of irregularities in procedure followed subsequent to actual casting of ballots. Irregularities include issuance of orders from high Govt officials, including Security Police, to remove ballot boxes from voting places to District Commissioner's Hdqs prior to counting of ballots at original voting place as required in accordance with articles of referendum law. This happened in Tarnow Powiat and Mikolajczyk personally telephoned Barcikowski<sup>80</sup> protesting action. Latter stated if it were so countermanding instructions would be given. Mikolajczyk stated that actually orders instructing officials to have all voting boxes delivered to Commissioner were issued throughout country but majority of officials may have refused to follow these instructions. He stated that in Bialystok, Bydgoszcz and one of Warsaw districts ballot boxes were removed before vote counted and contrary to referendum law. In certain instances, in one case reported by Socialist Party representative at polling place Security Police threatening with machine guns forced acting officials to surrender ballot box.

Results thus far reported to PSL by its representatives (given by Mikolajczyk to Keith) on voting commissions or other friendly informers have indicated that in Krakow vote has run over 5 to 1 "no"

immigration into US and settlement here persons of Polish birth who have made great contribution. Up to time outbreak recent war Am citizens Pol ancestry and Pol citizens traveled freely back and forth between two countries thus cementing these bonds, developing economic and cultural ties and producing especially for Poland important economic advantage in terms dollar remittances relatives and dependents in that country of persons living here as well as pensioners of this Govt settled Poland . . . Present attitude of PolGovt raises question whether PolGovt desires encourage and promote development such ties or will permit them atrophy and whether satisfactory solution such problems any longer possible. If, guided by purely legalistic considerations, PolGovt insists on adherence conventions and practices which have heretofore not entered into relationships between two countries PolGovt is making choice of great significance in determining trend future relationships between two Nations." (360C.1121/5-146)

<sup>79</sup> For an account of the efforts made by the Embassy in Warsaw to observe the June 30 referendum, see Lane, *I Saw Poland Betrayed*, pp. 241-244.

<sup>80</sup> Wacław Barcikowski, Vice President of the Presidium of the National Council of the Homeland, and General Referendum Commissioner.

in answer to first question and over 2 to 1 "no" for second question. In southeastern town of Tarnow "noes" lead over 6 to 1 for first question and over 4 to 1 second question. In Poznan voting not quite 4 to 1 "no" first question and slight majority "no" second question. On third question "no" has varied from 10 to 35%.<sup>81</sup>

Returns published in Govt press thus far have almost unanimously reported large majorities in favor of "yes" answer to all referendum questions.

Mikolajczyk expressed belief that actual number "no" votes would be approximately as follows: first question 85%, second 60%, third 10%. He anticipates, however, that Govt will announce results approximately as follows: "yes" vote first question 60%, second 75%, third 95%.

He states that those opposed to Govt had voted (1) to prove that conditions had enabled holding of referendum without serious disturbances, election could likewise be held; (2) (do they want to take political action by legal means) underground had asked for boycott of referendum; (3) actual participation would make falsification of returns more difficult.

Mikolajczyk stated results have been so contrary to Govt's wishes that it is seriously concerned by developments.

When Keith inquired what development might next be anticipated Mikolajczyk, obviously delighted by voting results, said that perhaps logical thing for Govt to do would be "to declare a dictatorship" (though Govt could not do so, so he said). Govt know results to be published each day would bring further evidence of irregularities which would increase its difficulties.

Mikolajczyk did not rule out possibility of serious disturbances coming later but he did not appear worried. Stated he knew Security Police had just received orders to be prepared for some drastic action, but elaboration of this was not obtainable.

Mikolajczyk remarked that from experience of procedure followed by Govt in connection with referendum it would be possible to require provisions in the election law which would make it more difficult for Govt to commit irregularities at elections should such be held.

LANE

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<sup>81</sup> The three questions appearing in the referendum ballot were as follows: 1. Are you in favor of the abolishment of the Senate? 2. Are you for making permanent, through the future Constitution, the economic system instituted by the land-reform and nationalization of the basic industries, with maintenance of the rights of private enterprise? 3. Are you for the Polish Western frontiers as fixed on the Baltic and on the Oder and Neisse? According to telegram 1072, July 12, from Warsaw, the official results of the referendum published in the press on July 12 were as follows: Of 13,160,451 persons entitled to vote, 11,857,986 voted and 11,530,551 valid ballots were cast; "yes" answers to the first question—7,844,522, to the second question—8,896,105, and to the third question—10,534,697. (860C.00/7-1246)

860C.51/7-546

*The British Embassy to the Department of State*

Ref: 1212/133/46

## MEMORANDUM

On the 28th June, 1946, the United States Minister in London communicated to the Foreign Office a copy of the State Department's press release of the 27th June regarding the conclusion of the United States Polish loan and credit negotiations, which contained the following passage:—<sup>82</sup>

"As to the Export-Import Bank Loan the Department of State felt, the spokesman said, that final action on this should wait until this Government has received assurances that the Polish Provisional Government has carried out all the conditions under the Agreement of April 24th, 1946 under which the credits were to be extended".

"Assurances of 'free and unfettered' elections and a non-discriminatory trade policy on the part of Poland were the chief points of the conditions requested for the credit extension".

2. As the Foreign Office understand it, the State Department's position is that the \$50,000,000 credit for the purchase by Poland of United States surplus property cannot be delayed since the specific conditions attached to this agreement are being fulfilled by the Polish Provisional Government; but that final conclusion of the Export-Import Bank credit can be held up pending satisfactory evidence regarding pre-electoral treatment of the Opposition parties in Poland, assurances regarding the freedom of elections having been mentioned to the Polish authorities in connexion with the negotiation of this credit.

3. The Foreign Office informed the Polish Embassy in London on June 29th of the conditions which His Majesty's Government wish to see fulfilled, before they ratify the Anglo-Polish financial agreement of the 24th June. The text of this note, a copy of which is attached,<sup>83</sup> has not been published; but the gist of it has been given to the press in London and included in the Polish language broadcasts of the British Broadcasting Corporation.

4. In the meantime His Majesty's Ambassador at Warsaw has reported that the news that the suspension of the transfer of surplus United States property had been cancelled and that the Export-Import Bank loan would be finally concluded, together with that of

<sup>82</sup> For text of the Department's announcement of June 26 regarding the resumption of surplus property deliveries to Poland, see Department of State *Bulletin*, July 7, 1946, p. 33.

<sup>83</sup> Not printed.



the signature of the Anglo-Polish financial agreement, has been well advertised in the Polish press, where these developments have been represented as an outstanding triumph for the Polish Provisional Government. The Polish press naturally omits mention of any suggestion that political conditions are attached to the ratification of these agreements. The Foreign Office express the hope therefore that the United States Government will in fact hold up the final conclusion of the Export-Import Bank credit (or at least threaten to suspend the deliveries of railway material for which it is granted) pending satisfaction on the points mentioned in the attached Foreign Office note to the Polish Embassy. They also hope that the United States Ambassador at Warsaw may be instructed to make a communication to the Polish Provisional Government on the lines of the State Department's statement quoted in the first paragraph above, at the same time making his action known inside Poland in order to counter the effect of the release of surplus United States material.

WASHINGTON, July 5, 1946.

860C.51/7-546

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*The Department of State to the British Embassy*

MEMORANDUM

The understanding of the British Foreign Office with respect to the credits to Poland which were authorized on April 24, 1946, as set forth in the British Embassy's memorandum of July 5, 1946, does not agree in certain respects with the State Department's position as outlined at various times in public utterances by officials of the Department, as well as in conversations with members of the British Embassy. At the time that deliveries of surplus property to Poland were suspended under the \$50,000,000 credit, it was announced that this action had been taken because of the failure of the Polish Government to fulfill certain commitments taken at the time the credits were authorized. These commitments concerned (1) the publication of the texts of credit notes in Poland, (2) the matter of censorship of American correspondents' despatches from Poland, and (3) the furnishing to the United States Government of the texts of Poland's economic agreements with other countries.

As the Department announced publicly on June 26, the Polish Government had published the texts of the notes concerning the credits and the question of censorship had been satisfactorily clarified. The remaining commitment which the Polish Government had failed to fulfill, namely, the furnishing of the texts of its economic agreements

remained the only impediment to the resumption of surplus property deliveries and the implementation of the Export-Import Bank credit of \$40,000,000. On the strength of recent additional assurances received from the Polish Government, however, and in view of the urgent need of taking action in connection with surplus property disposal in Europe, it had been decided to resume surplus property deliveries to Poland. The contract for the Export-Import Bank credit of \$40,000,000 will not be signed however until full information concerning Poland's economic agreements is actually received.

It is noted that the British Foreign Office expresses the hope that the United States Government will hold up the final conclusion of the Export-Import Bank credit, or threaten to suspend the deliveries of railway materials for which it is intended, until Poland has satisfactorily fulfilled its political commitments. It has been the position of the Department of State that no new conditions should be imposed on Poland as prerequisites for carrying out the Export-Import Bank credit and the Department has not contemplated requiring any new assurances concerning the freedom of the forthcoming elections as a prerequisite to signing the loan contract. Accordingly, when the Polish Provisional Government furnishes the required information concerning its economic agreements with other countries, appropriate steps can be taken to authorize the Export-Import Bank to complete the credit arrangements.

It is contemplated that if and when the implementation of the Export-Import Bank credit is effected, the Department will release to the press a statement which will refer again to the obligations undertaken by the Polish Provisional Government, with especial emphasis upon its promise to hold free and unfettered elections in Poland this year. Meanwhile the Department is currently studying the Polish political situation with a view to determining what further action might usefully be taken that would contribute to the holding of free elections in Poland, a matter to which this Government continues to attach the greatest importance.

WASHINGTON, July 12, 1946.

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860C.00/7-1346 : Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

CONFIDENTIAL

WARSAW, July 13, 1946—10 a. m.

[Received July 15—2: 18 p. m.]

1076. In conversation with Olszewski July 11, he brought up our

having written note (Deptel 609, of July 3) re attack by Modzelewski on Senator Vandenberg.<sup>84</sup>

Olszewski said that Modzelewski who is away due to illness, will on his return wish to write me on the subject. Olszewski indicated that in Polish Government's opinion he had right to attack person not a member of the US Government. I told Olszewski that Senator Vandenberg is member of legislative branch of our government and that in my opinion it was most unfortunate that Modzelewski, a high official in the FonOff, should attack Vandenberg when latter was acting as one of Secretary Byrnes' principal advisers at Paris meeting of FonMins.

Speaking privately, I said that because of number of Poles in Michigan, I considered Modzelewski's remarks as creating further antagonism towards Polish Government on part of groups in US of Polish origin. Olszewski said that he felt sure Modzelewski was not aware of this situation and had no desire to interfere in US internal affairs. I replied that the fact that Under Secretary of Foreign Affairs would attack in public speech an important figure in American political life indicated interference.

I also cited Modzelewski's attack as being inconsistent with recent expression desire of Osobka, Rzymowski and Olszewski to have friendliest relations with us.

LANE

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860C.51/7-1546: Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

SECRET

WARSAW, July 15, 1946—2 p. m.  
[Received July 16—2: 55 p. m.]

1083. Conciliatory and favorable attitude of FonOff officials notably Rzymowski as indicated in my four telegrams 1001, 1002, 1003, 1004 of July 2, 1946 and 1055, 1065, 1066 of July 11, 1946,<sup>85</sup> as well as

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<sup>84</sup> Telegram 992, June 29, from Warsaw, reported that the Polish press of June 27 quoted Vice Minister for Foreign Affairs Modzelewski as stating that "the PSL is the ward of Mr. Vandenberg, an American Senator, a well-known isolationist and pro-Hitlerite who is today an advisor to the Dept of State." (860C.9111RR/6-2946) Telegram 609, July 3, to Warsaw, suggested that Ambassador Lane address a brief formal note to the Polish Foreign Ministry expressing the astonishment of the United States Government that the Polish press should represent the Polish Vice Minister for Foreign Affairs as employing abusive and antagonistic terms in speaking of an important American public figure who was collaborating with Secretary Byrnes in an important conference in Paris (860C.00/7-346). Arthur H. Vandenberg, United States Senator from Michigan, was serving as a special Congressional adviser to the Secretary of State at the meeting of the Council of Foreign Ministers in Paris.

<sup>85</sup> None printed (860C.51/7-246, 7-1146, 7-2646; 711.60C27/7-246).

that of Premier Osóbka in my talks of June 14 and 28,<sup>86</sup> is illuminating in light of information received July 2 from member of Polish Government not member of Communist-controlled Government clique that during recent visit to Moscow,<sup>87</sup> Polish Government was given nothing by Soviet Union but was told to obtain as much assistance as possible from Western governments. Polish Government's apparent change of attitude towards US should therefore be taken with reserve.

In the light of what we have until now suspected and what we now learn on good authority, I believe it to be essential that we should be insistent in our demands for just and reasonable treatment of issues which we have brought to the attention of the Polish Government.

I feel as strongly as I did when I sent my telegram 553 of April 22, [21] that it is not in our interests to conclude a credit agreement without making greatest possible use of this leverage in obtaining concessions on issues which are important to US. I therefore felt that it was unfortunate that public announcement was made of this credit agreement immediately after Polish Government had unilaterally fixed on an unrealistic rate of exchange at 100 zlotys to dollar. As I have pointed out previously if the Polish Government maintains this rate, it will impair our activities in Poland and serve to assist the Soviet policy of obtaining as strong control as possible over a nation which regardless of assurances of members of Polish Government, is in effect merely a satellite state.

I believe that Polish Government by establishing barter trade arrangements (my telegram 1060 of July 11<sup>88</sup>) is eliminating all of the influence of zloty valuation upon foreign trade. However, by overvaluing the zloty the Polish Government increases the financial difficulty of maintaining diplomatic missions, press correspondents, foreign officials of relief missions and visitors from abroad seeking private trade connections. At the same time, the Polish Government greatly eases the subsequent problem of repaying credits obtained from our Government.

I am convinced that we must be prepared to take a strong stand on the issue of a realistic exchange rate if we are to avoid serious obstacles in the development of desired political and economic relations between

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<sup>86</sup> Ambassador Lane's meeting with Osóbka-Morawski on June 14 is reported in telegram 897, June 14, p. 459. In telegram 989, June 28, Ambassador Lane reported on a further interview with Osóbka-Morawski held that day in the course of which the Polish Prime Minister renewed his assurances that the desired treaty information would be forthcoming and reaffirmed his desire to maintain the friendliest relations with the United States (860C.51/6-2846).

<sup>87</sup> Reference is presumably to the visit by a Polish governmental delegation to Moscow, May 23-25, 1946.

<sup>88</sup> Not printed.

our two countries. Since Polish Government chooses to balance trading accounts as it does a realistic exchange rate would not affect foreign trade and thus its denial to us must be interpreted as merely (1) an artificial difficulty placed on our efforts to watch political and economic developments in Poland, (2) a means of ultimately repaying our credits with great ease.

The conduct of the recent referendum and the serious doubt as to the accuracy of counting of actual votes as well as certain doubts concerning Poland's real need for so much additional foreign relief requested through UNRRA and other foreign relief organizations all serve to emphasize the extreme importance of maintaining diplomatic and other observers in Poland. I feel strongly that we should not be compelled by Polish Government to do so at exorbitant costs while at the same time extending further credits which may be repaid ultimately with greatly overvalued zlotys.

As the Exim Bank credit has not been signed, I sincerely trust that the Department will find it possible in this or some similar matter to insist that a realistic exchange rate be granted forthwith. If it cannot be properly imposed as a new condition to the Exim credit it should certainly be included in any other extension of credit which Polish Government may seek.

I earnestly urge that the general question of our relations with Poland be reviewed on the highest level within our Government and that the Department give consideration to the advisability of instructing me to proceed to Washington for consultation some time prior to the holding of elections now unofficially scheduled for November. If Department approves this suggestion, I should, for personal reasons, prefer to proceed late August or early September.

Sent Dept as 1083.

LANE

860C.00/7-1546 : Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

SECRET

WARSAW, July 15, 1946—4 p. m.  
[Received July 16—4: 15 p. m.]

1085. For the Secretary. From what prominent members of Government, including Berman and Jewish elements tell us, there was a direct connection between Kielce pogrom<sup>89</sup> and result of referendum. The Government indicates reactionary elements provoked pogrom to indicate dissatisfaction with their defeat. Majority of Diplomatic

<sup>89</sup> For Ambassador Lane's account of the Kielce Pogrom of July 4, 1946, and the subsequent comments and statements by Polish officials, see Lane, *I Saw Poland Betrayed*, pp. 246-251.

Corps and other impartial advisers, however, express view privately that falsification of referendum result was direct reason for outbreak.

While I admit that the referendum result may have been the spark responsible for the Kielce explosion, the underlying cause is, in our opinion, shared by the Jewish community and by responsible American citizens of the Jewish race who are now in Poland, the growing anti-Semitism during the past few months. According to our best Jewish sources, the Jewish people in Poland have little regard for the present Government and resent the implication that the Jews in the Government represent the Jewish people. On the other hand, one of the principal reasons for the increasing hostility towards the Jews, which is evidenced by many acts of violence, including assassinations by anti-Government armed groups, is the estimated opposition of 80 to 90% of the Polish people against the Government and especially against the small, but controlling group, composed of Jews who have received their indoctrination in Soviet Union and who are believed responsible for the repressive measures of the Security Police, the lack of freedom of the press and the present lack of independence of the nation (this group includes Berman, Minc, Modzelewski, Olszewski, Radkiewicz and Gen. Spychalski<sup>90</sup>).

Embassy observers are unanimous in believing that militia played an important part in Kielce pogrom and members of Government, including Ambassador Lange, have so admitted to me. Antipathy of militia towards Jews probably inflamed by elements within militia and army who resent activities of Security Police and KBW (Korpus Bezpieczenstowa Wewnetrznego—internal security corps headed by Russian General Kiziewicz). Both UB and KBW composed of many Jews of Russian origin.

Government and anti-Government sources inform us and concur (despite some local evidence to the contrary from Kielce) that pogrom was deliberately planned. Government accuses "reactionary elements" and logically cites dissatisfaction with results of referendum. Because of emotional nature of Poles, which often responsible for foolhardy actions, we cannot understand what anti-Government forces could gain by anti-Jewish excesses. In fact, I believe from reliable sources that anti-Government elements have compelled their sympathizers to avoid violence at all costs.

On other hand, we have evidence that Government was aware as early as end of May that disturbance would take place in Kielce. The fact that pogrom was handled by the *woyewode* Security Police and the militia in such an unbelievably inefficient manner, leads one to wonder whether elements in the Government may not have secretly

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<sup>90</sup> Gen. Marian Spychalski, First Vice Minister of Defense.

welcomed the opportunity to be able, both within the country and without, to denounce "reactionary elements", including Mikolajczyk, the Catholic Church and others dissatisfied with Government program. There have been too many cases which have [come?] to the Embassy's attention indicating complete disregard of Government for human life and for human liberties to eliminate possibility of governmental connivance merely for humanitarian reasons. From treatment which Polish Jews complained to have received in Soviet Union, Soviet Government, which controls minority group in Polish Government, would likewise not appear squeamish in inflicting cruelties on Jews.

From conversations with Jews, I am convinced that exodus of Jews from Poland will increase until few, if any, are left in country and that they will, through preference, proceed without legal entry documents into American zone of occupation. Dept will appreciate therefore not only increased physical difficulties which this will create for USFET, as well as for our immigration authorities, but also international complications which may result because of possible emigration of unknown quantity of Jews to Palestine.

I regret that it is not possible more definitely to express an opinion as to the elements responsible for Kielce pogrom but it is believed that Dept will be able to infer possibilities from foregoing.

My comments on result of referendum will follow shortly.

Sent Dept as 1085, repeated to USPolAd Berlin as 17 and to Moscow as 121.

LANE

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860C.00/7-1646 : Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

SECRET

WARSAW, July 16, 1946—11 a. m.

[Received July 17—1:40 p. m.]

1090. Summarizing previous reports on referendum of June 30 voting was heavy (up to 90% of electorate in certain districts) generally fair, without intimidation and secret. There was prior general apprehension, however, that counting of ballots would be falsified in favor of Government. This fear has since crystallized into general conviction which is shared by Embassy that such falsification took place. Following is synopsis of factors on which our views are based:

(a) The only evidence which we have that ballots on referendum were accurately counted and so reported is series of announcements and statements by Government officials including those of chief of

press section of Foreign Office that assertions to the contrary are completely unjustified (see B-4 *infra*).

(b) The following evidence indicates that balloting on referendum may not have been accurately counted and reported:

(1) Up to date no conclusive evidence has been presented that Government enjoys more than a very minor support of population. Modzelewski in fact has admitted to British Ambassador that Government has 20% support (in my opinion an optimistic figure, more nearly 10 to 15%).

(2) Our observers on referendum reporting respecting 12 different regions of country all indicated that sentiment was for "no" vote on first question. Even Government reported large majority no vote in Krakow and a majority no vote in Poznan. Considering that peasant vote is primarily rural and not necessarily urban, it is illogical to assume that Krakow and Poznan returns reflect inaccurate picture of balloting throughout country.

(3) Assuming that Mikolajczyk has merited reputation of integrity which he generally enjoys, his statement that the election was fraudulent cannot be ignored. The amazing published statement of Barcikowski that Mikolajczyk's charges of falsification cannot be accepted as the referendum law makes no provision for the filing of such charges, is a patent indication of Government's guilty conscience. Labor Party (SP) representative also informs us counting of referendum vote fraudulent.

(4) As Dept is aware reputation for veracity of Government members so low that their statements re honesty of ballot counting must be discounted.

(5) Mikolajczyk's charges that despite provisions of referendum law that ballots should be counted at polling places, ballot boxes were removed in many instances, are supported by report from consular officers at Poznan and Krakow.

(6) Government's failure to publish break-down of vote by districts and mere announcement of alleged overall total votes on 3 questions cast discredit on counting procedure.

(7) Almost all members of Diplomatic Corps, even some representing satellite countries, similar Poland, with whom we have talked are convinced that counting and reporting of returns were fraudulent.

(c) This is my considered opinion that controlling minority intends to remain in power regardless of methods employed whether through the rigging of elections, censorship, political arrests and intimidation or even should it be necessary by the use of force. It likewise appears in harmony with present Soviet policy that this puppet government be retained to carry out Soviet directions. Under such circumstances, one cannot believe that the public has been allowed to make its voice felt in the referendum.

Sent Dept as 1090.

LANE



860C.00/7-2046 : Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

SECRET

WARSAW, July 20, 1946—1 p. m.  
[Received July 22—2:19 p. m.]

1123. For the Secretary. Announced result of June 30 referendum Embassy considers clear and decided evidence that present Provisional Government has not wished to countenance honest expression of opinion of Polish people. Now consequent of Govt's public pronouncement of its recent victory at the polls it is logical to conclude that there is determined intention on part of Govt so to conduct forthcoming elections (now unofficially scheduled for November) as to prevent possibility of Government defeat.

I recommend, therefore, that Dept should consider taking following steps in the very near future: I should be instructed to inform Foreign Minister in writing and Dept should likewise so inform Polish Embassy that while US Government fully realizes it has no responsibility in connection with holding of recent referendum and it hopes any suggestions which it makes in regard thereto will not be misinterpreted US Government has a definite commitment and obligation in re to the holding of free and unfettered elections in Poland under the Yalta and Potsdam decisions. It should be emphasized that the present Polish Provisional Government of National Unity was recognized by the US Government following conversations in Moscow in June 1945 during which Polish leaders agreed to the acceptance of the principles which were formulated at Yalta. Because of the procedure which was employed with respect to the recent referendum in Poland giving rise to charges of serious irregularities in counting of votes US Government feels obliged to invite attention of Polish Govt to very serious situation which would be created if similar procedure should be followed in connection with holding of elections which according to statements made by Polish Government leaders will take place during current year of 1946.

As the Polish Govt is well aware members of the AmEmbassy in Warsaw followed with greatest interest and care the procedure adopted at the June 30 referendum. Although opinion of Embassy staff was virtually unanimous in noting that the procedure in connection with voting was correct and entirely fair, methods used in counting and reporting vote including removal of ballot boxes from polling places in contravention of referendum law created serious doubt as to whether announced result of referendum accurately reflected vote of the electorate.

Therefore US Government wishes to emphasize its belief that no elections in Poland can be freely carried out unless: (a) All parties

are allowed to conduct election campaigns freely without arrest or threat of arrest; (b) all parties are represented on all electoral commissions and ballots are counted in presence of representatives of all parties; (c) results will be published immediately by local district; (d) there shall be an adequate system of appealing case of disputed elections.

I am strongly of belief that it would be unwise to accede to Mikolajczyk's suggestion that Yalta powers should supervise the coming elections. First Soviet and Polish Governments would undoubtedly oppose such a suggestion on ground that it would be a derogation of Polish sovereignty. Second, I doubt whether we could effectively prevent commission of fraudulent electoral practices in country with an electoral population as large as that of Poland unless we were in position to send a large group of trained supervisors. We would assume a responsibility for results which I believe would be unwise policy. In order that it cannot be contended that we are evading our responsibilities under Yalta decision, I suggest that the Secretary may desire to speak to Bevin and Molotov in Paris as to steps which we propose taking in connection with forthcoming elections in light of results of referendum.

Sent Dept as 1123 for the Secretary, repeated Paris for Matthews 213.

LANE

711.60C/7-2246

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*Memorandum by the Deputy Director of the Office of European Affairs (Hickerson) to the Secretary of State*

[WASHINGTON,] July 22, 1946.

**MR. SECRETARY:** In an interview granted to H. W. Lawrence of the *New York Times* and published in that paper on July 20, the President of the Polish National Council, Boleslaw Bierut, attacked the American Ambassador at Warsaw, Mr. Lane, who, President Bierut is reported to have stated "could not or would not endeavor to understand the Polish people". Bierut is further reported to have said that while Poland's problems have found ready understanding with some Americans "we (the Polish Government) have more difficulty convincing Mr. Bliss Lane of our sincere wish for the most cordial relations because Mr. Bliss Lane does not believe us very much". This, said Bierut, is "a psychological problem" with Mr. Lane who "either cannot or will not understand our problems". It is significant that Bierut has not acceded to Ambassador Lane's request for an interview since the Ambassador's return from Paris in May.

The ticker this morning reported a story in the *London Observer*

to the effect that the Polish Government is requesting that Ambassador Lane be recalled because he sent a member of the Embassy staff to the recent interview which the Polish Primate, Cardinal Hlond, gave to American press correspondents on the subject of the Anti-Jewish Outbreak in Kielce, Poland. Ambassador Lane reported on July 13 that at the request of the American correspondents a member of the Embassy staff acted as interpreter at the interview with the Cardinal. No official report has been received, however, regarding the *Observer's* story.

The two stories obviously point to a definite campaign on the part of the Polish Government to discredit Ambassador Lane. This bears some resemblance to a previous attempt to do the same thing when you were misquoted by officials of the Polish Foreign Office following an interview you gave to Polish Vice Minister Modzelewski in London. At that time the Poles attempted to show that Ambassador Lane was not properly representing the Department.

I feel that these latest incidents give the Department an opportunity to express its confidence in Ambassador Lane, and that this should be done either in reply to a question at your next press conference or by a special release to the press. If we do not take this opportunity it is quite probable that the Polish Government will point to our silence as a further proof of its contention. For this reason I believe the statement should be issued as promptly as possible. I am therefore attaching a draft statement for your consideration.<sup>91</sup>

JOHN HICKERSON

860C.00/7-2646 : Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

SECRET

WARSAW, July 26, 1946—10 a. m.

[Received 2:35 p. m.]

1128. Developments concerning Labor Party in addition to those reported mytels 1089, July 16, and 1119, July 19,<sup>92</sup> include following:

<sup>91</sup> For text of the statement of August 3 by the Acting Secretary of State regarding the continuing confidence of the United States Government in Ambassador Lane, see Department of State *Bulletin*, August 11, 1946, p. 265.

<sup>92</sup> Neither printed. Telegram 1089, July 16, from Warsaw, reported the publication on July 14 of a resolution by the Executive Committee of the Labor Party postponing the Labor Party Congress scheduled for July 19. The Embassy further reported that the resolution had been apparently released by a pro-regime rump group of the Labor Party without the knowledge of the leadership of the party. (860C.00/7-1646) According to telegram 1119, July 19, from Warsaw, Karol Popiel, the President of the Labor Party, informed Ambassador Lane that the Labor Party Congress had been cancelled as a result of threats on the part of the Government that all persons attending the meeting would be arrested. Telegram 1119 further transmitted the text of a statement to be issued to the foreign press by Popiel announcing the suspension of activity by the Labor Party due to the actions of the Government and the unauthorized activity by the "Zryw Narodowy" faction of the party. (860C.00/7-1946)

1. Bloc press announced 19th that SP Executive Committee has suspended four executive committee members (this action was of course taken by minority bloc rump in SP).

2. Embassy officer has seen censored proofs *Gazeta Ludowa*<sup>93</sup> articles (publication of which were forbidden) 16th and 17th reporting actual story of Labor Party seizure by rump group.

3. Member SP has informed Embassy that in past week, 40 SP members have been arrested and that Government has given Widy-Wirski<sup>94</sup> one million zlotys to carry on rump activities and that rump group has taken over SP headquarters Warsaw as well as weekly *Olgwa* and fired old employees.

4. Seven Popiel followers KRN have resigned seats on ground that he was appointed to KRN not as SP member but as political figure from London. Popiel did not resign. It is reported he will make speech next session KRN denouncing tactics used against his party.

Embassy believes that disappearance SP from active political life Poland will lead to following:

1. Great increase political tension here and further discouragement to moderate elements who hoped in spite of referendum results that non-totalitarian solution might be found to Poland's political problems.

2. Increase forest bands and underground conspiratorial circles in cities.

3. Increase PSL membership through adhesion from SP members especially among miners Upper Silesia.

4. Success Marxist tactic of "isolating the opposition". Bloc parties and press may now concentrate all efforts on PSL and after "proving" that PSL is reactionary and anti-Semitic proceed destroy PSL influence.

Sent Dept as 1128.

LANE

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860C.00/7-2746: Telegram

*The Secretary of State to the Ambassador in Poland (Lane)*

SECRET

WASHINGTON, July 27, 1946—4 p. m.

695. There is quoted below draft note to PolGov which has been submitted to Secretary for his consideration. It has been suggested to Secretary that he discuss this matter with Molotov and Bevin in Paris in order to ascertain whether joint action is possible; if not, we contemplate presenting note ourselves. But this should not be done until you receive specific instructions to that effect. Please tel

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<sup>93</sup> Organ of the Polish Peasant Party.

<sup>94</sup> Feliks Widy-Wirski, Vice President of the Executive Committee of the Labor Party and leader of the "Zryw Narodowy" faction of the party; also Wojewod (Governor) of Poznan.

urgently any comments you may have on draft note.<sup>95</sup> BritEmb is being advised informally of this proposal.

"I have been instructed by my Gov to inform you that it has been glad to learn of the announcement that the Pol Provisional Gov intends to promulgate electoral laws during the month of August and to hold elections early in the month of November. My Gov is deeply conscious of the grave responsibility which it assumed, together with the Brit and SovGovs, by the decisions taken at the Crimea and Potsdam conferences with respect to the holding of free and unfettered elections in Poland. During the conversations which were held in Moscow in June 1945 the Pol leaders agreed to the acceptance of the principles formulated at Yalta. Accordingly, the PolGov which was then functioning in Poland was reorganized and there was created the Pol Provisional Gov of Natl Unity, with which the Govs of the SovUnion, Great Britain and the US established diplomatic relations.

In departing from its traditional policy by assuming responsibilities in connection with the internal affairs of another state, my Gov was motivated by the feeling that as one of the principal powers engaged in liberating the peoples of Eur from the yoke of Nazi aggression, it had a special responsibility to assist in giving the Pol people who had suffered so greatly from Nazi occupation an opportunity freely to choose the government under which they would live. My Gov feels, therefore, that it has both the right and the duty to bring the following to the attention of the Pol Provisional Gov of Natl Unity.

The USGov considers that it had no responsibilities in connection with the referendum held in Poland on June 30. Nevertheless, as the PolAmb in Washington informed my Gov on Apr 4, 1946, this referendum was a measure preparatory to the election and the methods by which it was held bear a relation to the preparations for holding the election itself. The official reps of the USGov in Poland have reported that the voting in the referendum appeared to have been generally carried out in a correct and fair manner but that the methods used in tabulating the ballots and reporting the vote have given rise to charges of serious irregularities, including removal of the ballot boxes from the polling places in contravention of the referendum law.

It has also been brought to the attention of my Gov that the Pol Labor Party was not allowed to hold its party congress and that as a result of this and other developments, the majority leadership of the Labor Party has requested the membership of that party to suspend

<sup>95</sup> In telegram 1189, August 2, from Warsaw, Ambassador Lane expressed enthusiasm regarding the draft note prepared by the Department, but did suggest the text of an additional paragraph to be inserted after paragraph 4 of the draft. The additional paragraph, which Mr. Lane felt had been made necessary by the recent actions taken by the Polish Government authorities against the Polish Peasant Party, was included in the final text of the note as delivered by the Ambassador on August 17; for text, see Department of State *Bulletin*, September 1, 1946, p. 422. Ambassador Lane's telegram 1189 also suggested that representations to the Polish Government such as those envisaged by the Department should be made without delay before the approaching meeting of the National Council of the Homeland, scheduled for August 20, brought about a recurrence of political bitterness and possible physical disturbances which would not be conducive to the statement of the United States position receiving the attention it merited. (860C.00/8-246)

all political activity until such time as the attitude of the Pol Provisional Gov toward the Labor Party has changed. The Pol Provisional Gov is, of course, aware that one of the essential elements in the agreement for the holding of free elections in Poland is that all democratic, anti-Nazi parties shall have the right to take part and to put forward candidates. To this end it is necessary that all democratic parties be free to engage in political activity in the period preceding the elections.

In view of the foregoing, my Gov wishes to emphasize its belief that *inter alia* it is essential for the carrying out of free elections that (1) all democratic and anti-Nazi parties are allowed to conduct election campaigns freely without arrest or threat of arrest, (2) all parties are represented on all electoral commissions and ballots are counted in presence of representatives of all parties, (3) results will be published immediately by local districts, and (4) there shall be an adequate system of appealing election disputes.

My Gov is confident that the Pol provisional Gov of Natl Unity will take into account the views presented above in making arrangements for the election."

Repeated to London as no. 5686.

BYRNES

860C.00/8-146 : Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

SECRET

WARSAW, August 1, 1946—11 p. m.

[Received August 1—9: 44 p. m.]

1187. British Chargé<sup>96</sup> tells me that he had interview with Mikolajczyk July 31 in which Mikolajczyk insisted on international supervision of elections on ground that same fraudulent methods in counting and reporting vote will be employed as in referendum.

Russell quoted Mikolajczyk as saying that he has refused offer from Govt of 25 percent representation of Polish Peasant Party in Govt but without participation of Mikolajczyk personally. Mikolajczyk apprehensive regarding closing of PSL offices in 10 *powiats* which in Mikolajczyk's opinion meant that when PSL candidacies are presented in those districts Govt will claim that party does not exist there. Mikolajczyk fears that policy of declaring PSL illegal will be continued throughout country thus effectively preventing participation of PSL in elections.

Mikolajczyk said that in event elections are supervised which would ensure success of his party he would invite other parties including PPR and PPS to collaborate in Govt with him and that he would base his foreign policy on friendly relations with Soviet Union. According to Russell he appeared most pessimistic regarding any possibility of free elections unless US and UK agree to supervise. Russell says that

<sup>96</sup> John W. Russell.

Mikolajczyk appears to have information that draft electoral law does not give guarantees to PSL which he considers essential for free elections. Mikolajczyk indicated to Russell that Berman and other PPR leaders are anxiously watching attitude of US and British Govts regarding Govts action against Labor Party and that inaction on our part will be interpreted as acquiescence or weakness. Mikolajczyk expressed hope that both Govts would protest.<sup>97</sup>

Sent to Dept as 1187; repeated to Paris for the Secretary as 225; to London as 158.

LANE

740.00119 Council/8-546 : Telegram

*The Acting Secretary of State to the Ambassador in France (Caffery)*

SECRET

WASHINGTON, August 5, 1946—6 p. m.

US URGENT

3863. Secdel 594. For Cohen.<sup>98</sup> You will have seen London's tels 7134 July 30 11 am and 7153 July 31 11 am as well as Warsaw's 1189 Aug 2 9 am commenting on proposed draft note to PolGov.<sup>99</sup> We feel that Lane's suggestions are helpful and should be incorporated in draft note.

With respect to attitude of British ForOff we feel that British objections could largely be met by manner in which approach to Molotov is made. It should be possible to ascertain the Soviet attitude without formally proposing a joint *démarche* to PolGov.

We believe that recent Pol referendum will have convinced SovGov that in anything approaching a fair election the Peasant Party would obtain a clear majority. It would therefore seem they will be faced with following alternatives:

(1) Allow a Peasant Party victory and attempt to work with a coalition govt formed by Mikolajczyk.

<sup>97</sup> The texts of four telegrams dated August 2 from the British Chargé in Warsaw to the Foreign Office covering Russell's conversation with Mikolajczyk on July 30 and the reactions thereto were subsequently made available to the Department of State (860C.00/8-146).

<sup>98</sup> Benjamin V. Cohen, Counselor of the Department of State and member of the American delegation at the Paris Peace Conference.

<sup>99</sup> None printed. Telegram 7134, July 30, from London, reported that the British Ambassador in Warsaw had recommended that conversations on a governmental level be initiated with the Soviet Union with a view to arriving at a common policy on Polish elections as specified under the Yalta agreement but that the British Foreign Office had decided against the proposal (860C.00/7-3046). Telegram 7153, July 31, from London, reported that the British Foreign Office continued to feel that the Soviet Union would refuse to participate in any discussions with the American and British Governments relative to the Polish elections problem and that such a refusal would give the Polish Government a pretext for postponing elections (860C.00/7-3146). For résumé of telegram 1189, August 2, from Warsaw, see footnote 95, p. 486.

(2) Conduct a fraudulent election which would return present regime to power.

(3) Declare Peasant Party illegal or so restrict its activities as to force boycott of election. Mik has already threatened to boycott elections unless international supervision is arranged.

(4) Force Peasant Party to agree to single list. (Warsaw's 1187 Aug 1 11 pm reports that Mik has refused offer of 25 percent Peasant Party representation without Mik's personal inclusion in govt.)

(5) Further postpone elections indefinitely.

The only solution satisfactory to us would be free election or agreement upon adequate representation in a coalition slate of the non-bloc parties acceptable to their leaders. It is unlikely that either of these solutions could be obtained without agreement with SovGov.

We feel that if Sec agrees Lane should be instructed to inform Mik that we cannot agree to participate in international supervision of Polish elections but it would be well if at same time we could inform him what steps we are taking to carry out our obligation under Yalta agreement. We would at same time instruct Lane to point out to Mik the un wisdom, in our view, of a boycott of election.<sup>1</sup>

Repeated Warsaw as 726.

ACHESON

860C.51/8-546: Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

SECRET

WARSAW, August 5, 1946—8 p. m.

US URGENT

[Received August 6—6:25 p. m.]

1207. My telegram 1169, August 1.<sup>2</sup> I advised Prime Minister August 5 that I had notified Dept of receipt of material as promised by Prime Minister in connection with 40 million dollar Export Import Bank credit. I informed Prime Minister that as furnishing information to this Embassy would appear to fulfill conditions agreed upon, I assumed that there should be no further obstacle to finalization of negotiations for credit.

In reply to my suggestion that any statement on the subject should

<sup>1</sup> Telegram 3953, Delsec 810, August 10, from Mr. Cohen in Paris stated: "We are in agreement that a note along the lines suggested by the Department and Lane should be transmitted to the Polish Government. It is our feeling, however, that the details and exact language should be worked out in Washington and that it is not desirable to discuss the matter here with Molotov and Bevin." (740.00119 Council/8-1046) Telegram 3991, Delsec 816, August 13, from the Secretary of State in Paris, authorized the Department to consult with the Soviet Government, either in Washington or in Moscow, if that seemed desirable (740.00119 Council/8-1346).

<sup>2</sup> Not printed; it reported that the final installment of Polish trade treaty information had been translated and sent by diplomatic mail pouch to the Department. Ambassador Lane expressed the feeling that the information submitted might properly be regarded as reasonable fulfillment of the Polish commitment. (860C.51/8-146)



be made in Washington, Osóbka-Morawski said he is in entire agreement adding that if any statement were made by Polish Govt it would be in confirmation such statement as our Government might wish to make in Washington.

In view of foregoing I suggest that Dept give consideration to issuance of statement as soon as possible.<sup>3</sup> It is important that statement should not be made immediately before or during meeting of National Council of Homeland which we believe will meet August 20 so as not to give impression that extension of credit has been influenced by local political considerations.

LANE

860C.00/8-1046: Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

SECRET

WARSAW, August 10, 1946—1 p. m.

[Received August 11—7:47 a. m.]

1233. Had long talk with Mikolajczyk August 9 during which he summarized political developments during last 2 weeks. He said that he had known fairly accurately what was developing and his opinion was confirmed August 9 by Cyrankiewicz<sup>4</sup> one of the PPS leaders:

PPR had been so disappointed by result of referendum that violent action was contemplated. Outbreak at Kielce instigated by UB was of several acts of violence planned. It was decided to eliminate PSL but because of growing strength of PSL as shown in referendum PPR decided first to eliminate Popiel's Labor Party. This succeeded as Popiel less difficult to liquidate than Mikolajczyk. PPR then approached Kiernik and Wycech of PSL<sup>5</sup> to persuade PSL to go in Govt bloc on condition however that Mikolajczyk should be eliminated from the Govt and party. This offer which was endeavor to split PSL Party was rejected. July 25 Bierut, Gomulka and Minc (not Ber- man) went secretly to Moscow without knowledge of PPS not even of Osóbka-Morawski.

As result of Moscow trip split took place between PPR and PPS. Former insisted on elimination of Mikolajczyk while latter objected

<sup>3</sup> For text of the Department's announcement of August 9, 1946, that texts of Poland's economic agreements had been furnished to the United States Government and that final arrangements could therefore be made for the Export-Import Bank credit to Poland, see Department of State *Bulletin*, August 18, 1946, p. 335. Telegram 958, October 3, 1946, to Warsaw, reported that the \$40 million Export-Import Bank credit agreement with Poland had been signed on October 2, 1946 (860C.51/10-346).

<sup>4</sup> Józef Cyrankiewicz, First Secretary of the Central Executive Committee of the Polish Socialist Party (PPS).

<sup>5</sup> Władysław Kiernik, President of the Chief Council of the Polish Peasant Party, and Czesław Wycech, member of the Chief Executive Committee of the Polish Peasant Party.

to PPR being dictated by Moscow regarding internal situation. Osóbka and Cyrankiewicz then published articles indicating that PPS did not recognize that any one party could dictate to others.

According to Mikolajczyk Cyrankiewicz agrees with Mikolajczyk that PPR policy is to eliminate one party after another including PPS so that finally only party in Poland will be PPR Communist Party. Mikolajczyk believes that this was directive given to PPR following recent visit of trio to Moscow.

I outlined to Mikolajczyk August 9 steps which are under consideration in connection with forthcoming elections. I said I hoped we would protest liquidation of Labor Party and obstacles being put in way of PSL. I said I hoped we would insist that certain guarantees be included in electoral law so that all parties would have equal representation on electoral commission et cetera. I expressed personal opinion that it is most important for us to have US Govt's view placed on record so that there may be no misunderstanding as to our position.

I said I knew from past talks that Mikolajczyk desirous of supervision by US and UK of elections but in my opinion this not possible as neither Soviet nor Polish Govt would agree. In circumstances I expressed view that next best course would be to have our attitude placed unequivocally before Polish Govt sometime prior to passage of electoral law.

Mikolajczyk said that while he realized improbability of UK and US supervising elections his party intended to ask two Govts to do so that views of PSL might also be put on record. He said that in event that we declined PSL will then refer matter to United Nations.

Repeated to Paris for the Secretary as 248, to London as 165 to Moscow as 133.

LANE

860C.00/8-1446: Telegram

*The Acting Secretary of State to the Chargé in the Soviet Union  
(Durbrow)*

SECRET  
US URGENT

WASHINGTON, August 14, 1946—7 p. m.

1486. You are instructed deliver communication to SovGov along following lines:<sup>6</sup>

“Under instructions from my Gov I have honor to transmit herewith copy of note which my Gov intends transmit PolGov on subject of holding free elections in Poland.<sup>7</sup> In view responsibilities assumed

<sup>6</sup> The communication to the Soviet Government was delivered on August 16.

<sup>7</sup> For text of the United States note as delivered to the Polish Foreign Ministry on August 19, see Department of State *Bulletin*, September 1, 1946, p. 422.

by Govs of SovUnion, UK and USA under Yalta and Potsdam agreements my Gov hopes SovGov will also take steps to impress upon PolGov importance which it attaches to insuring necessary conditions for holding free and unfettered elections in Poland. Similar approach being made BritGov.”<sup>8</sup>

Text proposed note to PolGov contained in immediately following tel. Please inform Dept and Warsaw promptly of delivery of note in order our note may be transmitted to PolGov approximately 24 hours after its delivery to SovFonOff.<sup>9</sup> For your info Brit and ourselves intend make public texts our respective notes to PolGov shortly after their delivery. Repeated to Warsaw, Paris and London.<sup>10</sup>

ACHESON

860C.00/8-2046 : Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

TOP SECRET

WARSAW, August 20, 1946—7 p. m.

[Received August 22—1:50 a. m.]

1271. Mikolajczyk informed me August 19 that according to latest reports KRN will meet August 31 or possibly week later to approve electoral law which is being drawn up by Swiatkowski, Minister of Justice to replace draft by electoral subcommittee of KRN (which is not holding meetings on subject). Mikolajczyk infers that change of procedure in draft laws signifies Government's intention to eliminate from law guaranties against fraud which subcommittee insisted on inserting.

Mikolajczyk says that agenda of KRN does not include fixing date of elections. He ascribes this omission to lack of agreement between PPR and PPS. Former desires election which will be “forced” to be held this fall. Latter fearing elimination of PSL and subsequent liquidation of PPS by PPR, presses to postpone elections indefinitely hoping that PSL will eventually agree to join Government bloc. Mikolajczyk stated to me emphatically that he personally will never agree to joining bloc.

As Bentinck informed me that he has shown British note to Mikolajczyk I did likewise in confidence. Mikolajczyk said that our note was excellent and that guaranties which we had requested be included in electoral law would insure protection of PSL and SP rights if these provisions were carried out.

<sup>8</sup> The text of a parallel British note, also delivered on August 19, was published in the British press on August 21.

<sup>9</sup> Telegram 772, August 14, to Warsaw, containing text of the note to be delivered to the Polish Government was not received in Warsaw until August 17, due to commercial cable difficulties. The note was ultimately delivered to the Polish Foreign Ministry during the evening of August 19 at the same time the British note was delivered.

<sup>10</sup> Repeated to Warsaw as telegram 771, to Paris as 4095, and to London as 6046.

I expressed hope that PSL would not boycott elections as it would by so doing be playing into hands of its enemies.

He said that test of electoral law would determine whether PSL will have sufficient guaranties of fairness to justify its participation and that peasants would not desire to vote if they knew in advance that they were by so doing acquiescing in a fraud.

Further telegram follows based on Mikolajczyk's remarks re growing discord between PPR and PPS.

LANE

860C.00/8-3046 : Telegram

*The Acting Secretary of State to the Ambassador in Poland (Lane)*

WASHINGTON, August 30, 1946.

850. Following statement released press by PolEmb Washington, Aug 27:

"Note delivered by American Amb to Pol, Lane, to PolFonOff Warsaw week ago took PolGov surprise. Note that kind not expected and nothing this moment warranted delivery such note.

"These facts explain that PolGov not yet officially answered note which needs thorough study and attentive consideration.

"But already can be stated authoritatively note being regarded by PolGov as infringement Pol's sovereign rights, and interference her internal affairs.

"American note refers to American responsibility assumed Crimea and Potsdam Conferences, but both Agreements contain nothing more than acknowledgement by Great Powers that PolGov intends hold free, unfettered elections.

"PolGov many occasions officially reaffirmed it has agreed holding free, unfettered elections soon possible on basis universal suffrage and secret ballot in which all democratic and anti-Nazi parties right take part and put forward candidates.

"Representatives allied press enjoy, according Potsdam Agreement, full freedom report to world developments in Pol before and during elections. This freedom emphasized recently by many reports sent American correspondents in Pol to their papers.

"But, no provisions whatsoever these agreements for supervision Pol Electoral Law or Pol party politics.

"Electoral Law will be definitely decided by Home National Council in Warsaw at forthcoming sessions beginning Aug 31. From what already known about drafting Electoral Law by special commission of Council, it will be no less democratic than in many western countries, including U.S.A. Attempt in American note express an opinion on provisions future electoral law absolutely not accordance Yalta and Potsdam Agreements nor with rights any sovereign state.

"American Gov had several months official knowledge elections will be held in 1946, probably in fall. No new official notification forwarded American Gov last weeks or days warrant sudden resuming public discussion this question. Establishing date elections entirely

internal affair Pol, and comes within authority forthcoming session Home National Council.

"Note American Gov on this question seems imply American Gov learned about forthcoming elections from vague reports. Statement July 29, British Minister of State, Noel-Baker, 'Terms Crimea and Potsdam Agreements do not provide foreign supervision elections and there been no discussions with PolGov on this subject'. Present American note not only attempt institute such foreign supervision before elections, but open interference with completely internal party politics in Pol and is taking sides with Pol political life by giving open diplomatic support those parties known in disagreement with views and decisions on election problem by majority Gov coalition. As far as these party politics concerned, allegations contained American note all more surprising because completely anonymous. Note phrased such terms, 'have given rise to charges,' 'it has been brought to the attention,' 'my Gov has learned,' 'according reliable information,' etc. Without precedent in international relations that a government bases legally unwarranted diplomatic intervention into internal affairs another sovereign state on rumors and unsubstantiated allegations for which no proof whatsoever being quoted in note."

Repeated London 6379 and Moscow 1582.

ACHESON

862.00/9-1746 : Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

SECRET

WARSAW, September 17, 1946—2 p. m.  
[Received September 19—10: 14 a. m.]

1431. For the Secretary. General reaction of Poles with whom we have spoken re your Stuttgart reference to Polish western boundaries<sup>11</sup> appears with few exceptions to follow Polish Government line of criticism. Government officials say with conviction that despite political differences between parties all Poles in agreement on question of western boundaries and it is true that all party leaders, including Mikolajczyk and Popiel, advised their followers to vote yes on question 3 (re retention of Oder-Neisse border) in June 30 referendum. Innate nationalistic feeling of Pole, regardless of party, as well as desire to be compensated for loss Wilna and Lwow largely responsible but, naturally, Communists have taken full advantage to endeavor discredit you with the Poles.

Emotions run from violent attacks on you to milder expressions of hurt feelings that Poland after almost 6 years Nazi occupation and

<sup>11</sup> For text of the address setting forth United States policy on Germany, delivered by the Secretary of State at Stuttgart, Germany, on September 6, 1946, see Department of State *Bulletin*, September 15, 1946, p. 496.

destruction of Warsaw should now receive setback from US, always regarded as friend by almost all Poles. Fact that your remarks reiterated substance Potsdam provisions which were applauded by Government press at time of Potsdam Conference, apparently not appreciated by general public.

Those who applaud your remarks re Poland, seem primarily motivated by belief that it was necessary to give strong warning to Soviet Union that Potsdam Decision must be fulfilled by all parties thereto. Even some of these, however, who are generally friendly towards US Government express regret at timing of speech, feeling that coming prior to meeting of KRN September 20, interests of Mikolajczyk and PSL will be injured despite Mikolajczyk's advocacy of Polish retention western territories.<sup>12</sup>

Vice Consul at Krakow where pro-US anti-Communitistic feeling has been consistently high report[s] concern over speech on following grounds: (1) Too lenient attitude towards Germany which may again be military danger to Poland; (2) inability to comprehend speech in view of our having permitted transfer of Germans from western lands and (3) present policy of US will result in increase of influence of Soviet Union in Poland and in serious decline of our prestige.

In conversations I have generally followed line which I took in talk with Olszewski (mytel 1363, September 6<sup>13</sup>). More detailed explanations may be necessary, however, in order to allay feeling which subjective attitude of Poles, encouraged by Soviet guided government, exaggerates that your address was primarily intended as attack on Poland. I should therefore be grateful for any elaboration of your views with respect to Poland which you may wish to give me for my guidance in further talks which I may have with Polish officials and others.

Regardless of the ephemeral irritation, which I am impelled to report, your remarks have provoked in Poland, I am confident the Poles as a people have greater confidence in our friendship than in that of any other nation.

Sent to Paris as 294; to Moscow as 167; to London as 207.

LANE

<sup>12</sup> Mikolajczyk's public statement protesting Secretary Byrnes' address is described in Stanislaw Mikolajczyk, *The Rape of Poland: Pattern of Soviet Aggression* (New York and Toronto, McGraw-Hill Book Company, Inc., 1948), pp. 171-172.

<sup>13</sup> Not printed; it reported on Lane's conversation with Olszewski on September 6 (862.00/9-646). For his account of this conversation, see Lane, *I Saw Poland Betrayed*, pp. 260-261.

860C.00/9-2746 : Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

SECRET

WARSAW, September 27, 1946—5 p. m.  
[Received September 29—1:03 p. m.]

1500. I lunched alone with Mikolajczyk today, my first talk with him since his return from Copenhagen.<sup>14</sup>

He said that while Secretary's Stuttgart speech had hurt Mikolajczyk politically, from overall diplomatic viewpoint effect of speech was not unfavorable to Polish interests. He said he had knowledge that German Communists had some weeks ago gone to Moscow where they had urged western Polish lands be restored to Germany otherwise Communist control would be stifled. Secretary's speech provided warning to Russia which Molotov unwilling to answer at once because of imminent German elections. Molotov's speech<sup>15</sup> indicated that Kremlin had realized as a result that western political frontier must be moved from Rhine to Oder. Stalin's remarks to London *Times* correspondent are confirmation of Soviet admission that Secretary's speech prevented any aggressive move.<sup>16</sup> Stalin's remarks should be interpreted as attempt to conciliate western powers.

Mikolajczyk said new electoral law<sup>17</sup> much more drastic than referendum law and can in effect prevent PSL participation in elections was attitude of USSR in suppressing free speech of PSL at KRN meeting, reference to expulsion from country of those who demand foreign intervention in elections, arrests of PSL members Baginski and Mierzwa,<sup>18</sup> suspension of PSL Party bulletin, attacks on PSL headquarters Warsaw, Katowice, Wroclaw, Gdansk and Szczecin clearly indicate that Government parties intend to eliminate PSL from active participation in elections. Although PSL congress was shortly to meet, it has now been decided to have restricted executive committee meeting instead, as reports have reached Mikolajczyk that all members of PSL congress would be arrested and supplanted at meeting by PPR stooges.

<sup>14</sup> Mikolajczyk had been in Copenhagen for a conference of the Food and Agriculture Organization of the United Nations during the first part of September.

<sup>15</sup> Reference presumably is to Foreign Minister Molotov's statement to a correspondent of the Polish Press Agency regarding Poland's western frontiers, released in the Soviet press on September 17, 1946.

<sup>16</sup> Reference to Generalissimo Stalin's answers to questions of Alexander Werth of the *Sunday Times*, published in the Soviet press on September 24, 1946.

<sup>17</sup> The National Council of the Homeland passed an electoral law on September 22, 1946.

<sup>18</sup> Kazimierz Baginski, a member of the Executive Committee of the Polish Peasant Party, was arrested in September 1946 for publication of a PSL Party bulletin declared illegal by the Government. Stanislaw Mierzwa, a member of the Chief Council of the PSL and editor of the party organ *Piast* was reportedly arrested on September 18.

Mikolajczyk said that many members of his party desirous of boycotting elections. He would agree to this only as last resort in event names of all PSL candidates should be stricken from lists as is possible under new electoral law. He would prefer to be beaten at elections thereby giving Yalta Powers opportunity to voice protest and perhaps refer to United Nations Security Council question of elections which he is sure will be fraudulent. He fears that boycotting would bring forcible action of underground preventing election be held thus resulting in civil war and giving plausible excuse to Russians to occupy country to restore order.

My comments follow in subsequent telegram.

Repeated to Paris for the Secretary as 319; <sup>19</sup> to Moscow as 189; to Berlin as 248; to London as 228.

LANE

860C.00/10-246 : Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

CONFIDENTIAL

WARSAW, October 2, 1946—9 a. m.

[Received October 5—7: 35 a. m.]

1520. Although statements criticizing our note as an infringement on Polish sovereignty have been made to the press by the Polish Embassy in Washington and by Ambassador Lange, then in London, the Polish Govt has not seen fit to reply to or even acknowledge our note of August 19 regarding the election law. It has also taken the definite action of introducing before the KRN and forcing the passage of an election law which provides no guarantee to opposition parties that their votes will be accurately counted and published and no satisfactory procedure through which a protest may be registered.<sup>20</sup> There are continuing accusations against and arrest of opposition spokesmen and lack of free expression of opinions.

I recommend that we should address a further note to the Polish Provisional Govt in the immediate future containing the following points and such others as Dept may consider appropriate.

(1) Reference should be made, along the lines of the portion quoted from British Ambassador's telegram to London FonOff (mytel 1517, October 1<sup>21</sup>), to the Yalta Agreement, the Moscow conversations and the Potsdam Agreement, which repeatedly stressed that free and unfettered elections were to be conducted in Poland. Reference should also be made to the note of April 24, 1946 received by the Dept from

<sup>19</sup> The Secretary was chairman of the U.S. delegation to the Paris Peace Conference, July 29–October 15, 1946.

<sup>20</sup> The electoral law was passed by the National Council of the Homeland on September 22.

<sup>21</sup> Not printed.



the Polish Embassy which gave assurances that general elections will take place this year in accordance with the stipulations of article IX of the Agreement of Potsdam of August 2, 1945. On the basis of this and other notes substantial financial assistance was extended to the Polish Provisional Govt.

(2) The Provisional Govt of Poland has not thus far implemented, through the passage of an adequate electoral law, its indicated intention to meet satisfactorily the undertakings to which it subscribed prior to its recognition by the Govt of the US and which were consequently confirmed at Potsdam. The electoral law just passed by the National Council of the Homeland doesn't in the opinion of the US Govt sufficiently provide for "the holding of free and unfettered elections (omit "as soon as possible") on the basis of universal suffrage and secret ballot" nor does it make adequate provision that "in these elections all democratic and anti-Nazi parties shall have the right to take part and to put forward candidates." The Govt of the US wishes it to be clearly understood that it will reserve its right to declare, at such time as it considers appropriate, whether, in its judgment, elections have been carried out in a free and unfettered manner in accordance with the Yalta and Potsdam decisions.

(3) It desires, therefore, at this time again to inform the Provisional Government of Poland that the Govt of the US expects that every facility for equal rights in the election campaign and in the election itself will be given to all Democratic and anti-Nazi parties in accordance with the Agreement at Yalta.

(4) Should the facts justify the decision that free and unfettered elections have not been held the Govt of the US feels that in fairness to the Provisional Govt of Poland it must now state that a review of its relations with the Provisional Govt will later be required, including the question of economic assistance which Polish Provisional Govt has expressed an interest in obtaining from the US in the future.<sup>22</sup>

LANE

711.60C/10-346 : Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

SECRET

WARSAW, October 3, 1946—11 a.m.

[Received October 5—3:05 p. m.]

1531. In discussing general Polish American relations with Prime Minister today, I referred to my talk with Olszewski September 24<sup>23</sup> and characterized relations as worsening and on downward grade due to no fault of US. I referred to obstructionist and even unfriendly attitude taken on Dmochowska case,<sup>24</sup> similar attitude in connection

<sup>22</sup> Telegram 979, October 10, to Warsaw, stated that the Department would await Ambassador Lane's arrival at Washington before deciding on action to be taken regarding passage of the Polish electoral law (860C.00/10-246).

<sup>23</sup> For an account of the Lane-Olszewski conversation of September 24, see Lane, *I Saw Poland Betrayed*, p. 269.

<sup>24</sup> For an account of the arrest of United States Embassy employee, Mrs. Irena Dmochowska, and Ambassador Lane's subsequent efforts to secure her release, see *ibid.*, pp. 201-204.

with US note August 19 re election which has never been answered except through the press and lack of regard for many cases involving American interests.

I referred to unfriendly attitude of press toward US and I took liberty of reminding Premier that his speech at Katowice probably through lack of knowledge of all conditions gave erroneous impression of Mr. Byrnes' speech<sup>25</sup> when Osóbka used phrase "undermining frontiers of Poland."

I then explained that Secretary's speech did not represent change of policy of US Government and that I had so informed Olszewski immediately after Mr. Byrnes' speech was made September 6.<sup>26</sup> As I interpreted his speech Secretary wished to underline that we are not withdrawing from Europe nor from occupation of Germany until other armies of occupation withdraw. I could not see how speech could be interpreted as hostile towards Poland. There was no intimation in speech that US was changing its Potsdam attitude or that US would take attitude counter to Polish interests at Peace Conference. Emphasizing that I was speaking personally and had no instructions to say so I observed that there had been reports of demands on part of German Communists for western Polish territory. Such demands if granted before Peace Conference met would be a violation of Potsdam decision. On other hand Secretary's speech emphasized necessity of adhering to Potsdam agreement. In his speech Secretary had referred however to failure of "Potsdam power to live up to Potsdam agreement". It was to be assumed that this would create irritation in certain quarters. I said that Secretary's speech was almost unanimously applauded by American press with exception of Communist press which is small and of little importance. This attitude of press was to be interpreted as approval of our nonisolationist policy.

Osóbka said that he thought Secretary's speech was made for political purposes in connection with November elections in US. I said this was not so and that foreign policy of US is bi-partisan as indicated by support of President by both parties in connection with Wallace's resignation.<sup>27</sup> He inquired whether in issuing communiqué on my visit to him he might refer to my interpretation of the Secretary's Stuttgart speech as he felt certain it would help to clear up misunderstanding and would serve to create better relations.

I replied that as Mr. Byrnes' speech had been apparently deliberately misrepresented I feared that my interpretation would likewise

<sup>25</sup> Reference to Secretary Byrnes' speech at Stuttgart, September 6; for text, see Department of State *Bulletin*, September 15, 1946, p. 496.

<sup>26</sup> For an account of Ambassador Lane's conversation with Olszewski on September 6, see Lane, *I Saw Poland Betrayed*, pp. 260-261.

<sup>27</sup> Henry A. Wallace resigned as Secretary of Commerce on September 20, 1946.

be misrepresented and as I had no instructions to make statement, I preferred not to do so. I authorized him, however, to say if he wished that we discussed Mr. Byrnes' speech in the most friendly fashion but I judged from his reaction that nothing will be said on the matter.

I made it plain that I was aware of Polish Government's attitude in inciting public against US in connection with the Secretary's speech and referred to demonstration outside my hotel rooms September 8.<sup>28</sup> I said I did not personally mind but I was thinking of reaction in US which according to hundreds of clippings sent me created an undesirable atmosphere in the US against Poland.

While I believe that Osóbka personally desires friendly relations with the US it was obvious from his limited and reluctant remarks that he is not at liberty to discuss the Government's policy re western frontiers except that attitude of Western Powers re western frontiers had made it plain to Polish people that it has one friend (USSR) whom it can always count. He also said that as result of Stuttgart speech Poland is speeding up the repopulation of western lands.

I ended interview by asking rhetorical question whether in the event that Polish frontier was moved east of Oder and Neisse Rivers the gainer would be Germany or the Soviet Zone in Germany. Osóbka merely laughed.

Sent to Department as 1531; repeated Paris for Secretary as 329.

LANE

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711.60C27/10-446 : Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

SECRET

WARSAW, October 4, 1946—9 a. m.

[Received October 6—2 p. m.]

1538. I inquired of Prime Minister October 2 present status of bi-lateral aviation agreement.

He said that matter is being studied but it is very complicated. His experts had told him that US and Great Britain have not as yet concluded agreement between them. Osóbka added that Poland does not wish to have its hand caught in the door.

I said I thought there must be some misunderstanding as US and UK had concluded aviation agreement at Bermuda some months ago.<sup>29</sup> I said I interpreted Polish Govt's hesitancy to unwillingness to con-

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<sup>28</sup> The American Embassy was located in the Hotel Polonia in Warsaw; for an account of the demonstration before the hotel on September 8, 1946, see Lane, *I Saw Poland Betrayed*, p. 262.

<sup>29</sup> Reference is presumably to the air services agreement between the United States and the United Kingdom, signed at Bermuda, February 11, 1946; for text, see Department of State, *Treaties and Other International Acts Series (TIAS) No. 1507, or 60 Stat. (pt. 2) 1499.*

clude agreement with US. We had been told about one year ago that Polish Govt did not desire to discuss agreement until economic conversations in Washington were concluded. When these conversations were concluded I was told May 4th by Modzelewski that matter was being held up for official reasons<sup>30</sup> and now Premier informs me that lack of agreement between US and UK was obstacle.

Premier said that Polish Govt was greatly interested in aviation agreement especially because of its belief that US and UK not in agreement and as it did not know attitude of the other great power. I expressed disappointment that Polish Govt showed lack of cooperation on this matter and had given various reasons for not discussing agreement. I said I was not urging signature of agreement but a discussion thereof and could not understand why Polish Govt declined to do so. Premier then asked me whether I referred to present economic negotiations or early ones. I said I referred to those in Washington which culminated successfully last June partly due to intervention of Premier. The Premier then said that Finance Minister Dabrowski had gone to US and would in addition to International Bank talks discuss the economic situation with US Govt. He said that industry Minister Minc was also going to US. Premier indicated although he did not specifically state that Minc would likewise discuss Polish economic and financial needs. I said that in my opinion much more favorable atmosphere would be created in US Govt circles if at least a position on the part of Polish Govt to negotiate aviation agreement would be shown. I said of course it would also be most desirable if hostile attitude towards US on part of certain Polish officials could be changed, otherwise I fear an unfavorable attitude towards Poland in Congress and elsewhere.

I hope Department will inform Polish Govt officials who approached Department and US Govt for financial assistance and will authorize them to inform Polish officials here that US Govt is not disposed to recommend extension of any further credit to Polish Provisional Govt unless and until Polish election commitments are carried out, adequate facilities are extended to American Embassy to interview valid claimants to American citizenship who are under arrest and if said position is shown to enter into negotiations for bilateral aviation agreement. Osóbka indicated in discussion aviation agreement that he wished it to be made part of general economic discussions these [apparent omission], as a year ago, as lever to obtain financial assistance.

I feel strongly that we should not permit Poles particularly after our experiences during past year to dictate to US as to the terms on which Poles will discuss matters of bilateral aviation agreement which

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<sup>30</sup> Regarding Ambassador Lane's conversation with Acting Foreign Minister Modzelewski on May 4, see telegram 1188, May 4, from Berlin, p. 445.

has now been dormant for over one year due to continual evasion and procrastination. On the contrary we are in a position in view of Polish need for financial assistance to insist that conditions be met such as hope enumerated in preceding paragraph. I earnestly recommend that we take advantage of that opportunity as set forth in attitude to Polish Govt officials in no uncertain terms.

Sent Dept as 1538; repeated to Paris for Secretary as 330.

LANE

360C.1121/10-446 : Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

US URGENT

WARSAW, October 4, 1946.

[Received October 4—1:42 p. m.]

1542. Following is translated text of FonOff note dated September 28:

Acknowledging receipt of Your Excellency's note of August 4, 1946, No. 523<sup>31</sup> as well as of August 31, 1946,<sup>32</sup> and after careful consideration of the notes, I would wish to share with Your Excellency the following observations:

When discussing matters which are the subject of the above-mentioned notes, the Polish Government considers necessary careful differentiation between the conception of "American citizen" from a person who just lays claim to American citizenship (presumptive citizens).

1. If the matter concerns persons who possess indisputable and exclusively American citizenship, the Polish Government with regard to these persons acknowledges completely the right of the American Government to exercise its protection over them while they remain in Polish territory. The pertinent provisions of the Treaty of Friendship, Commerce and Consular Rights between Poland and the United States of June 15, 1931, to which Your Excellency referred several times, applies only to such persons. In the case of an arrested person belonging to this category of American citizens, the Polish Government upon request is ready, if judicial procedure permits it, to authorize an official of the Embassy in the presence of a representative of the Ministry of Foreign Affairs to visit this person in prison. It is to be understood that the conversation may be conducted on the basis and within the framework of a prescribed questionnaire.

2. If the persons concerned possess dual citizenship, Polish and American, the Polish Government continues to persist in the view that the decision whether a given person is or is not a Polish citizen belongs entirely and exclusively to the Polish Government inasmuch as

<sup>31</sup> For text of Embassy's note of August 4, 1946, regarding the situation of claimants of United States citizenship in Poland, delivered to the Polish Foreign Ministry on August 6, see telegram 592, June 28, to Warsaw, and footnote 75, p. 468.

<sup>32</sup> Note of August 31 not printed.

this is a question which, in the purview of paragraph 7 article II of the United Nations Charter, is exclusively within the domestic competence of a given state. Naturally, the Polish Government concedes the same right to the Government of the United States and never intended to inject itself into the matter, leaving to the exclusive decision of that Government whom it considers an American citizen. This means that the Polish Government is interested above all not in whether a given person is or is not an American citizen but whether the person is or is not a Polish citizen. Only when, in the execution to the fullest of its own sovereign rights, it determines that the person concerned is not a Polish citizen, it must take a further step and verify the person's citizenship in order to know to whose protection the person is entitled. The fact that the Government of the United States applies in citizenship matter not only the principle of *jus soli* but also *jus sanguinis*, is well known to the Polish Government. If I did not mention this in my note of April 27 it was only because the effect of the principle of *jus sanguinis* cannot be the cause of any difficulties with regard to persons who are exclusively citizens of the United States, for in cases where the father of a child born on Polish territory (legitimate children) or the mother (in cases of illegitimate children) are American citizens the Polish Government without any reservations will recognize this child's American citizenship.

3. When a person, located in Polish territory, is for any reason whatever acknowledged by the Polish Government to be a Polish citizen then that person is treated on the same basis as its other citizens and the Government does not interest itself whether that person is entitled to some other citizenship. If it were otherwise, a situation would arise whereby Polish citizens would be divided into two categories—common and privileged, that is, having an additional citizenship and enjoying the protection of a foreign power. No sovereign state could acknowledge such discrimination. Therefore, the Polish Government cannot agree that on its own territory a certain category of its own citizens should enjoy the protection of another country. This conclusion originates completely independently from The Hague Convention of 1930 to which the Polish Government referred only as proof that the Convention's signature by 35 countries, among them four big powers, and indicates that the contents of article IV of the Convention, have become the standard of almost universally recognized international law and the Polish Government persists in this view.

4. If it concerns persons who are not Polish citizens and whose American citizenship is not proven, then the American Government, if it should wish to extend them its protection, must prove his citizenship beforehand and not depend on the statement of the interested person nor place the burden of proof upon the Polish Government because "*ei incumbit probatio qui dicit, non qui negat*". In unusual cases where establishment of this proof would be possible only after previous personal discussion with the arrested person, the Polish Government will grant permission, if judicial procedure permits this, to authorize an official of the Embassy in the presence of a representative of the Ministry of Foreign Affairs to visit this person in prison. It is to be understood that the conversation may be conducted on the basis and within the framework of a prescribed questionnaire.

I would now like to refer to the demand of Your Excellency's Government, that the Polish Government express in advance its agreement to permit officials of the Embassy to visit an arrested person who claims American citizenship but whose statement has not previously been investigated for accuracy. Such a demand does not appear to me to be well founded because in that case every arrestee by claiming an unproved American citizenship could enjoy the protection of the Embassy.

The Polish authorities do not create any obstacles for persons who wish to communicate with the American Embassy for the purpose of establishing their American citizenship and such persons do not need any permission in order to call at the Embassy.

The matter of issuing permits to American citizens for departing from Polish territory when they have already received proper documents as American citizens has already been settled by oral discussion and those persons now are leaving Poland in groups.

The Polish authorities facilitate transportation of American citizens leaving Poland in every way possible, as far as existing transportation means permit and facilitate as well the obtaining of Polish documents, necessary for them.

Also on ships sailing under the Polish flag American citizens enjoy the same facilities as are enjoyed by Polish citizens.

The matter of families of American citizens which possess Polish or other citizenship has been settled and those families, as far as possible, are issued documents necessary for leaving Poland.

LANE

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740.00119 Council/9-2446 : Telegram

*The Acting Secretary of State to the Secretary of State, in Paris*

SECRET

WASHINGTON, October 5, 1946—1 p. m.

5319. Secdel 1058. For the Secretary from Clayton.<sup>33</sup> Upon receipt of your 4864 Sept 27,<sup>34</sup> I asked US Executive Director of International Bank for statement of present status of Polish application to Bank and of proposed procedures for consideration of application within Bank. His statement as of Oct first follows:

"1. Polish Financial Counselor on Sept 24 left with the President of the Bank a letter from the Polish Minister of Finance<sup>35</sup> trans-

<sup>33</sup> William L. Clayton, Under Secretary of State for Economic Affairs.

<sup>34</sup> Not printed; it read as follows: "I have seen press reports to the effect that Poland has asked for 600 million dollars loan from the World Bank. I assume that no early action is contemplated on this application but would like instructions issued to make certain that it is not considered until after my return." (860C.51/10-146) In telegram 4969, Delsec 1027, October 4 from Paris, the Secretary took note of the reports that Poland might be seeking additional financial assistance for the development of its coal industry. The Secretary, who expressed his awareness of Europe's urgent need for coal, set forth his ideas on the subject in the following manner: "Certainly we should give no financial assistance to Poland without absolute guarantees that a reasonable proportion of coal exports will be allocated to countries west of the iron curtain." (740-00119 Council/10-446)

<sup>35</sup> Konstanty Dabrowski.

mitting a brief memorandum outlining the Polish reconstruction program and stating that Poland would seek International Bank credits of \$600 million over a 3-year period. The Financial Counselor stated that Poland would request approximately \$200 million for expenditure in 1947. A rather general description of the reconstruction plan has since been brought to Washington by the Polish Minister of Finance who is Governor of the Bank. This plan was approved in the last few days by the Polish Congress and is now being translated into English at the Polish Embassy. The Poles will not present detailed specifications of their 1947 \$200 million requirements for 2 or 3 weeks.

"2. The Bank's Loan Director is meeting with the Poles on Oct 2 for a general discussion of procedure and a preliminary discussion of the Polish situation. He is meeting on Oct 1 and 2 also with representatives of Denmark, Luxembourg and France. It is further expected that during this or the next week loan applications will be received from the Netherlands and Chile. Moreover, we have some reason to believe that the Department and the Export-Import Bank's action pursuant to your direction will result in the \$50 million Czechoslovakian program being brought to the attention of the International Bank very shortly as a specific program under the general letter of intent to apply for loans eventually totaling \$350 million received from the Czechs last August.<sup>36</sup>

"3. The President and Loan Director may be expected to report on all of these loan developments to the Executive Directors of the Bank on Oct 8 and then or very shortly thereafter the Executive Directors will probably set up one or more *ad hoc* committees of their own members to consider authorizing the pursuance of negotiations by the administration of the Bank, the composition of the individual country loan committees required by the Articles of Agreement, and preliminary negotiating instructions. Such *ad hoc* committees should act very quickly—probably during the same week.

"4. If such procedure is followed, procedural arrangements for considering the Polish application would be established by about Oct 15 and preliminary study of the Polish request by the statutory loan committee (composed of staff members and a representative of the Polish Government) initiated. No formal reports on which actual loan action might be taken by the Executive Directors would be anticipated before the middle or latter part of November, but during the period of study and negotiation some indication of policy would of course be inevitable."

From the foregoing you will note it is not proposed that any formal reports will be made or definitive action taken until some time after your return. On the other hand it would be extremely difficult and embarrassing, in light of our commitments as a member of the Bank, to oppose preliminary discussions and study along the lines set forth in above statement. It is my understanding from your recent telegram that you desire to avoid definitive action but that you would not

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<sup>36</sup> For documentation regarding the question of possible economic assistance to Czechoslovakia, see pp. 178 ff.



object to preliminary discussions as envisaged above. It would not seem to me that such discussions would be at variance with the broad objectives outlined in your 4787 of Sept 24 (Delsec 986).<sup>37</sup>

Upon your return we can discuss in greater detail what course of action we can pursue, in light of our commitments as a member of the International Bank and Fund, to achieve your objectives of preventing or limiting assistance to countries opposing the principles for which we stand. In this general connection, the US Executive Director has made the following suggestion:

"We could take advantage of the relatively large demands now being made by applicants and the fact that the Bank can enter into commitments for but \$400-\$500 million this year to proceed very cautiously with the Polish and possible Czech requests. Western European countries will probably be receiving some \$300 million, and Latin America say \$50 million. The status of applications is such that these requests will probably be acted on a little more quickly than those of Poland and Czecho. The Bank would in no case wish to allot more than \$75-100 million to Eastern European countries this year, and possibly not more than \$50 million to one. The Bank could choose the very best projects, linked to Western European economic needs which would help to insure hard money proceeds for interest and amortization.

"This method would be consistent with the Articles of Agreement, would insure the consideration of only the best economic projects of Eastern Europe, and would permit a cautious development of our participation through the Bank in such lending activities."

ACHESON

860C.00/10-846 : Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

SECRET

WARSAW, October 8, 1946—11 a. m.

[Received October 10—2: 50 p. m.]

1559. Since the termination of KRN meeting September 23<sup>38</sup> we have had numerous talks with Poles of various political parties and leanings and with diplomatic colleagues. On basis these talks and out of observation we submit following conclusions on present situation and on possible future developments:

Action of KRN in forcing passage of electoral law which in effect permits fraudulent practices in counting votes in coming elections

<sup>37</sup> In this telegram, the Secretary reviewed United States policy with regard to economic assistance to various countries in Europe and the Near East, particularly Greece and Turkey. The telegram said in part "In a word we must help our friends in every way and refrain from assisting those who either through helplessness or for other reasons are opposing the principles for which we stand." For the full text of this telegram, see vol. VII, p. 223.

<sup>38</sup> The 11th session of the National Council of the Homeland was held September 20-23, 1946.

confirms general belief that Provisional Government can control legislative and electoral procedure through stooge handpicked National Council of Homeland. Elimination of Popiel element of Labor Party<sup>39</sup> illustrative of Governments intention to remove factors expressing opposition to minority in control. Similar action may be taken at any time against Polish Peasant Party and Mikolajczyk personally although because of probability that faked elections might now be held to retain present ruling clique in power, dissolution of PSL may no longer be considered necessary. If as we assume rigged elections will be held opposition forces such as PSL would automatically be eliminated from Government and from KRN. It is considered possible furthermore, that even members Polish Socialist Party which has recently been taking more independent position than before insisting on less subservient role for Poland in relation with USSR may be eliminated from Government after elections are held.

It is clearly evident from KRN meeting, from general line of action taken by Lublin nucleus of Polish Government during past year, and from openly hostile attitude taken by Government controlled press against US and UK that determination of ruling clique to remain in power regardless of Yalta, Moscow and Potsdam decisions regarding holding of free elections has unqualified support of Soviet Government. As long as Soviet Government condones this attitude protests to Polish Government regarding flouting of its international commitments will in our opinion have relatively minor effect but will in any case serve to record our views. As Soviet Government would undoubtedly prefer to maintain Polish Government such as present one which is entirely subservient to Soviet wishes than to have a government which would probably resist present Soviet policy of exercising complete control over army, security police and foreign affairs, I see no probability in near future, unless relations with US [garbled group] of change in Soviet policy towards internal situation in Poland. Therefore when representations are made regarding fulfillment of Yalta and Potsdam decisions they should be directed to Soviet and only secondarily to Polish authorities to be effective. Anticipating usual Soviet reply that question is internal one for Poles alone to decide and that it is contrary to Soviet policy to interfere in domestic affairs of any country, I am indeed pessimistic as to our ability of guaranteeing that Polish people will be able to express their will freely at polls and that freedom of speech and freedom from fear of political arrest will be restored in Poland.

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<sup>39</sup> Regarding developments in the Labor Party during July, see telegram 1128, July 26, from Warsaw, p. 484.

With foregoing in mind I recommend following basic position be maintained by US for present as matters directly affecting relations between two countries:

(1) We should continue to make vigorous representations regarding mistreatment of American citizens and should make known facts to the press.

(2) We should insist on Polish Government giving prompt and adequate compensation for American property nationalized. We should refuse to be satisfied with mere promises.

(3) We should emphasize our dissatisfaction with Polish Government's present policy of indifference towards friendship with US and towards our wishes such as negotiation of bilateral aviation agreement.

(4) We should not encourage granting of further charitable assistance to Poland if present Government continues existing policy pointing out that Polish Government should obtain food supplies and materials for reconstruction through normal financial channels open to a foreign government in US or elsewhere. Assistance extended through UNRRA, AMCross, and other organizations largely financed by American public has not resulted in improvement relations with US although Polish people as distinguished from government undoubtedly appreciate our humanitarian motives.

(5) We should refuse to consider requests of Polish Government for further financial assistance until Yalta and Potsdam commitments are fulfilled, until compensation for nationalized property actually made, and until Polish Government permits US to visit valid claimants to American citizenship now under arrest. We should be prepared to make public reasons for such refusal which even though it would probably occasion bitter attack against US in Polish Government controlled press would be appreciated by Polish people as determination not to appease Government minority group but should serve to strengthen our prestige generally in Poland as well as in all other satellite countries.

Shall hope to discuss foregoing more fully with Dept on my forthcoming arrival Washington.<sup>40</sup>

Sent to Dept as 1559; repeated to Paris for Secretary as 333, to Moscow as 194, to London as 235.

LANE

760C.61/10-846: Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

TOP SECRET

WARSAW, October 8, 1946—noon.

[Received October 10—11: 15 a. m.]

1560. Embassy informed that a letter setting forth PSL points of view addressed to Stalin and signed by Mikolajczyk, Kiernik and

<sup>40</sup> Ambassador Lane departed from Warsaw on October 10, 1946, and, after vacationing for several weeks in France and Italy, arrived in Washington for consultation on November 5, 1946. See Lane, *I Saw Poland Betrayed*, pp. 269-271.

Wojcik<sup>41</sup> was handed by those three on October 3 last to Soviet Ambassador in Warsaw. According to informant Lebediew received letter without comment further than that it would be forwarded to Moscow. It is known to Polish Govt that such document was given Soviet Ambassador but it is not known to Polish Govt that copies were furnished to American and British Embassies in strictest secrecy.

Communication is a defense of PSL internal and foreign policies, an attack on PPR and UB for their persecution, political shackling and terrorization of PSL and a plea for Russian-Polish friendship as well as for Soviet understanding of PSL objectives mainly PSL insistence upon strengthening of Soviet-Polish alliance. Document points out ways in which Polish Govt bloc parties particularly PPR have violated most of agreement in their treatment of PSL and states that "peasant masses" represent 70% of Polish people.

PSL letter says that PPR leaders assert that they have support of Soviet Govt and Red Army that anyone who does not follow PPR will have Russia against them and that free elections would bring PPR defeat and consequent loss by Poland of independence. The document goes on to state the average citizen accepts such PPR words without criticism and as result extends his dislike for PPR to dislike for Russia and Red Army. Following statements also significant:

"The PPR usurps for itself the right to monopoly of Polish-Soviet friendship. Consequently it looks with dislike and even with enmity upon activities of people from other camps who really desire to make more permanent the friendly life between Polish and Soviet nations. Even meetings arranged by PSL and devoted to Polish-Soviet friendship have been broken up.

"Under these conditions the sincere atmosphere with which Polish nation greeted victorious army entering Poland has not been properly utilized to create a foundation for friendship between two Slav nations. The shortsighted PPR policy aiming to make PPR authority permanent in Poland despite nation's will has led to creation of unfriendly feelings for Soviet Union and its Red Army. This is greatest harm which PPR has done to Poland and Soviet Russia."

Full translation communication follows by despatch.<sup>42</sup>

Dept please repeat to Moscow.

LANE

<sup>41</sup> Stanislaw Wójcik, Chief Secretary of the Presidium of the Executive Committee of the Polish Peasant Party.

<sup>42</sup> Despatch 774, October 10, from Warsaw; not printed. An abbreviated version of the communication to Stalin, dated October 10, is printed in Mikolajczyk, *The Rape of Poland*, p. 294.

860C.00/10-1746

*The British Embassy to the Department of State*

Ref: 1212/-/46

## MEMORANDUM

His Majesty's Government in the United Kingdom have been giving urgent consideration to the implications of the recent Polish Electoral Law, the text of which, together with the comments of His Majesty's Ambassador at Warsaw, has now been received in London.

2. It appears to His Majesty's Government that while the law contains such loopholes that it will enable the elections to be falsified, its actual provisions do not seem to provide very solid ground for objection except in so far as the requirements of His Majesty's Government are not met in respect of representation on electoral commissions and the publication of results immediately in each voting district.

[Here follows an analysis of those provisions of the Polish electoral law which could be used by the Government to falsify the election results.]

6. In view of the circumstances in which the negotiations for an electoral bloc have broken down, His Majesty's Government feel that M. Mikolajczyk had no alternative but to decide to contest the election. As regards the possibility of a boycott, His Majesty's Government hope that M. Mikolajczyk will continue to follow the advice which His Majesty's Government have always given him and will not resort to this measure. On the other hand, if a large proportion of the Peasant's Party candidates are disallowed and numbers of their supporters disenfranchised, as would be possible under the terms of the Electoral Law, it will hardly be reasonable for His Majesty's Government to go on advising M. Mikolajczyk against a boycott.

7. In the light of the foregoing it is considered that His Majesty's Government and the United States Government should inform the Polish Government that they have taken note of the Electoral Law as passed by the National Council for the Home Land, but that they will not regard the terms of the Yalta and Moscow Agreements and the undertakings given at Potsdam as having been fulfilled if all democratic parties do not enjoy equal facilities to conduct electoral campaigns freely without arrest or threat of arrest and without discriminatory restrictions of their election activities and if all these parties are not represented on all electoral commissions at all levels. At the same time, His Majesty's Government propose to encourage the publication as frequently as possible of unfavourable comments appearing in the British press on the lack of freedom in connexion

with the Polish elections and also comments deprecating an electoral bloc. Such comments would be given full publicity in the B.B.C. broadcasts in the Polish language.

8. As regards the question of economic pressure on Poland, His Majesty's Government are agreeable, so far as they are concerned, to it being made known that the provision of financial assistance for Poland will be dependent on the fulfilment of the Yalta and Moscow Agreements and of the undertakings given at Potsdam and on all parties enjoying equal facilities. As the United States Government is aware, His Majesty's Government are at present suspending the ratification of the financial agreement whereby the Poles will receive £3,000,000 in gold and £6,000,000 worth of surplus stores. His Majesty's Government hope that the United States Government, for their part, may be able to act on the lines suggested in the last paragraph of this Embassy's memorandum of the 5th July, 1946.

9. Finally, while this is more a matter for the United States Government, His Majesty's Government, for their part, would see no objection to an exception being made as regards a loan for the purchase of machinery for the coal mining industry provided that it is granted in return for an appreciable increase in coal exports to Western European countries.

WASHINGTON, 17 October, 1946.

860C.00/10-2646

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*The British Embassy to the Department of State*

Ref: 1212/216/46

MEMORANDUM

In addition to the other general issues to which consideration was given in this Embassy's memorandum of the 17th October, His Majesty's Government have studied the question of providing observers for the Polish elections, a step which M. Mikolajczyk, through an intermediary, has strongly urged.

2. His Majesty's Ambassador at Warsaw has advised that if the Polish Peasant Party publicly requests that the three Yalta Powers should send observers, His Majesty's Government and the United States Government should, if possible, agree and at the same time express the hope that the Soviet Government will act likewise. The Polish Government will almost certainly refuse its consent to official observers being present at the elections, but it is considered that such a refusal will not improve its position internally or externally.

3. If no such appeal is publicly made by the Polish Peasant Party or if it is made and the Polish Government refuses to agree to the

appointment of official observers, Mr. Cavendish Bentinck recommends that as many impartial British and American observers as possible should be sent in an unofficial capacity to Poland to report on the manner in which the elections are conducted.

4. His Majesty's Government, while they dislike having to turn down M. Mikolajczyk's request, are inclined to think that the disadvantages of proposing official observers may be greater than the possible advantages. There are in any case difficulties in providing a sufficient number of observers with a knowledge of the Polish language, while arrangements for transportation would be another obstacle. His Majesty's Government doubt whether it would be possible in practice to check and control the elections and fear that, in the circumstances, they might possibly be held responsible for results which they had not been able effectively to verify.

5. After careful consideration His Majesty's Government are therefore inclined to fall back on the alternative of encouraging unofficial observers whose reports would at least tend to confirm or deny allegations that may be made regarding falsification of the elections and would assist in determining the honesty or otherwise of the officially published results. His Majesty's Government would, however, be glad to learn the views of the United States Government on this matter.<sup>43</sup>

WASHINGTON, October 26, 1946.

860C.5034/10-3046

*Memorandum by the Chief of the Division of Eastern European Affairs (Thompson)*<sup>44</sup>

[WASHINGTON,] October 30, 1946.

The position of this Government with respect to the Polish nationalization of properties in the former German territories now administered by Poland was discussed on October 29 by representatives of four Divisions: ED, LE, PED and EE. Specifically the discussion dealt with the desirability of protesting Polish nationalization of the property of American nationals in that area pending the establishment at the peace conference of the Polish-German frontier and the acquisition by Poland of *de jure* sovereignty over the area. At present the only

<sup>43</sup> In a memorandum to the British Embassy dated October 31, 1946, the Department of State expressed its views as follows: "The Department considers that it would be unwise to agree to send official observers to the Polish elections, even if publicly requested by the Polish Peasant Party. The Department does contemplate, however, encouraging American correspondents to be present in Poland during the elections." (860C.00/10-2646)

<sup>44</sup> This memorandum was approved by Under Secretary of State Acheson, the Director of the Office of European Affairs, Matthews, and the Under Secretary of State for Economic Affairs, Clayton.

properties in this area known to be American belong to the Socony-Vacuum Company and the Standard Oil Company of New Jersey. The former's properties in this area have not yet been nationalized, but the latter's have. Both companies have instructed their Polish attorney to protest, on their behalf, Poland's right to nationalize property in the area in question but the attorney, for political reasons affecting his own position in Poland, feels that he cannot comply. (Warsaw's telegram No. 1676, October 26 <sup>45</sup>)

In line with the principles laid down in the Secretary's speech at Stuttgart, the Embassy at Warsaw was instructed by the Department's telegram No. 1007 of October 21, 1946,<sup>45</sup> to include in a note to the Polish Foreign Office covering various aspects of nationalization, the following reservation with respect to nationalization in former German territories:

"US Government expects that at such time as Poland acquires *de jure* sovereignty over German territories under Polish administration and thereby acquires right to nationalize property in such territories Polish Government will accord AmNats property in such territory treatment equal with AmNats property located elsewhere in Poland. Meanwhile US Government asks Polish Government to state procedure by which American owners can obtain information concerning their properties in western territories and to give assurance that such information can and will be made available expeditiously."

The Embassy at Warsaw, believing it undesirable to raise the question of Polish frontiers again at this time, stated in its telegram No. 1668 dated October 24, 1946,<sup>45</sup> that it would not transmit to the Foreign Office the paragraph quoted above, unless it received specific instructions from the Department to do so. Meanwhile, apparently, the remainder of the note has already been presented to the Foreign Office.<sup>46</sup>

While it may be technically desirable to go on record as opposing the Polish right to nationalize in the German territories now under Polish administration, nevertheless such action might have undesirable political consequences. It might also cause the Polish Government to treat American owners of property in Poland less generously than might otherwise be the case.

The legal adviser's office is of the opinion that, even if no protest were made at this time, the legal position of American property owners in that area would not suffer, nor would their claims be prejudiced

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<sup>45</sup> Not printed.

<sup>46</sup> For text of the note delivered to the Polish Government on October 31, 1946, see Department of State *Bulletin*, November 17, 1946, p. 912. The paragraph quoted above was not included in the note as delivered. For text of the Polish reply of November 13, 1946, see *ibid.*, November 24, 1946, p. 969.



in the event that the properties are included in areas which may eventually be returned to Germany. The psychological effect on the Polish Government of any such protest by us at this time would, in the opinion of EE, be damaging to American interests in that country. Politically, the Polish Government could be expected to react to a protest in much the same way as it reacted to the Stuttgart speech.

The question therefore arises as to whether the Department should pursue the full implication of the Secretary's reference to the situation in his Stuttgart speech. It was agreed by those attending the meeting of October 29 that, subject to your approval, no action should be taken at this time to call the Polish Government's attention to the fact that the American Government does not recognize Poland's right to nationalize in German territories now under Polish administration.

LEWELLYN E. THOMPSON

860C.00/11-1746 : Telegram

*The Chargé in Poland (Keith) to the Secretary of State*

TOP SECRET

WARSAW, November 17, 1946—11 a. m.

[Received 12:02 p. m.]

1780. Embtel 1727, November 6.<sup>48</sup> On 15th I had visit with Mikolajczyk during which he briefly reviewed developments since I last saw him. He gave me percentages of representation of parties which confirmed those given in Embtel 1766 of November 13.<sup>49</sup> He prefaced this by remarking with smile that result of elections was already known. He then referred to arrests in connection with recent Poznan PSL meeting and said that they have subsequently learned that they reached about 4500 in all. He said that he believed that about 100,000 people might be under arrest in the country at present time, that of those arrested many are released after brief period and then others arrested. He described how Govt endeavored to force some arrested people to sign statements agreeing to divulge activities of other people and that when they refused they are beaten to a point where some do sign against their will. When these same ones subsequently refuse to submit info they are again picked up and further beaten and maltreated until in some cases some of weaker ones submit to Govt wishes. This however all increases feeling of bitterness towards Govt. With

<sup>48</sup> Not printed.

<sup>49</sup> Not printed; it reported that the Chargé had been informed by Kiernik that an agreement had been signed on November 12 between the Polish Workers Party and the Polish Socialist Party on the apportionment of seats in the Sejm. According to this agreement, the Polish Peasant Party would receive 12 percent of the representation in the Sejm, while the Polish Workers Party and the Polish Socialist Party would each receive 32 percent of the remainder, with 25 percent going to the Labor Party (SL) and 10 percent to the Democratic Party (SD) (860C.00/11-1346).

regard to election decree he pointed out that as it now stands because of time element lists of candidates will have to be named before lists of voters are known. He is fearful that in consequence thereof it will be discovered that many PSL candidates will be ruled out because lists of voters when published will fail to include either candidates themselves or several of candidates' signatories. This is possible because Govt can refuse to list voters if: (1) they have been suspected of cooperation with underground; (2) they derived economic benefit from association with institutions which were governed by Germans or (3) they held responsible positions within or without country and failed to give orders to fight Germans. It would be possible therefore for Govt to ruled out this [*rule out his?*] being a candidate himself.

He then spoke of compulsory levy (Embtel 1772 of November 15 <sup>50</sup>) to aid western territories. He said this was necessitated by financial difficulties with which Govt is at present confronted, that it would not have been promised prior to elections were it not for critical situation which prevented its postponement. It would hit particularly severely the peasants who would be assessed 3 billion which coupled with ground taxes and insurance charges would require their attempting to make payments to Govt of about 15 billion. Private initiative would be severely handicapped by demands for 4 billion. Mikolajczyk had urged Govt endeavor to obtain this money from people as a loan but was voted down.

Mikolajczyk then told me of new development. Russians were coming into eastern Poland and buying up grain wherever they could (he particularly mentioned Rzeszow area) paying as high as 6,000 zlotys or its equivalent per quintal. These payments were made in rubles or in zlotys printed and brought in by Russians. He foresaw that this removal of grain from Poland by Soviets might lead later to famine conditions in this country. This he now wishes regarded with all secrecy.

I then told him that I had heard recently of considerable Russian troop movements through Poland. I could sense that he had no objection to my allusion to this matter but that it was a subject which he was not then ready to discuss. One or two remarks and his manner could leave only the conclusion that such reports were not to be denied. I then remarked that on basis of conditions which he knew about and these reports re Soviet actions, also the evident lack of eagerness on part of Govt to develop friendliest relations with us, I wondered what situation would be following elections. He said there as [*whereas?*] in Yugoslavia they had liquidated thousands and thousands who were

<sup>50</sup> Not printed.

possible opponents of Govt he did not think it would be attempted here because Poland was a much larger country and people more unified. He did not attempt to follow this up further and I preferred to leave subject to subsequent occasion. He confirmed however what Kiernik had told me as to a note being addressed to President Bierut (and to Premier) re treatment accorded PSL. Thus far no answer had been received and he expects that within week's time a note will accordingly be addressed on same subject to each of the three Yalta powers.

Sent Dept as 1780.

KEITH

860C.00/11-1846 : Telegram

*The Acting Secretary of State to the Chargé in Poland (Keith)*

SECRET

WASHINGTON, November 18, 1946—7 p. m.

1094. Please inform Mikolajczyk without delay that we are considerably disturbed by his contemplated action of addressing note to Yalta Powers on subject Pol elections. It would appear to us that such action would precipitate crisis which we believe would be unwise. It would seem unlikely that Mikolajczyk could long remain in provisional govt after taking such action or that his party could participate in elections if Yalta Powers failed to reach agreement. In our view it is very doubtful if SovGov would even discuss such note with Brit and ourselves. You may inform him of note<sup>51</sup> we are sending PolGov on subject of elections and point out that appeal by him to Yalta Powers would embarrass our efforts by making it appear that we were backing one particular party in Pol elections rather than carrying out our obligation to insure free elections regardless of outcome. We fully realize that Mikolajczyk and his followers must decide for themselves what course of action is to best interest of Poland and while we have considered the reports that election percentages have already been fixed we are not convinced that it is still impossible for elections to be held which would in some measure at least reflect real situation in the country. It was for this reason that we felt it would be unwise for any democratic party to boycott elections and we fear that action proposed by Mikolajczyk would lead to situation which would in effect amount to a boycott.

We are informing the BritEmb of foregoing and you may discuss the matter with British. Repeated to London as no. 7774.

ACHESON

<sup>51</sup> For text, see telegram 1095, November 18, *infra*.

860C.00/11-1846 : Telegram

*The Acting Secretary of State to the Chargé in Poland (Keith)*

SECRET

WASHINGTON, November 18, 1946—7 p. m.

1095. Please deliver following note to PolGov. Dept. has furnished text to BritEmb here and you may consult with your Brit colleague who Dept understands is being instructed deliver note along similar lines. Advise when note is delivered in order that Dept may consider possibility release of text to press.<sup>52</sup>

“Excellency: I have been instructed to inform you that my Gov has taken note of announcement that Pol Prov Gov of Natl Unity has fixed Jan. 19, 1947 as date on which general elections will be held in Poland. In this connection, my Gov recalls that Amb Lange’s note of Apr 24, 1946 stated that in accordance with Potsdam Agreement of Aug 2, 1945, which provided that elections would be held as soon as possible, elections would take place this year. Although my Gov is surprised that PolGov would fail, without explanation, to fulfill this formal assurance, its chief concern is not with any particular date but with the discharge of its responsibility under the decisions taken at Crimea and Potsdam conferences with respect to the holding of free elections in Poland.

The importance which the USGov attaches to the carrying out of these decisions has repeatedly been brought to the attention of the PolGov. In his note of Aug 19, 1946, to which no reply has been received, Amb Lane outlined certain points which USGov considers essential for the carrying out of free elections. In view of the disturbing reports which it has received concerning the preparations for the elections, my Gov has instructed me again to inform Your Excellency that the Gov of the US expects that equal rights and facilities in the forthcoming election campaigns and in the elections themselves will be accorded to all democratic and anti-Nazi parties in accordance with the Potsdam Agreement. My Gov could not otherwise regard the terms of the Yalta and Potsdam decisions as having been fulfilled.”

Repeated to London as no. 7775.

ACHESON

860C.00/11-2146 : Telegram

*The Chargé in Poland (Keith) to the Secretary of State*

TOP SECRET

WARSAW, November 21, 1946—11 a.m.

MOST IMMEDIATE

[Received November 21—9:38 a. m.]

1801. I was able to see Mikolajczyk 20th and discuss points mentioned in Deptel 1094 November 18. Mikolajczyk intended that “notes” to which I previously referred (Embtel 1780, November 17) were [not?] to be in the sense of an appeal to Yalta Powers but an informa-

<sup>52</sup> The Chargé delivered the note to the Polish Acting Foreign Minister Modzelewski on November 22. The text was released to the press on November 25; see Department of State *Bulletin*, December 8, 1946, p. 1057.

tive communication setting forth the situation which confronts the PSL and repressive measures being taken against it. He told me 20th that the communication which he has already delivered to Bierut covered difficulties experienced in the Krakow area. There is a further communication which was to have been sent before this to Bierut covering a much fuller exposition of the action taken in entire country against PSL. Because of additional incidents which they wished to include in that communication it has not yet been presented. Consequently the "notes" which it had been planned to give British Soviet and US Missions in the course of this week had been held up. Mikolajczyk said that the question of making an "appeal" to the Yalta Powers might later be under consideration; the question of a boycott would not be decided prior to the 20th of December at the earliest and possibly not until January 5; the decision would largely be influenced by the knowledge PSL would have at that time as to whether or not it had found it possible to put up its candidates. He said it might be possible some time in the future to again bring up the question of observers but if such an action were taken it would be because he wanted it to be evident that he had not neglected to take any step possible which might help his people.

Text of note contained in Deptel 1095 of November 18 has been received. I plan to deliver note at noon 22 to Modzelewski with whom my appointment is already scheduled. Bentinck has informed his FonOff that I have received our note and he is awaiting instructions. He hopes to be able to deliver British note likewise to Modzelewski on 22.

I shall telegraph Department immediately when note has been presented.

Inasmuch as our note and the British note are to be presented before Mikolajczyk's communications are delivered to us, does the Department still wish the Embassy to discourage Mikolajczyk from communicating with the Three Missions as he has planned to do?<sup>53</sup> Bentinck and I do not feel that it would harm our interest nor worsen the position of Mikolajczyk if he sends them to us. They will supply us with evidence which we should have and we may subsequently be able to check some of the points ourselves and thus have even stronger evidence (some of this info which Mikolajczyk plans to give us has from time to time been given by him to the press). We feel also it would hearten

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<sup>53</sup> Telegram 1124, November 25, to Warsaw, commented as follows regarding Mikolajczyk's proposed notes: "Dept continues to feel that any direct communication from Mikolajczyk to Yalta powers, particularly if it called for any reply or action on their part, would be unwise at this stage and might start a train of events, including his exclusion from Govt, which would lead to boycott of elections which we are anxious avoid. You may suggest to Mikolajczyk that he might request Bierut to transmit to Yalta powers copies of his communication to Polish Government." (860C.00/11-2146)

the Polish people if they knew that the facts had been made known to our two Governments.

In my talk with Mikolajczyk, I raised doubts as to the consequences of any boycott and I told him I felt certain that there was little chance of observers.

Sent Department as 1801.

KEITH

860C.5034/11-2346 : Telegram

*The Acting Secretary of State to the Chargé in Poland (Keith)*

SECRET

WASHINGTON, November 22, 1946—7 p. m.

1116. On Nov 15 Zoltowski, Financial Counselor PolEmb, was informed by Dept that there was little possibility at this time of approval Pol application Exim credit for purchase cotton. He was also informed that gold of Bank Polski would not be unblocked at this time. It was stated that in addition to fact few funds available and there were number unsettled issues between our two Govts including arrangements for compensation Amer property nationalized by PolGov.<sup>54</sup>

On Nov 18 I informed Zoltowski and Litynski, Commercial Counselor, that while we did not object to nationalization we insisted upon adequate compensation.<sup>55</sup> I requested (1) adequate time for filing claims for compensation; (2) assurances that Amer property in former German territory now under Pol admin would receive equal treatment to that accorded property in Poland proper; (3) compensation in foreign exchange if original investment was so made; (4) agreement upon a mixed claims commission to adjudicate claims.

PolReps pointed out that extension for filing claims already granted and in case of further lists of nationalized properties adequate time would undoubtedly be allowed. They referred to AP despatch from Warsaw stating PolGov agreed in principle to establishment mixed claims commission but said they had no official confirmation. They made clear they realized steps heretofore taken by PolGov inadequate but referred to present difficulties arising from war.

I said we were prepared take full account of Poland's capacity to pay but we felt there should be no delay in arriving at agreement in-

<sup>54</sup> The conversation between Janusz Zoltowski, Polish Financial Counselor, and John D. Hickerson, Deputy Director of the Office of European Affairs, and Llewellyn E. Thompson, Chief of the Division of Eastern European Affairs, was the subject of two separate memoranda of November 15, neither printed. In expressing his regret that the cotton credit would not be extended, Zoltowski stated that he could understand the United States withholding of ordinary loans, but he felt that a short-term cotton credit was an important step in promoting Polish trade with the west. (860C.515/11-1846)

<sup>55</sup> The Acting Secretary of State's memorandum of his conversation with Zoltowski and Litynski not printed (860C.5034/11-1846).

corporating principles for fixing liability for compensation. I pointed out that USGov under considerable pressure from Amer owners property Poland and that prompt settlement of this matter would make it considerably easier for us settle matter Bank Polski certification. I said we were prepared engage in discussions either in Warsaw or Washington but that it would be much more convenient for us handle them here.

PolReps promised inform PolGov immediately and indicated belief that matter could be settled promptly.

ACHESON

711.60C/11-2546

*Memorandum by the Ambassador in Poland (Lane) to the Secretary of State*<sup>56</sup>

[WASHINGTON,] November 25, 1946.

Implementing our conversation of November 20 in New York<sup>57</sup> I sincerely trust that it will be possible for you to speak with Mr. Rzymowski, Minister for Foreign Affairs for Poland, or with Dr. Lange, Polish Ambassador, now in New York, and that the Acting Secretary will be able to speak with the Polish Chargé d'Affaires here in Washington along the following lines:<sup>58</sup>

(As I pointed out to the Prime Minister of Poland and to the then Acting Minister of Foreign Relations (Mr. Olszewski) [relations] between the United States and Poland have been steadily worsening during the past few months, and through no fault of the United States. The following are instances of the lack of consideration which is being given to us by the Polish Government. For the sake of brevity I am merely mentioning them but of course there is full documentation on each matter in the files of the Department.)

1. Despite representations over a period of fifteen months the American Embassy has not been permitted to have access to claimants to American citizenship now under arrest in Poland for alleged political offenses. The Polish Government claims these claimants to American citizenship are in fact Polish nationals and has refused to permit us to interview them, even though on our part we have offered to have a member of the Polish Government accompany the diplomatic or consular officer who would interview the person under arrest.

<sup>56</sup> Ambassador Lane was in Washington for consultation.

<sup>57</sup> No official record of this conversation has been found. For a brief account of Ambassador Lane's meeting with the Secretary in New York, see Lane, *I Saw Poland Betrayed*, p. 274. For an account of his conversation of November 19 in New York with Polish Foreign Minister Rzymowski, Ambassador Lange, and Wiktor Grosz of the Polish Foreign Ministry, see *ibid.*, pp. 273-274.

<sup>58</sup> On November 26 Ambassador Lange called on the Acting Secretary of State who took the opportunity to raise once again the questions of compensation to American owners of nationalized properties and the unfavorable exchange rate fixed by the Polish Government (701.60C11/11-2646).

2. The Polish Government has ignored our observations on the holding of the elections. Our note of August 19 remains unanswered.<sup>59</sup> On the other hand, the Polish Government through its representatives has criticized in the press our observations as being interference in Polish internal affairs, despite our Yalta commitment.

3. No satisfactory arrangement has been made by the Polish Government for the compensation of American citizens whose property in Poland has been nationalized.

4. The government controlled press in Poland has been uniformly hostile toward the United States and deliberately distorts American Policy as, for instance, in the case of your Stuttgart and Paris speeches.

5. An arbitrary rate of exchange of 100 zloty per dollar was fixed by the Polish Government on the eve of the negotiations between a representative of the United States Treasury Department and Polish Government officials. As a result the operation of United States Government agencies in Poland has been seriously handicapped. The Polish Government should agree to the establishment of a diplomatic rate of exchange which is in accordance with present cost of living in Poland.

6. The Polish Government has been putting off under varying pretexts discussions for the conclusion of the bilateral aviation agreement. This matter is considered of the utmost importance by our Government and has been continually stressed by the Embassy in Poland since August 1945.

In the event that you and Mr. Acheson approve of my recommendations I suggest that the Embassy in Warsaw be instructed by telegram again to take up these matters with the Polish Government on the highest level, emphasizing that Poland and not the United States will be the primary sufferer if our relations are permitted to continue to worsen.

A[RTHUR] B[LISS] L[ANE]

860C.00/11-2546 : Telegram

*The Chargé in Poland (Keith) to the Secretary of State*

TOP SECRET

WARSAW, November 25, 1946— 6 p. m.

US URGENT

[Received November 26—9 : 48 a. m.]

1821. Dept will have been able to form its opinion re situation existing here today from info given first hand by Ambassador Lane and supplemented by recent cabled reports from Embassy. I should like now to stress however that all developments in recent weeks since Ambassador Lane's departure confirm the opinion that there can be no hope that fair treatment prior to or during elections will be given any person engaged in political life here who does not submit to Communists' will. I find no one not connected with the Government who

<sup>59</sup> For text of note, see Department of State *Bulletin*, September 1, 1946, p. 422.



will assert that PSL and SP will be given any opportunity to participate in elections in such a way that results will reflect the support which exists for those two parties. Those elements of course with some of PPS comprise the friends of the US. Even though one were disposed to admit that electoral law if interpreted with honesty may have been so drafted that freedom of expression of its people could be obtained it is indisputable that it is so designed as to permit inevitable fraud. I doubt our last note will be recognized by any reply from Government. In any case it may be safely forecast that no change in policy will be effected by PPR Communists who realize that to lose their present power might involve the loss of their own personal safety. Popiel has I believe well expressed (Embtel 1785 of November 18 <sup>60</sup>) reaction which we may expect to our note.

I doubt Polish Govt actually expects that any more financial aid will be coming from US Govt while regime here pursues its present Soviet-directed policies. This does not mean that they will discontinue attempts during next 2 months to obtain assistance. In this connection it is of interest that the Chief of Brit delegation now here for discussion of nationalization matters told me on 23rd that Polish officials with whom he discussed recently announced 3-year plan stated that deficit of many millions of dollars which this plan entails was to be taken care of by financial aid from US. He also reported to me at same time that some officials had not hesitated to make statements to him derogatory of US.

A further important political trend towards ideological and political warfare with the church is indicated by President Bierut's remarks about the Catholic church (Embtel 1822 of November 26 <sup>61</sup>) and the recent sentencing to death of priest (Embtel 1823 of November 26 <sup>62</sup>).

The continuing unreadiness of Polish Govt to take steps which would facilitate development of friendly relations with US coupled with unceasing press attacks upon US (Embtel 1795 November 20 <sup>63</sup>) and handicaps placed in way of physical operation of Embassy

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<sup>60</sup> Not printed; in this telegram the Chargé reported on a 2-hour conversation with Popiel during which the latter expressed the prediction that protests by the United States and United Kingdom regarding election violations would be answered by the Polish Government with the assertion that elections were a domestic matter, that they had been conducted fairly, and that no interference from the outside would be tolerated (860C.00/11-846).

<sup>61</sup> Not printed; it transmitted the summary of remarks made by President Bierut during a newspaper interview on November 20 in the course of which he criticized the Polish clergy for allegedly using the pulpit for illegal political purposes (860C.404/11-2646).

<sup>62</sup> Not printed; it reported that a Roman Catholic priest had been sentenced to death in connection with the murders of Communist Party members (860C.00/11-2646).

<sup>63</sup> Not printed.

(Embtel 1817 of November 25<sup>64</sup>) lead to thought that time may be approaching when it would suit this regime to have us curtail our mission's activities if not to cease them entirely. One objective which such action would serve would be to give Soviets even freer rein in military and other forms of domination of this area.

I shall appreciate this telegram being brought to Ambassador Lane's attention before his departure if possible.

KEITH

860C.00/11-2846 : Telegram

*The Chargé in Poland (Keith) to the Secretary of State*

TOP SECRET

WARSAW, November 28, 1946—noon.

[Received November 28—11:20 a. m.]

1834. Mikolajczyk received me afternoon 27th. As soon as I entered his office he handed me copy of text of communication which he had presented personally to Bierut (referred to in Deptel 1124 of November 25<sup>65</sup>). He explained that he was not giving this to me officially but for my observation and knowledge of its contents. I then referred to my previous talk with him and said I had again heard from Washington which still thought it unwise because of complications cited for communications to be given to Yalta powers. I mentioned possibility that he might get President Bierut to transmit such copies. In response he smiled and it was obvious he did not think it desirable or effective procedure.

Mikolajczyk then diverted for moment to speak of arrests which he reports are continuing at rapid pace. He had just received word that within last 2 or 3 days over 300 PSL leaders in Lodz District have been arrested. Also in Warsaw, Koter, chief of organization department of PSL, and Wiewiorski, one of *Gazeta Ludowa* editors, have been arrested. He also said that thus far every nominee made by PSL as a member of an electoral commission has been rejected.

Before leaving Mikolajczyk asked me to take copy of communication which he had given to Bierut and examine it. He called my attention particularly to its conclusion of which note he had translation made. He said he felt that if he did not receive satisfaction from Bierut he would still have to present copies to representatives of three Yalta Powers.

He is aware of Ambassador Lane's early return. From his remarks to me I feel confident that he will not take step against which I have

<sup>64</sup> Not printed; it reported that the Polish Government had formally allocated to the Bulgarian Government for use as a legation the premises currently being occupied by the United States Embassy as a chancery (124.60C1/11-2546).

<sup>65</sup> See footnote 53, p. 518. For a summary of Mikolajczyk's communication, see telegram 1840, November 29, from Warsaw, *infra*.

advised at least until after Ambassador's return and I am sure he does not mean to be inattentive to friendly advice. He is undoubtedly influenced, however, by fact that he sees PSL as a political party becoming so weakened and disorganized through repressive action of Government that he must inevitably bring situation to attention of three Governments.

I expect to see Mikolajczyk again within next few days when I shall inquire whether he may then be disposed to revise his present decision.

KEITH

860C.00/11-2946 : Telegram

*The Chargé in Poland (Keith) to the Secretary of State*

TOP SECRET

WARSAW, November 29, 1946—5 p. m.

[Received November 30—9:07 a. m.]

1840. Copy communication referred to in Embtel 1834, November 28 commences with several paragraphs which in substance are as follows:

Principles of structure of political life Polish state were determined in understanding reached by three powers at Yalta and subsequently developed in detail by June 45 Moscow pact in which [garble] participated as one of signatories.

As result of Yalta and Moscow agreement KRN Presidium in resolutions acknowledged PSL as one of democratic parties whose activities were justified.

In accordance with principles 1921 constitution and Moscow agreement PSL should have "full freedom of organizational assembly press and propaganda work". From beginning these principles not followed and PSL has repeatedly directed attention to this by statements of PSL Ministers letters to PriMin and questions of PSL Deputies.

Despite earnest efforts to remove abuses of state organs concerning most vital rights nothing done to put end to abuses. On contrary of late they have increased. Behavior security organs clearly indicates Government elements aims to make impossible participation by PSL in election campaign.

To illustrate behavior public security authorities certain enclosures are attached. As regards means by which state organs aim for intentional destruction of PSL necessary mention following: Arrest suspension of activity of PSL organization links, impounding of PSL offices, attacks on PSL offices, prevention of conventions and assemblies and attacks on organization conventions, coercion to party membership, enforced confidential cooperation, dismissal from employment

of PSL members, eviction from farms of PSL members, activities of *agents provocateurs*, confiscation of membership cards, murder of PSL members. (Under each of above headings specific instances are cited).

Communication concludes with following (paraphrased): In this situation we must assert (1) PSL being systematically combated and persecuted; (2) PSL deprived of rights to which entitled on basis of statements of Moscow and Yalta and KRN resolutions; (3) PSL when applying to authorities of state has secured neither satisfaction nor termination of abuses by this means in view of which while again reporting abuses we announce that if the present action does not result in issuance of orders by public authorities of Government which will end abuses PSL will be forced to seek other legal means to protect rights to which the people are entitled for free expression of their will and convictions and for conducting more honest election to which national unity Government obligated itself.

Attached to above cited communication are many pages of enclosures giving detailed cases intended to support statements. Embassy has not yet had opportunity to make translation.

KEITH

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860C.5151/12-246: Telegram

*The Acting Secretary of State to the Chargé in Poland (Keith)*

SECRET

WASHINGTON, December 2, 1946—10 a. m.

1141. Please inform Acting ForMin at earliest possible opportunity that arbitrary exchange rate of 100 zlotys to dollar imposed unilaterally by PolGov has created intolerable situation for Emb and consulates in Poland. You should point out that because of continued rise in prices appropriations to Amer dip and cons establishments in Poland virtually exhausted and Emb faced with immediate crisis.

In this situation (For Keith) only alternatives appear be following: (1) that as temporary expedient PolGov agree that Emb obtain its funds through sale of dollar currency on open market; (2) PolGov to advance zlotys to Emb at reasonable guaranteed minimum rate subject to negotiation of final rate of exchange; (3) establishment by PolGov of reasonable diplomatic rate of exchange; (4) that USGov request Congress to make special large appropriations to enable these Amer establishments continue to function; (5) to withdraw virtually all Amer representation in Poland except Amb.

Last two alternatives are only ones open to this Govt without assistance PolGov. You should point out that in event either of these alternatives are employed, reasons for this action would have to be

made clear and entire question would become subject public debate in US. You should impress upon Acting ForMin that neither of these actions could fail react to disadvantage of PolGov.

You should inform ForMin that neither half measures nor protracted negotiations will resolve this critical situation and that unless PolGov is able offer satisfactory solution by Dec 15 USGov will have take such action as is open to it.<sup>66</sup>

ACHESON

860C.5151/12-646 : Telegram

*The Ambassador in France (Caffery) to the Secretary of State*

SECRET

PARIS, December 6, 1946—4 p. m.

US URGENT

[Received 5:10 p. m.]

5998. From Lane. I am much concerned by Deptel 1141, December 2, 10 a.m. to Warsaw which is so different in its import to telegram drafted during my stay in the Department that I fear it will have most unfortunate effects on our efficacy and prestige in Poland.

With reference to the five alternatives mentioned by the Department I submit the following comment:

(1) I very much doubt that Polish Government would agree to our obtaining funds through sale of currency on open market in view of other alternatives suggested which would be more favorable to Polish Government.

(2) For the reasons which apply to (1) I feel that Polish Government would decline to agree to what might constitute in our opinion a reasonable minimum rate of exchange.

(3) Same comment applies with respect to reasonable diplomatic rate of exchange. As the interpretation of what is reasonable would be subject to protracted negotiations, I seriously doubt whether it would be possible for decision to be reached prior to December 15.

(4) While in my opinion Polish Government would prefer alternative 5 it would also welcome our requesting fantastically large appropriations from Congress to enable our American establishments to function, thus furnishing Polish Government with increased foreign exchange. Polish Government is undoubtedly fully aware through talks which I have had with leading officials and which I trust Department will have in accordance with my memorandum to the Secretary of November 25 that the attitude of the Polish Government towards US must some day become public knowledge. Despite my warning to this effect Polish press has followed a consistently hostile attitude towards US thus indicating Polish Government's disregard for public

<sup>66</sup> Telegram 1884, December 6, from Warsaw, reported that the Chargé called on the Acting Foreign Minister, Modzelewski, on December 5 and presented the information regarding the exchange problem, together with an *aide-mémoire*. Modzelewski reportedly showed no feeling of disturbance or anxiety as a result of the Department's message but promised to call the Chargé the following week after studying the matter. (860C.5151/12-646)

opinion in US with respect to Poland. Therefore implied threat that public debate would react to disadvantage of Polish Government would in my opinion have little if any effect. As I pointed out to Under Secretary Acheson and Assistant Secretary Russell our Government's request of Congress for a sufficiently large appropriation will inevitably entail considerable delay which should be avoided in all events if we are not to lose the services of many members of our staff and thus curtail our essential activities and services.

(5) I am sure that the Communist-controlled Government would welcome the virtual cessation of our activities in Poland, especially should such activities cease immediately prior to the elections scheduled for January 19 and thus prevent our reporting fully on the elections and on later developments. This proposed move is so divergent from what I understood to be our basic policy towards Poland, namely our intention not to decrease our activities such as the closing of the Consulates at Poznan and Krakow—that I deeply regret Department did not communicate with me requesting my comments prior to issuing such definite instructions to Keith, especially as one of the primary reasons for my proceeding to US was to assist in solution this problem.

In light of foregoing, I earnestly recommend that Department will authorize Embassy Warsaw, as had been agreed upon with interested offices and divisions in the Department, to obtain funds for the Embassy through sale of currency on the open market in view of impracticability of obtaining funds through other means and in view of fact that other diplomatic missions in Warsaw also obtain funds through open market. As Department is aware that [there] is precedent for such authorization.

In event that Dept does not feel it can concur in this recommendation I should be very grateful if Dept would reply to this telegram to reach me in Paris prior to December 10, date on which I propose to proceed to Warsaw.

Sent to Dept as 5998. Repeated to Warsaw for Keith only as 208. [Lane.]

CAFFERY

860C.5034/12-1146

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*Memorandum of Conversation, by the Acting Secretary of State*

[WASHINGTON,] December 11, 1946.

Participants: Mr. Dean Acheson—U  
 Mr. Llewellyn E. Thompson—EE  
 Mr. Minc, Polish Minister of Industry  
 Mr. Zoltowski, Financial Counselor, Polish Embassy  
 Mr. Litynski, Commercial Counselor, Polish Embassy  
 Mr. Lychowski, of the Polish State Planning Board

After an exchange of the usual courtesies, Mr. Minc said that he

had come to the United States as a delegate to the United Nations Assembly and to the UNRRA meeting. Since his Government had learned of the desire of the United States to settle the question of compensation for American property nationalized in Poland, his Government had authorized him to discuss this matter with the United States Government. He had understood that in discussing this question, the United States authorities had linked it to the question of a cotton loan to Poland, as well as the unfreezing of Polish gold and certification of the Bank Polski. He said his Government saw no connection between these matters and the question of compensation. As a practical matter the question of compensation was directly related to the Polish balance of payments. Since the chief Polish export was coal, the coal question was also closely related to this matter and he would like to discuss this during his visit.

I said that the United States Government recognized that this matter had to be considered in relation to Poland's economic situation and in this connection said that during the discussion we would also wish to discuss commercial policy matters since the general question of trade policy was, of course, directly related to that of the balance of payments and Poland's ability to acquire foreign exchange. In this connection I mentioned the International Trade Organization and information on Poland's bilateral trade agreements.

Mr. Minc said he would be glad to discuss these questions.

I said there were two other matters which we would like to discuss with the Minister during his visit here. One was the question of an aviation agreement upon which we were very anxious to make progress.

Mr. Minc said he had not anticipated that this question would come up and had no experts with him but he would, of course, be very glad to talk about the question with American officials.

I said the other matter we wished to settle was the urgent problem of the situation of our Embassy in Poland due to the fact that it was obliged to obtain Polish currency at the rate of 100 zlotys to one dollar whereas the rise in prices and in the open market rate for the dollar was so considerable that the situation of the staff of our Embassy was desperate to the point that they were threatening to quit.

I said that Mr. Clayton would be free to receive the Minister at five o'clock this afternoon if this was satisfactory to him. Mr. Minc agreed.<sup>67</sup>

I said that we seemed to be in general agreement on the subjects to

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<sup>67</sup>Telegram 1182, December 11, 7 p. m., to Warsaw, reported that in conversation with Under Secretary Clayton that same day Mr. Minc had agreed to a temporary measure under which the Polish Government would make available to the Embassy in Warsaw 100 million zlotys. The details of the settlement, which were on terms satisfactory to the United States, would be telegraphed to Warsaw later. (860C.5151/12-1146)

be discussed and that I hoped Mr. Clayton would be able to initiate the general discussions on Friday.<sup>68</sup>

Mr. Zoltowski stated that they had informed the press before the meeting that Mr. Minc was merely making a courtesy call but that they were concerned as to what to tell the press in the future.

I suggested that they might wish to say that in the course of their calls upon Mr. Clayton and myself a general review of Polish-American economic relations was undertaken.

(Subsequently Mr. Minc inquired of Mr. Thompson whether Mr. Acheson had replied to his remarks concerning the inability of the Polish Government to see any connection between the question of a cotton loan and the unfreezing of Polish funds with the question of compensation. Mr. Thompson said that Mr. Acheson had not replied to his remarks on this subject but pointed out that he had previously told Mr. Zoltowski that it would be easier for us to settle such matters as the unfreezing of Polish funds if such questions as compensation for nationalized property were satisfactorily settled.)

DEAN ACHESON

611.60C31/12-1346

*Memorandum of Conversation, by the Assistant Chief of the Division of Eastern European Affairs (Hooker)*

[WASHINGTON,] December 13, 1946, 4 p. m.

Participants: <sup>69</sup> Mr. Minc, Polish Minister of Industry  
 Mr. Zoltowski, Financial Counselor, Polish Embassy  
 Mr. Litynski, Commercial Counselor, Polish Embassy  
 Mr. Lychowski, Polish State Planning Board  
 Mr. Clayton, Under Secretary for Economic Affairs

Mr. Clayton suggested that the meeting open by agreement on an agenda. Minister Minc then presented a proposed agenda on behalf

<sup>68</sup> Conversations between the Polish delegation headed by Mr. Minc and American representatives led by Under Secretary Clayton began at 4 p. m., December 13, 1946.

<sup>69</sup> The following officers from the Department of State were also present at the meeting: Willard L. Thorp, Assistant Secretary of State for Economic Affairs; Norman T. Ness, Director of the Office of Financial and Development Policy; Paul H. Nitze, Deputy Director, Office of International Trade Policy; George C. McGhee, Special Assistant to the Under Secretary of State for Economic Affairs; Livingston T. Merchant, Chief of the Aviation Division; Harold R. Spiegel, Chief of the Division of Financial Affairs; Dallas W. Dort, Adviser on Relief and Rehabilitation Policy; Wayne G. Jackson, Adviser on Emergency Organizations; Ben. T. Moore, Assistant Chief of the Division of Commercial Policy; Ernest A. Lister of the Air Transport Section of the Aviation Division; Llewellyn E. Thompson, Jr., Chief of the Division of Eastern European Affairs; C. Burke Elbrick, Assistant Chief of the Division of Eastern European Affairs; Mr. Hooker.



of the Polish delegation.<sup>70</sup> Mr. Clayton stated that it corresponded in general to the United States views except for the reference to credits for the Polish coal industry. On that matter he stated that he understood that the question of credits was now before the International Bank and that the Poles had presented an application for that purpose. Minister Minc replied that he had mentioned the question of coal in his conversation with Mr. Acheson and had understood that Mr. Acheson had agreed that it should be discussed. He wished further to explain that the application before the International Bank would not entirely cover the question of Polish coal. Mr. Clayton stated that he understood the application before the Bank had been for that purpose. He went on to say that the Bank was a preferable source for a long-term reconstruction credit for two reasons: first, because the Export-Import Bank had not been organized to grant long-term credits and had made such credits only recently and only for the purpose of bridging the gap until the organization of the International Bank. He further pointed out that the National Advisory Council had concluded that applications for credits of that nature should in the future go to the International Bank rather than to the Export-Import Bank. He stated as his second point that the resources of the Export-Import Bank were now almost entirely committed. Minister Minc stated that if the question of a credit for the purpose of reconstruction of the Polish coal industry were to go to the International Bank, the result would be a delay in the process of reconstruction of a year or more. Mr. Clayton doubted that the delay need be serious. He pointed out that the Bank was now organized and that the Polish application was among the items to be considered first. He said that he would be glad to discuss the coal question from the point of view of United States interest in the Bank and that he felt that any credits which might be granted for this purpose would have to come from the International Bank. Minister Minc said that he understood Mr. Clayton to mean that he was ready to enter into a discussion of the general question of Polish coal on the basis indicated. Mr. Clayton replied that this would be satisfactory and that the Polish agenda could be considered satisfactory with that understanding.

Mr. Clayton then suggested that the discussion proceed to the easiest item on the agenda, namely, aviation. He understood that since there were no Polish aviation experts present it would be satisfactory to limit the discussion to the preliminary stages and not to attempt to secure a detailed agreement. He pointed out that the United States

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<sup>70</sup> The Polish Draft Agenda apparently called for consideration of the following four items: 1) compensation for U.S. citizens in connection with the Polish nationalization act of January 1946; 2) credit assistance to the Polish coal industry; 3) questions related to aviation; 4) general commercial policy.

Government had made 26 bilateral aviation agreements in the last 12 months and that he would like to be able to send to the United States Ambassador at Warsaw the information secured from a preliminary discussion and he also suggested that this Government should send an aviation specialist to Warsaw to negotiate a bilateral aviation agreement with the Polish Government along the lines of the other agreements negotiated by this Government, including agreement upon routes and the general conditions of transport between the two countries. Minister Minc replied that before expressing himself definitely he would like to have an indication of the types of agreement sought by this Government. It was thereupon agreed that the Polish delegation would be supplied with copies of several of the more recent agreements and that the Polish delegation would be prepared to discuss the matter further at the next meeting.

Mr. Clayton then inquired as to the meaning of the statement at the end of the Polish draft agenda under the heading of "General Remarks" to the effect that the questions of certification of the National Bank of Poland, the defreezing of Polish assets, and the procedure of the Export-Import Bank as to cotton and tobacco credits did not call for inclusion in the agenda "since they could be assumed as settled in substance". In reply, Mr. Zoltowski referred to his several conversations with Messrs. Acheson, Hickerson and Thompson on these questions. He point out that he had supposed that the certification for the Bank of Poland and the defreezing of the Polish assets had been substantially completed until he had been informed by Messrs. Hickerson and Thompson that they were not prepared to discuss these matters any further at this time. He further said that Mr. Acheson had stated to him and Mr. Litynski that these matters would have to be deferred until four points which had been mentioned in connection with nationalization had been discussed and settled. He also referred to the necessary papers for certification of the Bank of Poland which he had brought from Warsaw and had presented to Secretary Snyder <sup>71</sup> and which had been signed by Minister Dambrowski while the latter was in Washington. Mr. Clayton pointed out that the matters of certification, defreezing, and Export-Import Bank credits were not on the agenda and suggested that the conversation be confined to the points contained in the agenda, and in reply to Mr. Zoltowski's question, said that he was referring not merely to the discussion in today's meeting but to these discussions in general. Mr. Clayton further pointed out that he could not accept the assumption indicated under the heading of "General Remarks" on the Polish agenda that the questions referred to were settled since he considered that some of them

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<sup>71</sup> John W. Snyder, Secretary of the Treasury.

were not yet settled. Mr. Zoltowski agreed that this was correct. Minister Minc then stated that Mr. Acheson had connected the matter of gold and credits with the question of nationalization and that it was for this reason that the Polish delegation considered them to be related matters. Mr. Clayton replied that in his view these questions would have to be discussed after the question of nationalization, and in a different setting. He further emphasized that an agreement upon the question of nationalization and upon the other points in the agenda should not be considered as binding the United States to take favorable action on the matters referred to by the Polish delegation under "General Remarks" although such agreement would greatly simplify the settlement of those matters. Minister Minc then suggested that a discussion of those matters be deferred but stated that he would reserve the right to come back to them later. Mr. Clayton replied that in his view the problem of nationalization should be considered on its merits now and that he would be willing to consider the other matters on their merits later but could not consider them to be connected with nationalization. Minister Minc then stated that the Polish Government had not originated the connection between nationalization on the one hand and certification, defreezing and Export-Import Bank credits on the other, but that the connection had been made by United States representatives. He said that there were various questions which both governments considered to be unsettled and that the purpose of his trip was to carry on negotiations which would result in the settlement of them all.

Minister Minc then said that he proposed two solutions: first, the questions raised by the Polish Government under the heading of "General Remarks" be made a part of the agenda but not to be considered as connected with the other parts of the agenda. Mr. Clayton said that he could not agree to this, especially with reference to the question of Export-Import Bank credits, although he would be willing to give them consideration after agreement had been reached on the matters contained in the agenda. He said that he could not indicate, however, what the position of the United States Government would be on the matter of such credits. Minister Minc then stated that his second proposal was that discussion of the points of interest to his Government be suspended at this time and raised at the next meeting. Mr. Clayton agreed that they should be deferred. He then went on to point out that the questions in connection with nationalization which had been raised by Mr. Acheson did not cover all the points of interest to this Government in that connection since it was the view of this Government that full agreement should be reached on all points germane to compensation of United States nationals. Mr.

Zoltowski stated that the Polish delegation had supposed that only the points raised by Mr. Acheson in connection with nationalization were to be considered, that only these points had been communicated to Warsaw, and that the Polish delegation had instructions only upon these points. Mr. Lychowski then referred to the four points raised by Mr. Acheson in connection with nationalization,<sup>73</sup> and with reference to the fourth of these points, stated that the Polish Government had understood it to mean that the United States Government sought compensation in dollars only to the extent of original United States investments in dollars. Mr. Zoltowski said that he had understood Mr. Acheson in the same sense and that, in fact, he had asked Mr. Acheson to repeat his statement to that effect twice. He said that Mr. Acheson also stated that it was his primary concern that the principle of compensation should be agreed upon during these discussions but that the mode of payment was not a matter of immediate interest. Mr. Clayton stated that it was his understanding that agreement had already been reached upon two of the four points raised by Mr. Acheson, namely, the extending of sufficient time to enter protests, and the equal treatment of United States property interests in all areas under the control of the Polish Government. He added, however, that the four points had not been intended to be exclusive and that in the view of this Government it was necessary to consider all matters required in order to reach full agreement on compensation. He pointed out, for example, that it would be necessary to fix the terms of reference for a mixed claims commission.

Minister Minc then stated that while he was informed as to the four points raised by Mr. Acheson, he would like to know what the other points considered to be germane by the United States Government were, and he would then be in a position to indicate whether his powers enabled him to discuss them. Mr. Clayton stated that a memorandum would be prepared indicating what this Government has in mind, and suggested that the meeting be adjourned until Monday at 3 o'clock. In response to Mr. Zoltowski's question he said that it might be possible to make this statement available to the Polish delegation by Saturday afternoon. Mr. Clayton then suggested that Mr. Thompson and Mr. Zoltowski meet and reach a full understanding as to what had been said in the meetings with Mr. Acheson and as to their meaning. Mr. Clayton then reiterated his own understanding that the terms of reference of a mixed claims commission would have to be agreed upon and that the agreement would have to be reached as to how and when

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<sup>73</sup> The four points raised by Acting Secretary Acheson during his November 18 meeting with Zoltowski are set forth in telegram 1116, November 22, to Warsaw, p. 519.

United States Nationals would be compensated for their property interests.

Mr. Lychowski asked when the matter of commercial policy was to be discussed. It was agreed that a memorandum would be prepared upon this point and would be given to the Polish delegation on Monday.

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611.60C31/12-1446

*Memorandum of Conversation, by the Chief of the Division of Eastern European Affairs (Thompson)*

[WASHINGTON,] December 14, 1946.

Mr. Zoltowski said Mr. Minc had been somewhat surprised and disappointed at the time that had been lost at the opening meeting in discussing an agenda. Most of the questions which he had wished to discuss had been stricken off, whereas we were proposing to add additional ones of interest to the United States which the Poles had not contemplated discussing.

I showed him my memorandum of his conversation with Mr. Acheson on November 18<sup>74</sup> and explained that we interpreted these points to include the matter of adequate compensation. I also pointed out that in considering the terms of reference for a mixed claims commission we found it necessary to get into the question of compensation since it was very difficult to draw up terms of reference unless there was an understanding as to how compensation was to be arranged. After considerable discussion Mr. Zoltowski indicated that they could probably agree to interpret the fourth point submitted by Mr. Acheson to include at least a discussion of the method of compensation.

Mr. Zoltowski pressed for including on the agenda such items as the Polish gold and cotton credits. He suggested that we might draw up two separate lists, one which the Poles wished to discuss and one which we wished to discuss.

I pointed out that there was considerable difference between the question of Polish gold and the question of credits. I said I personally felt that there would probably be little difficulty in the question of the gold being raised if we found satisfactory solutions to the other problems but that I did not know to what extent Mr. Clayton would be willing to discuss credits. I pointed out that on the question of aviation we did not contemplate drawing up an agreement here and now, nor was there any very formal question involved in the discussion of commercial policy. It, therefore, seemed to me that the Poles could express their ideas in connection with the general discussion. Mr.

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<sup>74</sup> Memorandum of conversation not printed, but for an account of the Acheson-Zoltowski meeting, see telegram 1116, November 22, to Warsaw, p. 519.

Clayton had agreed that they could raise other matters, but this was quite different from agreeing to a formal agenda item.

Mr. Zoltowski said that Mr. Minc had expected that at the first meeting two subcommittees would be set up, one to discuss compensation and the other to discuss commercial policy. The plenary session would discuss the aviation agreement, coal and other questions.

I said I thought that the setting up of such subcommittees would be welcomed by us.

Mr. Zoltowski inquired when they would receive our document on compensation. I replied that the reference to a document had been made in reply to their request for a list of the additional subjects we wished to discuss. This had apparently already been covered by our conversation. I said, however, that we had been working on draft clauses for the agreement on a mixed claims commission. I did not know how soon we would be able to present these.

Mr. Zoltowski urged that this draft be presented before the question was discussed. He thought Mr. Minc would find it much easier if he knew the type of thing we had in mind and pointed out that otherwise much time might be lost in interpreting just what the four points submitted by Mr. Acheson meant. If the Poles could receive such a paper well in advance of a meeting at which compensation was to be discussed, he felt sure that Mr. Minc would then be prepared to discuss the problem in broad terms. I undertook to ascertain whether this could be done. Mr. Zoltowski urged that since the first meeting had gone so badly it would be well if the next meeting started with a discussion of coal, which would allow Mr. Minc to express some of his views. At the same meeting we could set up two subcommittees, one to discuss compensation, the other commercial policy questions. The other points which the Poles wished to raise would be left in abeyance. Of course, if they got a document from us on compensation in time, meaning early Monday, Mr. Minc would probably be willing to discuss that question. I said I thought this would be satisfactory and would endeavor to find out.<sup>75</sup>

I said I thought the question of aviation could be quickly disposed of. Mr. Zoltowski agreed and said that, speaking off the record, this question would be much easier to settle now than it would have been previously. I gained the strong impression from his manner that he meant to imply that the Russians had now removed a restriction on their negotiating a civil air agreement.

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<sup>75</sup> At the next plenary meeting of the American and Polish economic negotiators on December 16, it was in fact agreed to form subcommittees to discuss the problems of compensation and commercial policy, after which a long discussion was held regarding the coal problem in Poland. (Memorandum of conversation, December 16, 1946, filed under 860C.50/12-1646)

I explained that Mr. Clayton had a meeting earlier in the afternoon and would like to set the meeting with Mr. Minc at 4:30. Mr. Zoltowski said this would be satisfactory.

LLEWELLYN E. THOMPSON

860C.00/12-1446 : Telegram

*The Ambassador in Poland (Lane)<sup>76</sup> to the Secretary of State*

TOP SECRET      NIACT  
URGENT

WARSAW, December 14, 1946—10 a. m.

[Received 10:47 a. m.]

1930. I impressed on Mikolajczyk evening December 13 with great earnestness our considered opinion that it would be most unwise for him to make an appeal to Yalta Powers re steps taken against Polish Peasant Party including arrests which Mikolajczyk estimated to be at least 10,000. (He estimated total of persons now under arrest for political reasons to be at least 150,000. He said that after elections Bentinck and I would be completely isolated and any Poles having dealings with us would be arrested.) I argued that appeal to foreign govts would undoubtedly be exploited by Polish Govt as treasonable act and would result in elimination of Polish Peasant Party from the elections. Such action would result in virtual boycott of elections by PSL and possibly might bring about civil war. This would in our opinion be greatest calamity which could befall Poland and Polish people and might entail Soviet occupation for purpose of "restoring order". I continued that it is most important for democratic political parties including PSL to bear in mind public opinion in US which would probably be from long range viewpoint greatest restraining force to foreign domination of Poland. If Mikolajczyk should make such an appeal to foreign govt over the head of his own Govt he would run risk of incurring popular disfavor in US. If on other hand his party should enter elections even though they should not be free his position could not be effectively assailed.

Mikolajczyk replied that Executive Committee of PSL had already taken decision to acquaint Yalta Powers with facts of existing situation. He had succeeded in rejecting former proposal of committee to appeal to three powers to supervise elections but he could not resist consensus of party as evidenced by many petitions signed by thousands that Yalta Powers should be informed (he showed me one of such petitions). Mikolajczyk said communication to three powers would not be an appeal but merely transmitting facts. He said from practical viewpoint whether note to Yalta Powers is sent or not effect will

<sup>76</sup> Ambassador Lane had returned to Warsaw from Washington on December 12.

be the same: PSL candidates will not be permitted to appear on lists in many districts and not at all in western provinces and as soon as elections are held Mikolajczyk will be tried for treason. Mikolajczyk said that he has this information from many reliable quarters. Furthermore he prophesied that civil war will take place in April or May due to following three reasons: (1) fraudulent elections; (2) economic crisis because of necessity of peasants being forced to contribute 17 billion zloty prior to January 15 (4 billions for internal loan 8 billions for land [?] 2 billions for agrarian reform and 3 billions for seeds and horses) and (3) dissolution of Polish Peasant Party.

I emphasized that proposed action of PSL would embarrass US Govt that I might be forced to reject his communication and that in any case I felt sure I would not acknowledge it. I said that our attitude should not be construed as hostility towards Polish Peasant Party but that we did not wish to be accused of dealing with only one political party which would result not only in attacks on US but also on PSL.

Mikolajczyk countered by saying that Yalta decision provides that British and US Ambassadors should be kept informed of internal conditions here and that PSL therefore had right to communicate with us. I said that in my interpretation Yalta decision merely provided that British and US Ambassadors should keep respective govts informed that this did not provide for govts to communicate formally and directly with various parties. Mikolajczyk said that communication would be made to three Embassies here and would not be made public. He cited fact that to date his communication to Soviet Govt (Embtel 1560 October 8) had not been made public. He said furthermore that he did not expect us to acknowledge his communication but he trusted we would not reject it as this would be terrific blow to PSL hopes.

I requested him to inform Executive Committee re our conversation and impress upon it our view. He said he would do so but he made it clear that die had already been cast and that he could no longer resist pressure from committee and from party as a whole especially because of his having rejected committee's proposal to request supervision of elections by Yalta Powers.

Mikolajczyk did not attempt to conceal his concern re very critical situation and probability of civil war shortly after elections are held which he admitted could not be won by PSL despite peasant majority in country. He was nervous and at times spoke in low whisper apparently fearing he was being overheard altho conversation was held in his private apartment.

I made point as discussed with Dept officials that perhaps Com-



munist minority knowing strength of PSL might decide to allow free election be held and thus open way for continuance of party. I emphasized that US could not take active intervention in Poland and that any thought of such action should be at once dispelled. Mikolajczyk replied that strength of PSL was known to all and that after elimination of PSL, PPS would be liquidated as indicated by recent arrests of members of Polish Socialist Party. He said he realized that result of election would not result in us initiating hostilities but that note to Yalta Powers was "last hope".

Conversation ended with Mikolajczyk promising to acquaint Executive Committee with my views. I apprehend however that communication will be sent to US and to British and Soviet Embassies. I recommend that I be instructed not to reply to communication but that I accept it as a matter of information for our Govt as one of the Yalta Powers. British Ambassador concurs in my recommendation.

Please instruct by telegraph urgently."<sup>77</sup>

LANE

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711.60C/12-1746

*The Ambassador in Poland (Lane) to the Secretary of State*

No. 959

WARSAW, December 17, 1946.

SECRET

[Received January 14, 1947.]

SIR: I have the honor to transmit herewith for the Department's background information and as a convenient means of reference a memorandum<sup>78</sup> prepared by Mr. Andrews of my staff, concerning various incidents which have taken place during the past 15 months affecting the British and American Embassies and involving both Poles and Russians. These incidents, some of which have not been reported to the Department, are indicative of the attitude often taken by Polish officials toward Americans and British in this country.

The following incidents in which Russians were principally at fault appear to have been deliberately provoked by the Russians concerned:

The stopping of Colonel York's automobile by Soviet Army officers on October 16, 1945;<sup>79</sup>

<sup>77</sup> Telegram 1190, December 16, to Warsaw, approved the recommendations set forth by Ambassador Lane (860C.00/12-1446).

<sup>78</sup> Eight-page memorandum, not printed.

<sup>79</sup> On October 16, 1945, an unidentified Soviet brigadier general and other Soviet Army officers stopped the automobile of Lt. Col. Edward J. York, the Embassy's Military Attaché for Air, in which the latter and Associated Press correspondent Larry Allen were traveling, and through the use of force compelled Colonel York's chauffeur to turn over the automobile's tools.

The detention by Russian officials for five hours of Messrs. Scott and Abel, representatives of American news organizations, on June 25, 1946;<sup>80</sup>

The mistreatment of Mr. and Mrs. Van Dee by two Russian Army officers at Wilanów, on August 21, 1946;<sup>81</sup>

The assault on Messrs. Dickinson and Storrs, British officials, at Rzeszów on October 10, 1946;<sup>82</sup>

The slapping of Colonel Nevitt of UNRRA, on October 22, 1946, by a Russian Army officer in Polish uniform; and

The molestation of Mr. Dillon, Third Secretary of the Embassy, by Russian soldiers on November 18, 1946.<sup>83</sup>

While the incident in which Colonel Jessic was involved<sup>84</sup> does not appear to have been deliberately induced by the Russians who took part in it, a Russian officer wilfully held Jessic under detention for over 3 hours despite the fact that the latter's identity and diplomatic status were known to the Russians.

Two of the incidents in which Poles were at fault were the direct result of action taken by the Polish Foreign Office, while the others would appear to have been the result mainly of the ill-will or ignorance of diplomatic usage, or of both, on the part of the Polish Security Police and Polish soldiers or militiamen. In the first category belong the obstruction of the British Ambassador's travel by airplane from Kraków to Warsaw on May 8, 1946, and the singular and undiplomatic treatment accorded to the Counselor of the British Embassy on October 2, 1946, by Mr. Zebrowski, Acting Minister for Foreign Affairs.

<sup>80</sup> John Scott of *Time Magazine* and Elie Abel of the North American Newspaper Alliance were arrested by Polish soldiers in western Poland, allegedly for not stopping at the Polish-German border when asked to do so by a Polish sentry. Mr. Scott was interrogated for 5 hours by two Russian officers attached to the Polish Security Police.

<sup>81</sup> Eugene Van Dee, an official of the United States Information Service, and his wife, while at a restaurant in Wilanów, were approached by two drunken Soviet Army officers who demanded that the Van Dees drive them home and sat down at the Van Dees' table, put their revolvers on the table, and carried on a three and a half hour tirade against Americans and the United States. The Van Dees finally managed to slip out of the restaurant to their car, but as they drove away the Russians fired several revolver shots at them.

<sup>82</sup> John Dickinson, British Consul at Katowice, and M. M. B. Storrs, Third Secretary of the British Embassy at Warsaw, were assaulted at pistol-point in the hotel in which they were staying at Rzeszów by a Russian lieutenant, a Russian sergeant, and a Polish militia lieutenant. Messrs. Dickinson and Storrs were beaten and their hotel room was ransacked.

<sup>83</sup> Three Russian soldiers attempted to get into Mr. Dillon's automobile while he was driving home on the evening of November 18. Polish militiamen eventually persuaded the Russians to desist.

<sup>84</sup> While in the Bialystok area on June 29 to observe the voting for the June 30 referendum, Lt. Col. Frank S. Jessic, Assistant Military Attaché in the Embassy, was detained for 3 hours by the Polish border guard. The Polish Foreign Ministry later explained that Colonel Jessic had not had the required special visa for a sojourn in the frontier area and had taken photographs within the frontier zone.

In the second category belong the following cases: the hostile and insolent treatment that I received from the Polish Security Police at the Warsaw airport on May 4, 1946;<sup>85</sup> the arrest and detention of Mr. Raymond and Mr. and Mrs. Zagorski, of the Embassy's staff;<sup>86</sup> the mistreatment of Mr. Storrs of the British Embassy on October 19, 1946; and the invasion of the premises of the Embassy's Naval Attaché by armed men on November 2, 1946.<sup>87</sup>

Respectfully yours,

ARTHUR BLISS LANE

711.60C/12-1846

*Memorandum of Conversation, by the Acting Secretary of State*

[WASHINGTON,] December 18, 1946.

Participants: Mr. Acheson, Under Secretary,  
Mr. Hilary Minc, Polish Minister of Industry,  
Dr. Ludwik Rajchman, Head of Polish Supply and  
Reconstruction Mission in the United States,  
Mr. Janusz Zoltowski, Minister and Financial Coun-  
selor of the Polish Embassy.

Dr. Rajchman invited me to lunch today with Mr. Minc and Mr. Zoltowski. The luncheon was at Dr. Rajchman's house. Aside from greetings on arriving and leaving the entire period of an hour and a quarter was devoted to the conversation outlined below. Dr. Rajchman acted as interpreter.

Mr. Minc said that he attached great importance to his visit in the United States not only because of the matters which he had under discussion with Mr. Clayton and his colleagues but because he believed that the interests of Poland and the United States very largely coincided and he wished to lay the foundation for extensive and mutually beneficial economic relations. He asked me whether I shared his view and desire.

I replied that it seemed to be plain that the economic interests of Poland lay in expansion of trade and financial relations with Western Europe and this hemisphere; that in the long run Poland's hope of raising her standard of living depended upon the trade which I had mentioned since it was quite obvious that the Soviet Union did not have raw materials or manufactured goods which Poland needed and

<sup>85</sup> Regarding the incident involving Ambassador Lane at the Warsaw Airport, see telegram 1188, May 4, from Berlin, p. 445.

<sup>86</sup> For a brief account of the arrest of Edwin R. Raymond, Embassy Agriculture Attaché, Steven D. Zagorski, Embassy Administrative Assistant, and Mrs. Zagorski on June 30, see Lane, *I Saw Poland Betrayed*, p. 243.

<sup>87</sup> On the night of November 2, 1946, 7 men dressed in Polish army or militia uniforms, armed with sub-machine guns, entered the premises of the Embassy's Naval Attaché. After some argument, they were persuaded to leave by the Polish militiamen on patrol duty nearby.

would not have them for many years to come. I also thought that Polish exports would be an important factor in restoring the economy of Europe and, therefore, I fully agreed that American interest in furthering a sound economy in Europe and Poland and Poland's interest in the same thing entirely coincided. I added that it seemed to me unfortunately true that the pursuit of these common interests might be utterly frustrated if the Polish Government took action in the internal political field of a repressive nature which seemed to be both ill-advised and silly.<sup>88</sup>

The Minister then made quite a long speech, the tenor of which was as follows: Elections were ephemeral things which raised strong passions which however soon subsided. He was concerned with more enduring economic relationships. The Polish Government had no intention of interfering with any opposition which restricted its activities to peaceful measures. It was forced, however, to take strong steps to suppress underground and subversive activity directed toward overthrowing the Government by force and toward civil war. The Government wished to remove not the ballot but machine guns from the opposition. Turning to the economic field he said that until some months ago he had hoped that the United States and Poland were moving toward economic collaboration. However, certain actions have been taken which raised serious questions in his mind. He gave as an illustration the matter of exports of coal from Poland and imports of

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<sup>88</sup> In a memorandum to H. Freeman Matthews, Director of the Office of European Affairs, on December 16, Llewellyn E. Thompson, Chief of the Division of Eastern European Affairs, reviewed in brief the course of the Polish-American economic discussions and concluded as follows: "The question of elections has not been raised in any of these conversations. It is clear that Mr. Minc is prepared to go a long way to satisfy us on these various problems in order to clear the way for additional credits from this country. It would seem to me that at some stage in these negotiations Mr. Clayton or Mr. Acheson should inform Mr. Minc of our concern at the indications we have received that the Polish Government does not intend to allow a free election. The elections are set for January 19 and we should make clear that we cannot consider any question of further credits until we know whether or not the Polish Government is going to keep its word . . ." (860C.50/12-1146)

In a memorandum to Acting Secretary Acheson on December 17, Mr. Matthews emphasized the need of raising the election issue with Mr. Minc. Mr. Matthews' memorandum read in part as follows: "It seems clear that the Poles are anxious to clear the way for further credits from this Government or from the International Bank. Regardless of how satisfactory any arrangements we may make with the Poles on such questions as compensation prove to be, any extension of credit to the Polish Government at this time could not fail to have important political repercussions in Poland in view of the fact that the Polish elections are set for January 19 and election campaigns are already in progress . . . Since Mr. Minc is an influential member of the ruling clique, I believe that our failure to raise the subject with him during the current negotiations would be interpreted by the Polish Government as an indication that we were not seriously continuing our interest in carrying out the Yalta agreement. I, therefore, suggest that you impress upon him the great interest we have in the holding of free elections and our very great concern at alarming reports we have been receiving from Poland." (860C.5034/12-1746)

cotton. He said that it was to Poland's advantage to buy cotton from the West and to export coal to the West. However, this Government had imposed impediments to that with the result that Poland was being forced to import cotton from the Soviet Union and to pay an excessive price in coal. He thought that this gave rise to economic relationships which were not advantageous and were hard to rearrange. Poland wished to have friendly economic and political relationships with both the East and the West. He wished to say frankly and emphatically that Poland did not wish to be absorbed either politically or economically in the Soviet system and it did not wish to adopt for itself the Soviet system either in the political field or in the economic field. He, therefore, earnestly hoped not only that he would be successful in the immediate matters which he had under discussion but that he might lay the basis for still further collaboration.

At this point I made quite a long speech along the following lines: In brushing aside as he had done the political factors the Minister was seriously misjudging the American political situation. This country was not governed by officials who were free to act under cold-blooded economic calculations without regard to the temper and mood of the American people or the attitude and composition of the Congress. There were certain controlling factors in regard to our attitude toward Poland which the Minister was leaving out of his calculations. One of these was that the country was not prepared to make extensive loans and economic arrangements with countries which appeared to be accepting this help merely for the purpose of building up a domestic economy which would be joined to the closed economic system of the Soviet Union. The form of government which a nation had was, of course, its own affair but it was of vital importance to the United States in considering the extension of help to any nation whether or not the economy of that country was to be an important factor in raising the whole level of economy in Europe and this hemisphere or whether it was to join a system, the operation of which was either of no benefit to the rest of the world or an actually depressing factor. I said furthermore that this country had been very deeply disturbed by three cynical exhibitions of the use of western democratic electoral machinery to produce the most autocratic and repressive results. These experiences had been the two elections in Bulgaria and the recent Rumanian election. If another such example occurred in Poland it would make it next to impossible for this Government to go forward with any extensive economic help for Poland. This was true not only because of the general feeling in the United States but also because of the large number of Poles and the not unimportant fact that many of these were located in Michigan, the Senior Senator

from which state was the new Chairman of the Foreign Relations Committee of the Senate. I said that I mentioned this not because American policy was a matter of personalities but because while it was difficult for some deep-seated feelings held by the people of this country to find expression, it would not be difficult in the case that I mentioned.

I went on to say that the American attitude toward Polish internal politics could not be changed by skillful dialectics. We would, of course, not argue that an opposition attempting to overthrow the government by force was the kind of opposition contemplated in the democratic process. I should say, however, in all frankness to the Minister that if a government in Poland or elsewhere put tens of thousands of political workers of one party in jail and removed all representation of that party from the electoral lists of a large part of the country, the United States would never believe that the resulting election was fair or that such action was taken to preserve law and order. The mere argument that such a step was necessary to preserve law and order would raise in the minds of the American people a very strong belief that the system which was being protected by such measures must lack any considerable element of public support.

I went on to say that no one in the United States questioned for a moment the necessity for any government in Poland maintaining the friendliest relations with the Soviet Union. The interest of the American people in the Polish election was not directed toward furthering the fortunes of any party or any leader. It was merely an interest in the fundamental principles of fairness and decency.

The Minister then said again that the Polish Government had no desire to deprive any of its citizens of the ballot but was merely repressing violence and subversive activities. He said that Poland could not be expected after twenty years of dictatorship and six years of German occupation to achieve western democracy in eighteen months. He said that while he was not too familiar with American history he recalled that we had had difficulties after the Civil War in reestablishing democratic government in the South. I replied to the Minister that I most earnestly asked him to believe that this was not a matter for adroit argument but was a matter of the most basic importance in estimating the American attitude toward Poland. We realized fully that Poland would have many difficulties in its internal politics and were willing to take a most tolerant view toward those difficulties. I said further that if the Polish Government had to err on one side or the other an error in the direction of repression would have the most serious consequences whereas an attitude of generosity and fairness on the part of the government toward the opposition would pay big divi-

dends in good will and the increase in economic possibilities in the United States. In regard to our own experience in the South I pointed out to the Minister that Poland seemed in the way of repeating our errors of the carpetbagger era which had left lasting bitterness throughout a large section of the country.

I congratulated the Minister on his wisdom in working out with Mr. Clayton so prompt and satisfactory a solution of the Embassy's currency problem and told him that the same attitude applied to other questions would make our relations with Poland much more satisfactory. The Minister said in reply that while he appreciated my kind words about himself, his attitude had been the same in Warsaw as it was in Washington and that it was Mr. Clayton's approach which had rendered the matter a simple one to be solved by two intelligent businessmen. For obvious reasons I did not pursue this line further.

The Minister said that he hoped I was satisfied with the progress which he was making in his discussions with Mr. Clayton's associates and when I said that I had been following the matter only in a general way he said that he hoped I could review the matter with Mr. Clayton and have another talk with him before he left this country.<sup>89</sup>

DEAN ACHESON

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860C.00/12-1646

*Memorandum of Conversation, by the Chief of the Division of Eastern European Affairs (Thompson)*

[WASHINGTON,] December 18, 1946.

I informed Mr. Cecil<sup>90</sup> that we had received a telegram from London stating that the British Foreign Office had informed our Embassy that General Anders contemplated visiting the United States prior to the Polish elections for the purpose of addressing an organization in New York on the situation in Poland. I pointed out that the State Department had been endeavoring to follow a general policy of allowing anyone to visit this country who was eligible to do so under our laws but that this appeared to be a rather special case. I pointed out that an address of this sort by General Anders might be considered as American interference in the Polish election campaign and that I imagined that Polish propaganda would also tie in the British Government and the Polish Resettlement Corps in England with any charges of this sort. I felt that this would probably be embarrassing to both our governments and for this reason we hoped that the ques-

<sup>89</sup> No record has been found of any subsequent meeting between the Acting Secretary and Minc.

<sup>90</sup> Robert Cecil, First Secretary of the British Embassy.

tion of granting a visa to General Anders would not arise, at least not until after the Polish elections.

Mr. Cecil said that he agreed with our estimate and undertook to inform the Foreign Office of our views. He thought it would be possible at least to delay the matter until after the elections and possibly successfully discourage General Anders from making the trip altogether without directly refusing him permission.

LLEWELLYN E. THOMPSON

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860C.00/12-1946 : Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

TOP SECRET  
 NIACT

WARSAW, December 19, 1946—6 p. m.  
 [Received December 19—5:10 p. m.]

1954. In accordance with authorization contained Deptel 1190, December 16.<sup>91</sup> I received from Mikolajczyk December 19 letter addressed to me as Ambassador of US near the Provisional Govt of National Unity and signed by him as President of Polish Peasant Party and F. M. Wovowk, Secretary General of party dated December 18. Communication is accompanied by 24 enclosures some of which voluminous and will require considerable time for translation.

Am informed by British Ambassador that Mikolajczyk presented note and enclosures to him last evening when Mikolajczyk dined privately with Bentinck. Mikolajczyk said that he had endeavored present note to Soviet Ambassador today but was unable to obtain appointment and will present communication to Lebediev tomorrow.<sup>92</sup>

Information contained in note and enclosures is up to December 12 only. Mikolajczyk handed me unofficially information bulletins some of which he said had been given to American press correspondents covering period from December 13 to December 19 oppressive action taken against members his party.

Summary of information will be telegraphed as soon as translated.<sup>93</sup>

Mikolajczyk stressed following incidents which have taken place since December 12: refusal of electoral authorities at Azarnow [*Chrzanów?*] and Radom to receive lists of candidates which have to be submitted by December 20; arrests of five PSL members of National Council of Homeland when they attempted to present petition to electoral committee (three members subsequently released).

<sup>91</sup> Not printed, but see footnote 77, p. 538.

<sup>92</sup> Telegram 1784, December 27, from Warsaw, reported that on December 20 Mikolajczyk delivered the note to Soviet Ambassador Viktor Zakharovich Lebedev who was far more cordial than usual (860C.00/12-2746).

<sup>93</sup> For a summary of Mikolajczyk's letter of December 18, see telegram 1996, December 29, from Warsaw, p. 552.



Mikolajczyk said that he has an understanding with Zulawski<sup>94</sup> independent branch of Socialist Party to include his candidates with those of PSL on common lists in Warsaw, Lodz, Krakow and Szarnow [*Chrzanów*]. Zulawski is to head the list in Krakow.

Mikolajczyk said that in his opinion majority of PSL candidates will be stricken from lists prior to elections on various grounds: candidates may be charged with having had connection with underground; signature of voters may be indecipherable; voters petitioning candidacy may be declared ineligible for various reasons or as in case of western territory PSL candidates may be considered illegal. Mikolajczyk said that it is quite possible that the actual electoral procedure and counting of votes may be entirely correct as it may well be that majority of PSL candidates will have been eliminated prior to the election.

LANE

860C.5034/12-2246 : Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

TOP SECRET

WARSAW, December 22, 1946—1 p. m.

[Received 6:40 p. m.]

1972. For the Secretary. Re mytel 1953, December 19, repeated London 253.<sup>95</sup> While I do not consider it probable that Minc will carry out commitment to export large share of Polish coal to ECO countries (as reported in London's 10150<sup>96</sup>) because of commitments to Soviet Union (and because of our estimates indicating Polish Govt has over committed itself re coal) which obviously will have priority over commitments to US, I feel for reasons given below that we should

<sup>94</sup> Zygmunt Zuławski, a leader of the Polish Socialist Party until its reorganization in the summer of 1945 under a leadership which favored close collaboration with the Polish Workers' Party. Zuławski left the Polish Socialist Party in November 1946 and became affiliated with Mikolajczyk's Polish Peasant Party.

<sup>95</sup> Not printed; it reported on Ambassador Lane's conversation with Prime Minister Osóbka-Morawski, December 17. Ambassador Lane stressed to the Polish Prime Minister that the attitude of the Polish press and the attacks made on the United States by responsible members of the Polish Government created circumstances under which it would be difficult for Poland to obtain credits from the United States. Osóbka-Morawski stated that "his policy is to have much closer relations with the West and especially with the US and that his party (PPS) supports this policy. He said that as this is a coalition govt there are divergent views. He admitted that one faction of govt (obviously PPR) takes position that Poland has only one friend (Soviet Union) and that it is to Poland's interest to cultivate relations with this friend. Osóbka said that if he could obtain from US some tangible sign of our friendship such as a credit for coal mining machinery he would be able to rebut charge that Poland has only one friend. Osóbka added 'monopoly is an evil thing'. He said further that Poland desires to maintain western form of civilization and for this reason wished to draw closer to western powers." (860C.5034/12-1946)

<sup>96</sup> Dated December 18, not printed.

give sympathetic attention to any proposals which Polish Govt may make to us. My reasons do not in any way indicate change of viewpoint since my talks with Dept officials last month. I still concur with Dept that we should not give financial assistance to those govts which assume unfriendly attitude towards US and which do not live up to their obligations to US. There is however, a possibility that Polish Govt may at long last have realized shortsightedness of its anti-American policy in light of its need for our financial and economic assistance and may be willing to agree to conditions which should be essential prerequisite to our making any commitments to Minc. I have noted from my talks with Modzelewski and Osóbka as I did from my talks with Rzymowski and Lange in New York an evident present softening of previous attitude of obstruction towards our requests (because of tremendous bargaining power which is ours due to Polish critical need for foreign exchange) we should not slam the door in face of Polish requests for credit. I would recommend that no commitments be made re possibility of extending financial assistance until we receive satisfaction and by this I mean definitive action on part of Polish Govt and not mere promises as have been given in the past on the following points: Access to arrested claimants to American citizenship, adequate compensation to American owners of nationalized property and conclusion of bilateral aviation agreement. I have not included Polish promise to hold free and unfettered elections because of my opinion that in view of thousands of arrests of members of political parties opposing Communist controlled minority and repressive measures recently taken to prevent Polish Peasant Party from filing lists of candidates with election committees, elections cannot now [be] considered to be free regardless of possible absence of intimidation on election day and of possible absence of fraud in counting of ballots. I am in a later telegram recommending that we make a vigorous protest re irregularities and injustices and while I doubt that such a protest will be efficacious it may at least serve to alleviate political situation given Polish need for our financial aid.

Reasons follow:

1. Due to Polish admission that no foreign exchange exists with which to give compensation for American nationalized property and as compensation in zlotys or in zloty bonds would be unacceptable ultimate extension of credit which would permit Poland to increase coal export and thus obtain foreign exchange should be welcome to American interests whose property nationalized.

2. Unless we take advantage of leverage which we now have I seriously doubt whether we will otherwise be able to induce Polish Govt to adopt more cooperative attitude on treatment of US citizens and property or on aviation agreement.

3. While I assume Soviet Govt will continue to control Polish econ-

omy including coal exports increase in coal output could benefit western nations and thus credit for coal machinery could be justified on that basis provided always that our conditions had been fulfilled.

4. If as now seems probable Polish Peasant Party will virtually cease to have influence in Polish Govt after forthcoming elections, it is highly advisable that we have friendly relations with Polish Socialist Party and endeavor maintain our influence [apparent omission] through this [apparent omission] Communist element for even though Osóbka and other Socialists may be dominated by Communists and in time may be forced out of Govt there is still some divergence in fundamental policies of PPR and PPS the latter still striving for national independence and for freedom from police terrorism which is still our basic policy with respect to Poland. Our indication therefore that we are prepared sympathetically to consider Osóbka in <sup>97</sup> proposal should do much to improve the good relations which I have endeavored to cultivate with Premier. We have reason from past performances to doubt sincerity of Osóbka, Szwalbe <sup>98</sup> *et al.*, but I believe we should not subject ourselves to accusation that we are only interested in success of Mikolajczyk and his party. In recommending therefore that Dept continue conversations with Minc regardless of whether or not Polish Govt is a good banking risk with a view to obtaining definitive favorable action on our requests but without giving any commitment for time being re financial assistance, I would appreciate Dept's authorization to continue discussion with Osóbka Morawski along lines indicated above.

Please telegraph.

Sent to Dept as 1972, repeated London as 254.

LANE

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[The discussions between the Polish Minister of Industry Minc and his advisers on the one hand and representatives of the Department of State on the other hand on the question of the procedure for compensation of United States owners of enterprises which had been nationalized by the Polish Government began on December 13 and concluded on December 26, 1946. Plenary meetings were held on December 13, 16, 19, 20, 23 and 26. The negotiators reached agreement on the text of an "Outline of U.S.-Polish Understanding Concerning Nationalization Problems", not printed. For text of the statement issued to the press by the Department of State on December 27 regarding the agreement and the decision of the United States Government to release Polish assets in the United States, see Department of State *Bulletin*, January 5, 1947, page 28. A subcommittee of the negotiators considered the question of commercial policy, but that subject was presumably not discussed at any of the plenary sessions. The ques-

<sup>97</sup> This sentence is apparently garbled.

<sup>98</sup> Stanisław Szwalbe, President of the Presidium of the Chief Council of the Polish Socialist Party.

tion of Polish coal was discussed at the plenary meeting on December 16 and apparently was not raised subsequently. Telegram 16, January 6, 1947, to Warsaw summarized the results of the efforts by the Polish delegation to secure assurances regarding additional credits: "For your information Minister Minc in course of conversations on nationalization problems sought to obtain assurances concerning Eximbank cotton and tobacco credits. Was informed first that credits could not be associated with undertakings regarding compensation for nationalized properties, and secondly that Department could not anticipate consideration of credits until after lapse of sufficient time following elections to give assurance of internal stability essential for credit worthiness. February 1 mentioned as earliest such date. Minister orally informed of this Government's interest in European cotton market and advised of favorable consideration of cotton application at technical levels." (860C.51/1-647)]

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860C.5034/12-2446

*Memorandum by the Director of the Office of European Affairs  
(Matthews) to the Acting Secretary of State*

[WASHINGTON,] December 24, 1946.

MR. ACHESON: I am seriously concerned at what I understand is the tentative agreement reached yesterday in the economic negotiations with the Poles. As I understand it, it was tentatively agreed that the procedure laid down by the Polish Nationalization Law would be followed. There would be a mixed commission to advise the Polish Council of Ministers on standards to be adopted for valuations with the understanding that the Polish Council of Ministers would promulgate its recommendations in the form of rules and regulations binding upon the Polish commissions which are to establish the valuations. No decision was reached as to whether the choice of a third member of the mixed commission should be dependent upon agreement by the Polish and United States members or whether in the event of disagreement, he should be appointed by the Secretary-General of the United Nations. The function of the mixed commission, however, would only be advisory. The Polish delegation rejected the proposal that there be a compulsory appeal to the International Court of Justice or any international arbitration body. They suggested instead that negotiations might be undertaken at a diplomatic level on such cases in which we felt the final action of the Polish valuation commission had been unfair. The ultimate disposition of these cases would be left to the results of such negotiations.

Up to the point of the tentative acceptance of this proposal, it had been the consistent position of the United States delegation that

American interests would not be properly protected unless there were provisions for some sort of impartial determination of the value of United States properties nationalized.

The Poles have proposed, and I understand we are considering, that a public announcement be made of the "successful" outcome of negotiations and that the Polish delegation be given a written assurance, not for publication, that action on the proposed cotton credit may be expected by February 1. It is also proposed that a general statement of the above agreement be initialed before the departure of Minister Minc on December 27 and the agreement be worked out in detail at a later date.

I am very strongly of the opinion that the proposed arrangement for compensation is quite inadequate to protect the interests of United States property owners, that it will inevitably be the cause of serious criticism, especially from small Polish-American claimants, and it may well be the cause of serious embarrassment to the Department and to the Secretary after the convening of the new Congress.

In addition it should be borne in mind that any concessions made by this Government to Minister Minc prior to the forthcoming elections in Poland will be used by the Polish Provisional Government as proof of our support of that Government and to the detriment of the majority of the democratic elements of the country. The Secretary, himself, has already said that *it would be preferable if any agreement on compensation and the return of Polish gold should be deferred until after the Polish elections.*

The Poles say that Minc had been led to believe that the Polish cotton and tobacco credits would be considered at the same time as the arrangement for compensation and the Poles plead that he would be subject to very serious embarrassment if he were to return home empty-handed. I can perceive no reasons, political or economic, why we should be swayed by such arguments. Mr. Minc is one of the most stalwart Communists in the Warsaw Government. Any repercussions from the failure of his mission would redound only to the disadvantage of the Moscow-dominated group in Poland. He would not have come to the United States on this mission unless there was strong pressure of economic circumstances in Poland to seek an agreement with the United States. Acceptance of the Polish proposal has been based upon the false premise that they could not be brought to accept an arrangement which would provide for a truly impartial procedure for valuing United States property. Personally I feel confident that if we remain firm in our position, Mr. Minc will eventually have to make sufficient concessions to permit the establishment of what we consider

to be a fair adjudication commission. This might well involve delays in the negotiations which would bring agreement after the Polish elections in accordance with the hope expressed by the Secretary.<sup>99</sup>

H. FREEMAN MATTHEWS

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860C.00/12-2446

*Memorandum of Conversation, by the Assistant Chief of the Division of Eastern European Affairs (Elbrick)*

[WASHINGTON,] December 24, 1946.

Participants: Mr. Robert Cecil, of the British Embassy  
Mr. Francis B. Stevens—EE  
Mr. C. Burke Elbrick—EE

Mr. Cecil brought a copy of the text of the note which the British Government had received from the Polish Government in reply to the former's note of November 22 which expressed anxiety concerning the forthcoming Polish elections.<sup>1</sup> Mr. Cecil said that British Ambassador Bentinck in Warsaw had counseled the British Foreign Office to make a dignified rather than a brusque acknowledgment to the Polish note, refuting the charges brought by the Polish Government. He said that the British Government is particularly concerned about the Polish charges concerning the repatriation of Polish troops and added that the main reason for the delay in this repatriation was the fact that the Polish Government, itself, had not provided sufficient officers to "screen" the soldiers volunteering to return to Poland. He said that the British Government is definitely under the impression that the Polish Government does not desire to have these troops return to Poland before the elections.

Mr. Cecil said that Ambassador Bentinck had suggested that the Poles might be withholding their reply to the American note of November 22 pending the outcome of the economic negotiations now being conducted in Washington with Mr. Minc, the Polish Minister of Industry. He asked whether we had reached any agreement with Minc regarding compensation for nationalized properties and the return of the Polish gold, and he was informed that we had reached no agreement so far and that Mr. Minc was scheduled to return to Poland on December 27.

With respect to the resettlement of the Anders Army now in the

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<sup>99</sup> The views expressed in this final paragraph closely follow those set forth in a memorandum dated December 23 from Francis B. Stevens, Assistant Chief of the Division of Eastern European Affairs, to Mr. Matthews (860C.5034/12-2346).

<sup>1</sup> The note of the Polish Foreign Ministry to the British Ambassador was dated December 19 and was released to the press by the Polish authorities on December 22.

United Kingdom, Mr. Cecil said that the British Foreign Office had been informed by Mr. Ford of our Embassy in London that henceforth US transit visas would be issued to such individuals only if they possessed, in addition to the visa of the country of their destination, a visa for a second country, or a return visa for the United Kingdom. He said that Mr. Ford had explained that this was due to the fact that a number of Polish soldiers bound for Cuba had been refused admission into that country, to which they were proceeding via the United States. Mr. Cecil said that this matter was causing his Foreign Office some concern and asked if we could confirm this new procedure. He was told that the matter would be taken up with the appropriate officers of the Department and that he would be informed as quickly as possible.

Mr. Cecil said that he was informed that the President had issued a statement recently regarding the possibility of admitting displaced persons into the United States in excess of the quota restrictions. He was not sure that this statement was in addition to that issued in December 1945.<sup>2</sup> He was told that this matter would be checked and he would be informed.

Upon leaving, Mr. Cecil inquired whether we had given any more thought to the idea of making a public announcement through the press regarding the division of seats in the Polish Parliament, which appears to have been decided already by the "bloc" parties in Poland. He was told that this matter was being kept in mind but that no action had yet been planned.

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860C.00/12-2946 : Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

TOP SECRET  
US URGENT

WARSAW, December 29, 1946—1 p. m.  
[Received December 29—12:45 p. m.]

1996. Embtel 1954, December 19. Following is summary of letter of December 18 delivered by Mikolajczyk as chairman of Polish Peasant Party PSL to representatives of Yalta Powers.

1. Introductory portion invokes Yalta and Potsdam decision as well as Moscow agreement of June '45 between coalition of Government parties constituting Polish Provisional Government and other parties including Peasant Party represented by Mikolajczyk and Kiernik, guaranteeing to all parties "full freedom for organization, assembly,

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<sup>2</sup> Presumably the reference is to President Truman's directive of December 22, 1945, aimed at facilitating the immigration of refugees and displaced persons up to the full limit of the law and to the President's remarks at his press conference on October 24, 1946, regarding his hope for a rearrangement of American immigration policy in order to admit additional political refugees. See *Public Papers of the Presidents of the United States: Harry S. Truman, 1945*, p. 572, and *ibid.*, 1946, p. 464, respectively.

press and propaganda" and assuring Peasant Party at least one-third of positions in Government and state organizations. In spite foregoing and protests made to Prime Minister, PSL has been persecuted since it commenced its activities.

2. Following methods used to combat PSL activities (supported by annexes): (1) Arrests (2) compulsory enrollment in bloc political parties (3) compulsory collaboration with Security Police (4) expulsions from farms (5) dismissals from employment (6) searches of homes (7) summons by Secret Police to exert pressure (8) planting by Secret Police of arms and subversive literature to justify arrests (9) confiscation by Secret Police of membership cards and other party documents to hinder party operations (10) attacks by Secret Police and Communists on party premises (11) attacks by Secret Police and Communists on party congresses (12) suspension and limitation by Government authorities of party meetings (13) suspension by Secret Police of party activities in 28 powiats (14) sealing of powiat party premises (15) beating of party members to enforce resignation, collaboration or joining bloc parties (16) registered murders of 110 party members (17) limitation of circulation of party papers, arrests of editorial staff of party bulletin and of *Gazeta Ludowa* and censorship.

3. Amendments to electoral law submitted by PSL to National Council of Homeland were rejected although in keeping with first draft of electoral law prepared by bloc parties at time when it was still hoped PSL would join bloc. Since then, PSL members have been excluded from district and local electoral commissions in Warsaw, Poznan, Katowice, Lodz and Olsztyn. Voting areas created in Krakow and Lublin provinces are larger than permitted by electoral law. Because of distances, condition of roads, lack of clothing and cold, peasants will not be able to vote within 12 hours in these areas comprising 8,000 inhabitants each. Military units have been sent into country to agitate against PSL. Central Committee for Political Education of Polish Army has published booklet calumniating PSL.

Letter concludes substantially as follows:

It is clear that Yalta and Moscow decisions and assurances of Provisional Government of National Unity of freedom of elections and rights of democratic parties are not applicable to PSL. Date of elections January 19, 1947 far distant from time limits fixed in Yalta and Potsdam agreements. During this period security authorities have been employing all possible means exterminate PSL which forms part of coalition of Provisional Government of National Unity in accordance with Yalta. We appealed to President and Prime Minister to issue suitable orders but our demands have not been met. On contrary terrorism increasing. In this state of affairs we take liberty approaching you as representative of Government which in our opinion responsible for carrying out of Yalta decisions and informing it by this means of conditions in which elections are being carried out.

Repeated London as 258 and Moscow as 210.



860C.00/12-3146 : Telegram

*The Ambassador in Poland (Lane) to the Secretary of State*

SECRET

WARSAW, December 31, 1946—3 p. m.

US URGENT

[Received December 31—11:15 a. m.]

2018. Remy immediately preceding telegram<sup>3</sup> British Ambassador and I have been conferring daily on subject of proposed notes of Polish Government. Bentinck's note which I trust British Embassy Washington will make available to Department is based principally on material furnished by Mikolajczyk and in fact follows the line of part 2 of Mikolajczyk's letter of December 18 to Yalta Powers in enumerating abuses against PSL. Bentinck feels this is necessary for sake of British public opinion. On other hand have felt it preferable not to lay us open to charge that we are fighting his battle as contrasted with the general principle of free and unfettered elections. Bentinck's note is less general than my draft but he makes no allusion as to what may be possible result insofar as British Government is concerned of the abuses about which he complains. We, however, should make it plain that the flouting of Polish Government obligations must inevitably lead to our withholding financial and economic assistance. Our silence would no doubt be interpreted as acquiescence in the illegal and inhuman measures taken against opposition parties and as a travesty of Yalta agreement.

In view of arrests intimidations et cetera it is now possible that Government bloc may triumph even should voting and counting procedure be correct. Therefore if our notes should be sent subsequent to election Polish Government could argue that it knew nothing about preelection abuses and that as elections have been held it is no longer responsible. Bentinck and I feel as does Mikolajczyk that it is essential notes should be sent prior to election and if possible at least 10 days before January 19 and that they be released to press immediately subsequent to delivery.

Sent Department as 2018.

LANE

<sup>3</sup> Telegram 2017, December 31, from Warsaw, not printed; it transmitted the draft text of a note regarding the forthcoming elections which Ambassador Lane asked he be authorized to deliver to the Polish Foreign Minister as soon as possible (860C.00/12-3146). For text of the note as delivered by Ambassador Lane on January 5, 1947, see Department of State *Bulletin*, January 19, 1947, p. 134.

## RUMANIA

### EFFORTS BY THE UNITED STATES TO BRING ABOUT THE ESTABLISHMENT OF REPRESENTATIVE GOVERNMENT IN RUMANIA; PARTICIPATION BY THE UNITED STATES IN THE TRIPARTITE COMMISSION FOR RUMANIA; ESTABLISHMENT OF DIPLOMATIC RELATIONS WITH THE RUMANIAN GOVERNMENT<sup>1</sup>

740.00119 Control (Rumania)/1-246 : Telegram

*The Ambassador to the Soviet Union (Harriman) to the Secretary of State*

SECRET  
URGENT

BUCHAREST, January 2, 1946—noon.  
[Received January 2—9 : 15 a. m.]

2. Secret for the Secretary from Harriman. Commission, Vyshinski, Clark Kerr and myself, met the King yesterday afternoon January 1 to explain the Moscow decisions.<sup>2</sup> He said he had accepted the Yalta decisions<sup>3</sup> and was prepared to accept the Moscow decisions. Clark Kerr and I emphasized the importance we placed on the elections and the specified freedoms. The King inquired regarding the possibility of neutralizing certain of the Ministries to which Vyshinski replied that this was not covered by the Moscow decisions.

We saw 10 members of the Government last night.<sup>4</sup> Groza,<sup>5</sup> speak-

<sup>1</sup> For previous documentation on the efforts by the United States to assure the establishment of democratic government in Rumania, see *Foreign Relations*, 1945, vol. v, pp. 464 ff.

<sup>2</sup> At their conference in Moscow, December 16 to December 26, 1945, Secretary of State James F. Byrnes, British Secretary of State for Foreign Affairs Ernest Bevin, and People's Commissar for Foreign Affairs of the Soviet Union Vyacheslav Mikhailovich Molotov agreed that their Governments were prepared to give King Michael of Rumania the advice for which he had asked on the broadening of the Rumanian Government. American Ambassador W. Averell Harriman, British Ambassador in the Soviet Union Sir Archibald Clark Kerr, and Assistant People's Commissar for the Soviet Union Andrey Yanuaryevich Vyshinsky were authorized by the three Foreign Ministers to proceed to Bucharest as a Commission to consult with King Michael and members of the Rumanian Government regarding this decision. For text of the decision on Rumania, see part V of the Report of the Meeting of the Three Foreign Ministers, in telegram 4284, December 27, 1945, from Moscow, *Foreign Relations*, 1945, vol. II, p. 821. The American record of the Rumanian Commission's meeting with King Michael is filed separately under 874.00/1-146.

<sup>3</sup> Reference is to the Declaration on Liberated Europe, part V of the Report of the Crimea Conference, February 4-11, 1945, by President Roosevelt, British Prime Minister Churchill, and Soviet Marshal Stalin, *Foreign Relations*, The Conferences at Malta and Yalta, 1945, p. 971.

<sup>4</sup> The record of this meeting is filed under 871.00/1-146 as part of the American Official Record of the Rumanian Commission.

<sup>5</sup> Petru Groza, Rumanian Prime Minister.

ing for the Government, stated that the Government accepted the Moscow decisions and were prepared to give the required assurances. Again Clark Kerr and I emphasized the importance our Governments placed on these matters. Vyshinski has correctly presented the agreement and has supported in words at least our emphasis on the elections. However, the attitude of Groza and other members of the Government gave me the impression that they felt confident that in one way or another the elections would not unseat them. The Government undertook to approach the historic parties regarding their candidates for inclusion in the Government. It was agreed that the members of the Commission as individuals, not as a commission, would see today those members of the historic parties we consider desirable. I am seeing Maniu<sup>6</sup> this morning and later Bratianu.<sup>7</sup>

The Commission will meet with the Government again at 5 o'clock this afternoon.

The King has invited us to lunch today.

Repeated to Moscow as number 1.

[HARRIMAN]

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871.00/1-346: Telegram

*The Ambassador to the Soviet Union (Harriman) to the Secretary of State*

SECRET  
URGENT

BUCHAREST, January 3, 1946—1 p. m.  
[Received January 4—2:36 p. m.]

5. Secret for the Secretary from Harriman. Yesterday I had long talks separately with Maniu, Bratianu and Mihalache.<sup>8</sup> They are all extremely skeptical that there can be free elections unless there is a change in the Ministries of Interior and Justice. They intend to endeavor to get the support of the King to this end and hope to negotiate some concession with the Govt. I told them that I could not associate myself with this question as the subject was not covered by the Moscow decisions. Clark Kerr has taken the same position in his conversations with them. It seems unlikely that they will obtain any concession as I have been reliably informed that Vyshinski has told the Govt to make no concessions.

The parties expect to nominate their candidates today. If agreement is reached on the candidates, which may take place today, the Commission's work will be completed. The reorganized Govt will then presumably offer assurances that they intend to hold free elec-

<sup>6</sup> Iuliu Maniu, President of the Rumanian National Peasant Party.

<sup>7</sup> Constantin (Dinu) Brătianu, President of the Rumanian Liberal Party.

<sup>8</sup> Ion Mihalache was a leader of the Rumanian National Peasant Party. The memoranda concerning these conversations are included in the American Official Record of the Rumanian Commission in file 871.00/1-146.

tions and grant the specified freedoms of the press, assembly, etc. I doubt the sincerity with which these assurances will be given on the part of the present members of the Govt. I assume that recognition will not be given until we are satisfied that the specified freedoms have in fact been put into effect. I recommend further that the steps to be taken by the Govt in connection with the elections is [be?] currently scrutinized and objection made if they are not satisfactory.

I assume that even if we recognize this Government we would not necessarily recognize the Government resulting from the election unless we were reasonably satisfied with the conduct of the election. If we maintain this position throughout and allow it to be known to the Govt at the time of recognition, I believe there is a better chance that the election may conform more closely to the Govt's undertakings.

Vyshinski plans to leave Bucharest immediately after agreement on the candidates is reached. I expect to stay on in Bucharest at least one day after Vyshinski's departure to have an opportunity for consultation with Schuyler<sup>9</sup> and Berry.<sup>10</sup>

Sent to Dept as No. 5 repeated to Moscow as No. 2.

[HARRIMAN]

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871.00/1-646 : Telegram

*The Ambassador to the Soviet Union (Harriman) to the Secretary of State*

SECRET  
URGENT

BUCHAREST, January 6, 1946—10 p. m.  
[Received January 7—12: 13 a. m.]

18. Secret for the Secretary from Harriman. Vyshinski's maneuvers in the last 2 days have given little encouragement to the hope that the Soviets intend to carry out the Moscow agreement in full good faith. The Peasant Party selected Ion Mihalache and the Liberals Constantine Bratianu,<sup>11</sup> nephew of the party leader. There is reason to believe that the Govt would have accepted these candidates but Vyshinski behind our backs evidently instructed the Govt to reject them.

The Commission had a somewhat stormy meeting with the members of the Govt in which the Govt attempted to defend their rejection of these candidates.<sup>12</sup> The principal charge levelled against Mihalache was that he had volunteered to fight the Russians in July of 1941

<sup>9</sup> Brig. Gen. Cortlandt T. Van R. Schuyler, U.S.A., Chief, United States Representation, Allied Control Commission for Rumania.

<sup>10</sup> Burton Y. Berry, United States Representative in Rumania.

<sup>11</sup> Constantin (Bebe) Bratianu.

<sup>12</sup> The memorandum concerning this meeting, which was held on January 4, 1946, at 8 p. m., is included in the American Official Record of the Rumanian Commission in file 871.00/1-146.

under the banner of Hitler which proved his undemocratic and Fascist tendencies. It seems that he served for 3 weeks and was released from the army on Aug 7. Tatarescu<sup>13</sup> sat by unblushing despite the fact that he made a speech at that time calling the war for the return of Bessarabia a "holy war". The objection to Bratianu proved to be that he was a reactionary and as Secretary General of the Liberal Party was morally responsible for and in fact under indictment for the murders of the Nov 8 incident.<sup>14</sup>

In the discussion it became evident from the general attacks levelled against the parties and all their principal leaders that the Govt has no real intention of allowing the two historic parties a fair chance to put up candidates in connection with the election. It seems clear that they would like, if they can get away with it, to persecute and discredit by any means the leading members of these parties.

As the charge against Mihalache was new to Clark Kerr and myself and was documented with letters to him from the War Ministry, we could take no exception at the time. In connection with the rejection of Bratianu, we made it plain that we did not accept the accusation of culpability of himself or the parties for this incident. However, as Vyshinski supported the Govt in the rejection of these two candidates, there was nothing to do but adjourn the meeting for discussion within the Commission itself.

Prior to the Commission meeting,<sup>15</sup> I looked up the charges against these two men. Bratianu had not been indicted but only called as a witness in the investigation. As there is a law confiscating the property of those who volunteered in the war, Mihalache's case had been considered by the Govt some months ago but as a result his properties were not confiscated. It seems that he was a reserve officer of the rank of major within the call age but as there was a law that no Rumanian could volunteer in the army who was subject to call, he could not volunteer. In the evidence submitted by the Govt to us no communication from Mihalache was produced, only copies of Govt communications to him. Mihalache claims that Antonescu<sup>16</sup> for political reasons had attempted just before the beginning of the war against Russia to induce him to join his staff and had even offered him

<sup>13</sup> Gheorghe Tatarescu, Rumanian Minister for Foreign Affairs and Deputy Prime Minister.

<sup>14</sup> Reference is to the public demonstration in Bucharest on November 8, 1945, during which a number of demonstrators were killed or wounded by police action. See telegrams 863, November 8, 872, November 10, and 892, November 16, 1945, from Bucharest, *Foreign Relations*, 1945, vol. v, pp. 623, 624, and 625, respectively.

<sup>15</sup> The memorandum of the meeting of the Rumanian Commission on January 5, at noon, is included in the American Official Record of the Rumanian Commission in file 871.00/1-146.

<sup>16</sup> Marshal Ion Antonescu, Rumanian Prime Minister (subsequently Conducator) from September 1940 until his overthrow in August 1944. He was executed in June 1946 for war crimes.

a position in the Govt. This had been refused but Mihalache was afraid that when called up he would be assigned to Antonescu's staff. He contends that to avoid this he requested combat duty. He further contends that as soon as Bessarabia was liberated, he urged Antonescu not to cross the Dniester and, though unsuccessful in this, his resignation from the army was accepted.

I presented the above in connection with both men to Vyshinski at our Commission meeting. I took a strong position that, based on the evidence at our disposal, we could only place the blame for the Nov 8 incident on the members of the Govt and others than the historic parties. Vyshinski however, maintained his objection to both men. In the case of Bratianu, he brought up also his activities with the Radescu Govt<sup>17</sup> and implied, without giving specific evidence, that he was implicated with General Radescu in the Feb 28 plot.<sup>18</sup> In the case of Mihalache, he argued that he could not accept a man who had wanted to fight the Soviet Union and would not acknowledge any difference between participation in the liberation of Bessarabia and the invasion of "other" Soviet territory. He also pointed out that he had mentioned Mihalache's name as unsatisfactory at one of the meetings in Moscow.

It seems clear that Vyshinski's objections are really that he does not propose to agree to any candidate who has a popular following or is a prominent leader in either of the two parties. When we pressed him for suggestions of candidates he mentioned two professors who were respected members of the parties and, although active members, were in no sense leaders. For the Liberal Party he suggested Professor Danielopol who had been Minister of Health of the Radescu Govt and for the Peasant Party he suggested Professor Zane.

In spite of the fact that we felt Vyshinski was not acting in good faith and was attempting to discredit the leadership of both parties as far as he could, Clark Kerr and I believed we had to accept Vyshinski's veto. Vyshinski agreed, however, that from now on the discussions of candidates will be within the Commission without participation of the Govt, and Clark Kerr and I undertook to attempt to obtain additional names from the two parties.<sup>19</sup>

<sup>17</sup> Lt. Gen. Nicolae Rădescu, Rumanian Prime Minister from December 1944 to March 1945.

<sup>18</sup> Vyshinsky claimed that on February 28, 1945, Soviet authorities in Bucharest foiled a plot by followers of General Radescu to attack Soviet troops stationed in the capital.

<sup>19</sup> Ambassadors Harriman and Clark Kerr met with Iuliu Maniu on January 5 and with Dinu Bratianu on January 6. Records of the conversations are included in the American Official Record of the Rumanian Commission in file 871.00/1-146. In telegram 19, January 6, from Budapest, Harriman reported that he and Clark Kerr had received new lists of candidates proposed by the two parties. The Peasant Party put forth 18 candidates including Maniu and Mihalache. The Liberal Party proposed Bebe Bratianu, Gheorghe Fotino, Mihai Romniceanu, and Dan Danielopolu. (874.00/1-646)

We had a long talk with Maniu yesterday afternoon. After showing much resentment, as he considers Mihalache his strongest and most honorable colleague, he agreed to consult his party committee and, if his committee agreed, to submit additional names. I intend to see Bratianu this morning.

There is no doubt in my mind that Vyshinski intends to use every method to make difficult any real participation of the two parties in the election and to support the Govt in similar tactics. In our discussions I have made it plain that the two parties must be given full right to put up candidates and conduct a campaign. To this Vyshinski has readily given lip service.

Sent to the Dept as 18, repeated to London as 1 and Moscow as 4.

[HARRIMAN]

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871.00/1-746 : Telegram

*The Ambassador to the Soviet Union (Harriman) to the Secretary of State*

SECRET  
URGENT

BUCHAREST, January 7, 1946—2 p. m.

[Received January 7—11:44 a. m.]

20. For the Secretary from Harriman. After discussion within the Commission,<sup>20</sup> and further consultations with the party leaders, the Commission has approved for the Peasant Party Hatieganu, Party Executive Committee delegate from Transylvania and for the Liberal Party Romniceanu, former Minister of Finance in the Radescu government.

I am informed that Hatieganu is considered a strongman, and a first-class representative of his party.<sup>21</sup> Romniceanu, in private life, is a businessman and banker.

Commission will see the King later to inform him of the above. Afterwards, Groza will seek an audience to propose officially the new Ministers. The positions are to be Ministers of State without Portfolio, which seemed to us and the party leaders the most desirable.

Repeated to London as 3 and Moscow as 6.

[HARRIMAN]

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<sup>20</sup> Memoranda of conversation of the Rumanian Commission's meetings on January 6, 7 p. m. and January 7, noon, are included in the American Official Record of the Rumanian Commission in file 871.00/1-146.

<sup>21</sup> Telegram 20, January 8, to Bucharest, stated that while the available information was not wholly favorable to Hatieganu, the Department was not disposed to raise objection to him or Romniceanu if Harriman considered them acceptable (871.00/1-746).

871.00/1-746 : Telegram

*The Ambassador to the Soviet Union (Harriman) to the Secretary of State*SECRET  
URGENT

BUCHAREST, January 7, 1946—10 p. m.

[Received 11:13 p. m.]

23. Prime Minister Groza informed the Commission this afternoon that the Rumanian Government was prepared upon the Commission's approval to include in the Government the two representatives proposed by the historic parties as listed in mytel 20 and to draft the Royal Decrees of appointment.

The Commission thereupon informed the King in audience of the results of its consultation.<sup>22</sup> He thanked us for our efforts and informed us he would receive Groza upon request this evening and sign decrees.

The Commission will issue a brief communiqué tomorrow on the results and termination of its work.<sup>23</sup>

This is 23 from Berry, repeated as 4 to London and 8 to Moscow.

[HARRIMAN]

871.00/1-946 : Telegram

*The Representative in Rumania (Berry) to the Secretary of State*

BUCHAREST, January 9, 1946.

[Received January 12—12:05 p. m.]

33. A letter addressed to Ambassador Harriman and dated January 8 and signed by Petru Groza, President of the Council of Ministers, and counter-signed by Emil Bodnaras, Secretary General, was received at the Mission. Translated it read:

"We have the honor to enclose herewith the declaration of the Rumanian Government, completed in accordance with the decisions of the Moscow Conference with reference to Rumania.

"The declaration of the Government is based on the unanimous decision expressed in the meeting of January 8 this year, of the Council of Ministers, including the representatives of the National Liberal Party under the leadership of Mr. Iuliu Maniu and the National

<sup>22</sup> The memorandum on the Rumanian Commission's meeting with King Michael on January 7 at 7 p. m. is included in the American Official Record of the Rumanian Commission in file 871.00/1-146.

<sup>23</sup> On January 9, Ambassador Harriman addressed the following letter to Vyshinsky: "With the conclusion of the work of the Commission I wish to thank you for your cooperation in carrying out the tasks of the Commission. I trust that the Rumanian Government as now reorganized will fulfill the objectives of the Moscow decisions. Although I feel satisfied that the representatives of the historic parties finally selected as ministers in the Government fulfill the requirements of the Moscow decisions, I wish to record the fact that I do not admit the validity of the objections raised in the case of those representatives proposed by the parties who were rejected." (American Official Record of the Rumanian Commission in file 871.00/1-146)



Peasant Party under the leadership of Mr. Dinu Bratianu. The Rumanian Government thus conformed entirely with the decisions of the Moscow Conference.

"Please accept, Your Excellency, the assurance of our high consideration."

The following declaration was attached:

"Today, January 8, there took place an extraordinary meeting of the Council of Ministers under the presidency of Dr. Petru Groza.

"The President of the Council, after presenting the new Ministers, Messrs. Mihai Romniceanu and Emil Hatieganu, proposed the approval of the Council of Ministers of the complete execution of the decisions taken between the 16th and 26th of December 1945 at Moscow by the Foreign Ministers of the Soviet Union, United Kingdom and United States.

"The Council of Ministers, taking this proposal under deliberation, considers it indispensably necessary to declare: (1) the accomplishment of general legislative elections in the shortest time possible; (2) the assurance of freedom of these elections which must be made on the basis of universal suffrage and secret vote with participation of all democratic and anti-Fascist parties which will have the right to present candidates; (3) the assurance of freedom of the press, of speech, of religion and of the right of assembly.

"The Ministries of Interior, of Justice, of Religion and of Propaganda are charged with the carrying out of these decisions".<sup>24</sup>

See my press telegram No. 32 of January 9<sup>25</sup> for press statements on this declaration.

BERRY

871.00/1-146

*Memorandum of Conversation, by the First Secretary of Embassy in the Soviet Union (Page), Temporarily at Bucharest*

SECRET

BUCHAREST, January 9, 1946.

Present: Prime Minister Groza  
 Ambassador Sir Archibald Clark Kerr  
 Ambassador W. A. Harriman  
 Mr. Le Rougetel  
 Mr. Berry  
 Mr. Marjoribanks<sup>26</sup>  
 Mr. Edward Page, Jr.

Subject: Implementation of Moscow Decision on Rumania

The British Ambassador referred to the letter he had received from

<sup>24</sup> An identical letter and enclosed declaration were also handed to British Ambassador Clark Kerr. Telegram 307, January 10, from London, reported that the British Political Representative in Rumania, John Helier Le Rougetel, had cabled the British Foreign Office that assurances contained in the declaration were "perfunctory." (874.00/1-1046)

<sup>26</sup> Not printed.

<sup>26</sup> James A. M. Marjoribanks, of the British Foreign Office.

Mr. Groza which he had communicated to his Government<sup>27</sup> and said that he had asked to call since he knew that his Government would put forward some questions in respect to it. The letter spoke of general elections as soon as possible. His Government would like to know approximately when.

Mr. Groza stated that he had discussed this matter with the opposition and especially with Mr. Solomon.<sup>28</sup> He had also talked to Hatieganu. Certain procedures would have to be worked out before the elections could be held. An electoral law must be passed. This question was being elaborated with the new members of the Government and with the ministries [*sic*] of Justice in order that a draft might be drawn up with which all would be in agreement. In addition in north Transylvania there were many cases of doubtful citizenship. These numbered in the tens of thousands. If the base was fixed in this latter regard perhaps the Transylvanian issue might be cleared up in two or three months. Then there was the question of drawing up the electoral list. This also would take time.

The British Ambassador stated that his country had had difficulty in this latter regard since there had been no elections for ten years. He would be pleased to furnish Mr. Groza the procedure that had been worked out.

Mr. Groza said that he would be pleased to receive this procedure. He continued that in addition there must be communal elections. Mr. Solomon had stated that it would be impossible to hold elections before six months, that is from a technical point of view. Furthermore Rumania was an agricultural country and there was seasonal work to do in the field. This work would be completed in June and July and it was anticipated that a suitable date would be found during these months. Mr. Groza stated that he wished to reassure the Ambassador that he intended to come to agreement with the other parties. He had received their representatives openly and frankly.

Mr. Harriman stated that in Moscow, Mr. Byrnes had expressed the hope that the elections might take place at the end of April or early in May. He would be sorry to hear of their postponement because of mechanical difficulties.

Mr. Groza expressed the agricultural influence on the elections. He did not wish them to interfere with the planting or harvesting. The campaign would last about six weeks.

The British Ambassador asked whether he could report that the electoral laws would not disclaim against any group or party. He assumed he was right in saying this.

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<sup>27</sup> Regarding Prime Minister Groza's letter of January 8, see telegram 33, January 9, from Bucharest, *supra*.

<sup>28</sup> Virgil Solomon of the National Peasant Party.

Mr. Groza stated that once a party was received in the Government it had the stamp of democracy; therefore it could never be a question of discrediting. It would be absurd if one of the parties now in or coming in the Government would adopt a Hitler or anti-democratic line. However there always was this possibility. Rumania was a young country and the democratic tradition had not been stabilized.

The British Ambassador asked whether he could tell his Government that all parties would have the right to put up candidates.

Mr. Groza answered in the affirmative.

The British Ambassador stated that he understood that there were two Liberal parties. How was one to distinguish between them?

Mr. Groza stated that he could not speak precisely now but he presumed that each liberal party would have a different technical symbol. He explained briefly voting procedure in Rumania. He stated that Romniceanu had asked him to intervene between Bratianu and Tatarescu over certain questions, the ownership of Liberal clubs, for example, and he had agreed to do so.

Mr. Groza then spoke at length on the abuses in past Rumanian elections.

The British Ambassador inquired whether the new elections would follow those of the past.

Mr. Groza stated that the new democracy in Rumania would rid the country of the past abuses.

The British Ambassador inquired as to the counting of the ballots. It was his understanding that the Government had always won the elections in the past. He asked whether it would not be best to permit all the parties to take part in the counting.

Mr. Groza stated that he foresaw that the examination of ballots would take place in the presence of all the parties or their representatives.

Mr. Groza then spoke at great length on how he had tried to live up to American rules of conduct. He endeavored to assure the Ambassadors that he had the very best intentions and that he would put these in practice during the electoral campaign.

The British Ambassador stated that his country would watch Rumania with great interest during the campaign.

The British Ambassador stated that he hoped that two words would be outlawed during the campaigns. These were "fascist" and "traitor". Then there would be quiet, peaceful and jolly elections. He inquired about broadcasting facilities and suggested that since the Rumanians were an emotional people it might be wise to exclude all politics from the radio during the elections.

Mr. Groza indicated his disapproval of this idea.

The British Ambassador inquired whether all parties would be given broadcasting facilities.

Mr. Groza answered in the affirmative. He said that the opposition parties would also have other means at their disposal such as a free press and assembly. He would like to suspend all politics and concentrate on the economic and financial situation of the country. However this was impossible. He wished to compromise and get in touch with all the political leaders around the table.

The British Ambassador stated that the ministries of Interior, Propaganda and Justice were entrusted with the elections. He inquired whether it would not be better to spread this responsibility among all the parties.

Mr. Groza maintained that this was only a technical question concerning the execution of plans which would eventually be decided upon by the broadened government. If there were any errors in the carrying out of these plans recourse could be made to the Council of Ministers.

The British Ambassador stated that he thought it would be in the interest of all if one organ which was not specifically communist or socialist or any other party could be set up to run the elections.

Mr. Groza inquired whether he wished to neutralize the elections. This would be too complicated and delicate a matter. However in the execution of the elections the forces would be neutralized.

The British Ambassador stated that he had mentioned this fact because such a neutralization would have a very reassuring effect in the United Kingdom. Western opinion would watch Rumania carefully and anything Mr. Groza could do in line with his suggestions would have a good effect.

Mr. Harriman stated that he wished to speak about the freedoms. He associated himself with the British Ambassador's remarks concerning elections. He was proceeding to London where he would see Mr. Byrnes, who would ask what had transpired here. He knew he would ask when the freedoms would go into effect.

Mr. Groza stated that the cabinet had now been completed. It must now reach a common denominator as to how to interpret and apply the freedoms in the interests of the Rumanian people. He talked at length about the nationality problem in Rumania and a hostility which existed between their various elements in the country. He emphasized the long years of enmity between Rumania and Hungary, especially insofar as Transylvania was concerned. Passions and desires for revenge still existed. If complete freedom were given tomorrow there would be agitation which would upset all that had been done in Rumania for peace and democracy. He endeavored to

assure the Ambassador that he would do his best to establish certain forms of freedom. Bratianu and Maniu had written to him and indicated certain steps which should be taken. These steps were being examined.

Mr. Harriman inquired whether all parties in the Government would be given equal rights to print and publish newspapers.

Mr. Groza replied that they would have this right within the framework of which he had spoken.

Mr. Harriman inquired whether these parties could have newspapers.

Mr. Groza replied in the affirmative.

Mr. Harriman inquired whether there would be any discrimination in respect to the amount of newsprint they were given.

Mr. Groza replied that newsprint would be distributed in proportion and by mutual agreement. There had been a paper crisis which he hoped would soon be over. He expected that this crisis would terminate by March.

Mr. Harriman inquired as to censorship. His Government would be very interested in that matter. It would also like to know for example whether speeches by Mr. Byrnes would also be reported in full. Such speeches would not excite the Hungarians against the Rumanians. Mr. Byrnes would ask him why his speech had not been reported in full.

Mr. Groza stated that he did not like to open up this question as he did not know the details. He was living here under special conditions and certain things had not been liquidated. He pleaded that the lawsuits of the past not be opened at the present time. He maintained that he had a great feeling of respect for Mr. Byrnes. The attitude towards his speeches was changing as was the atmosphere in Rumania. It was not good in the past but Mr. Groza had held his temper.

Mr. Harriman stated that he was talking about the future.

Mr. Groza said that he would do his best to keep in full time with the moment through which Rumania was passing—that is to live up fully with the decisions of the Big Three.

Mr. Harriman stated that he would be very interested in what Mr. Groza had said. However what was he to say to Mr. Byrnes when asked whether his statements on Rumania had been published.

Mr. Groza averted this question. He said that he had the greatest respect for Mr. Byrnes and would be careful to avoid any act which would indispose him.

Mr. Harriman stated that he would report that Mr. Groza reserved judgment on the question of printing Mr. Brynes' speeches. It depended upon whether such speeches evoked a pleasant or unpleasant reaction on Mr. Groza.

Mr. Groza said that he felt certain that Mr. Brynes would say nothing that would indispose him. Rumania was a small country and had a sensitive nose. The situation was improving and going towards normalization. He refused to commit himself and talked in generalities.

Mr. Harriman stated that he believed that his statement covered the situation and was a quite accurate summation.

Mr. Groza said that his personal sentiments did not enter into the picture. The main factor was not to do anything to indispose Mr. Brynes or the great cause he was representing.

Mr. Harriman stated that he must say that he did not believe that Mr. Groza's remarks conformed to the American point of view regarding the assurances concerning freedom of the press.

Mr. Groza stated he did not believe it wise to talk about future intentions. Like any lawsuit concerning intentions this matter was a difficult one to settle. He said that he would do his best to obtain the fullest confidence and appreciation on the part of the United States. He did not want to be considered the umpire. He thought only of what was going on in his country and as the Prime Minister of his country at times could not refuse to umpire. But he must recall that his country was living under armistice conditions. There was an ACC which still changed matters.

Mr. Harriman said that he was not speaking of ACC censorship but that of the Rumanian Government.

Mr. Groza stated that he stood for the fullest freedom of the press and would like to allow the publication of all material.

Mr. Harriman stated that he felt sure that his Government would take the view that statements by responsible members of the Government concerning Rumania should be published in the Rumanian press.

Mr. Groza stated that he had taken note of Mr. Harriman's remarks.

Mr. Harriman said that he assumed that the Rumanian Government would exert control over the printers' union which had taken over a certain form of censorship.

Mr. Groza denied knowledge of this. He said that at one time certain printers had exerted censorship. This had been stopped. In reply to Mr. Harriman's inquiry he indicated that this would not happen in the future.

Mr. Harriman inquired as to the right of assembly. He said that he understood that all the political parties would have the right to hold meetings and have the necessary premises in which they could express their views.

Mr. Groza stated that the parties had such rights at the present time. He said that he might even help them improve their situation now that all parties were cooperating together.

Mr. Harriman stated that he understood that many people had been jailed in the country for political reasons. What could he tell Mr. Brynes concerning a political amnesty.

Mr. Groza stated that many persons had already been released from prison in order to alleviate the political situation between the parties. There had been a great deal of exaggeration, especially abroad, on the number of persons in jail. Furthermore, there had been much talk about political murders. No proof existed in this respect. In fact the question regarding political prisoners did not exist at the present time. There were no concentration camps in Rumania. He estimated, in reply to Mr. Harriman's question, that there were only some tens of political prisoners under detention at the present moment.

Mr. Harriman stated that he was going to London tomorrow and that he would refer Mr. Groza's communication to his Government. Mr. Berry would be in touch with Mr. Groza regarding the reply. He stated that he wished to thank Mr. Groza for his courtesies and expressed the hope that nothing but good would come of the discussions.

Mr. Groza terminated the conversation by expressing the thanks of himself, his Government and the Rumanian people for the pains the Ambassadors had taken in bringing about the results which had given great courage to the Rumanian people. He always remembered the good and forgot the bad. He requested the Ambassadors to retain only pleasant memories of Rumania. He requested them to transmit to their Foreign Ministers his thanks for what they had done and to assure them that Rumania was doing its best to cooperate in the peace and prosperity of the world.

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871.00/1-1246 : Telegram

*The Representative in Rumania (Berry) to the Secretary of State*

SECRET  
URGENT

BUCHAREST, January 12, 1946—8 p. m.

[Received January 13—6:38 p. m.]

48. Prime Minister Groza in a conversation with Ambassador Clark Kerr yesterday reiterated his statement that the Rumanian elections should not be held until late summer. He, however, changed his reasons from the "technical" reasons he cited in an earlier conversation with Ambassadors Harriman and Clark Kerr to what is, in fact, a simple political reason. He stated that the month of May would mark the climax of suffering in Rumania from food shortages and therefore it would not be a good time for holding an election.

If Groza wins his point and avoids holding the election in the spring, there will be little chance of it being held before October as from May until October the Rumanian peasantry is occupied full time

in harvesting the barley, the wheat and finally the corn crop. Such a delay would give the Communist dominated Govt time to nullify the effect of that part of the Moscow decisions which recognizes the National Peasant and Liberal Parties as democratic parties. The opening move is likely to take the form of a maneuver designed to force a split in the Bratianu Liberals and a later merger between one faction and the Tatarescu Liberals.<sup>29</sup> Although no direct assault is expected on the National Peasants, yet it is expected that the Govt will attempt to exploit and merge at least two of the splinters from the party which are now headed by Lupu, Alexandrescu, and Nottara-Viforernu.

To prevent the torpedo which Groza is aiming at the Moscow decisions from reaching its mark and at the same time to force the Rumanian Govt to live up to its pledge for holding elections "as soon as possible", the Brit Minister<sup>30</sup> has suggested that his Secretary of State<sup>31</sup> attempt to secure Mr. Vyshinski's cooperation "in persuading" the Groza Govt to hold elections in the late spring. Although the recent negotiations in Bucharest do not indicate the presence of sufficient good faith to justify much optimism for the success of such a move, I believe, nonetheless, particularly as Mr. Vyshinski is soon due in London, that it is worth trying before attempting an alternate local solution for the success of which an analysis of recent events shows even less justification for optimism for a satisfactory solution.

Repeated to Moscow as 14 and London for Secdel and Harriman as 11.

BERRY

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740.00119 Council/1-1546 : Telegram

*The Secretary of State to the Acting Secretary of State*<sup>32</sup>

SECRET

LONDON, January 15, 1946—11 a. m.

URGENT

[Received 1 p. m.]

471. Delsec 137. From the Secretary for the Acting Secretary. I have discussed with Ambassador Harriman<sup>33</sup> the work of the Commission sent to Rumania under the Moscow decision. Harriman reports that following the appointment of the two new Ministers in the Rumanian Govt, as already reported, Groza sent to the Ambassadors

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<sup>29</sup> Gheorghe Tatarescu, Rumanian Vice Prime Minister and Minister for Foreign Affairs, was the leader of a group of dissident members of the National Liberal Party.

<sup>30</sup> i.e., British Political Representative Le Rougetel.

<sup>31</sup> Ernest Bevin, British Secretary of State for Foreign Affairs.

<sup>32</sup> The Secretary of State was in London to attend the opening meetings of the First Part of the First Session of the General Assembly of the United Nations.

<sup>33</sup> Ambassador Harriman traveled from Bucharest to London to confer with the Secretary on the results of the work of the Rumanian Commission.



on January 8 a declaration of the Rumanian Govt to the effect that free and unfettered elections would be held in Rumania as soon as possible, and that the required assurances as set forth in the Moscow decision regarding freedom of the press, speech, et cetera, would be put into effect.<sup>34</sup> On January 9 the Ambassadors had a conversation with Groza in which he gave certain supplementary and interpretative oral assurances regarding the elections and the granting of freedoms.<sup>35</sup>

It is Harriman's recommendation,<sup>36</sup> with which I am in complete accord, that with a view to insuring as far as possible the strict adherence of the Rumanian Govt to the written and oral commitments it has made, it would be advisable to send a formal note in which these engagements are set forth with some precision by way of reply to Groza's note. I understand that the British Govt intends also to take action along these lines.

The procedure which I accordingly propose is as follows:

1. That the Dept instruct its representative at Bucharest to send a note to the Rumanian Govt along the lines of the draft quoted below;
2. That the note, together with any acknowledgments thereto which may be received be made public a sufficient time being given for the Rumanian Government to make a reply if it so desires. It would probably be preferable to publish the note at the time recognition of the Rumanian Government is announced;
3. That it be recommended to the President that after the lapse of only a sufficient interval to enable the Rumanian Government to acknowledge this communication if it so desires, we proceed with the establishment of diplomatic relations with the reconstituted Rumanian Government;
4. That the United States representative at Bucharest be instructed to report on instances of violation of the agreement, and that such instances, if substantiated be then brought to the attention of the British and Soviet Govts and, with or without similar action on the part of these Govts, made the subject of protest to the Rumanian Govt, each such instance then to be made public;
5. That the text of the proposed communication to the Rumanian Govt be made available to the British and Soviet Govts.

The note to be addressed to the President of the Council of Ministers of the Rumanian Govt as proposed above would be somewhat as follows:

"Paragraph 1. The Govt of the US of America has taken note of the communication of January 8, 1946, addressed to Ambassador William Averell Harriman by the President of the Council of Ministers,

<sup>34</sup> For text of declaration of January 8 by the Rumanian Government, see telegram 33, January 9, from Bucharest, p. 561.

<sup>35</sup> For record of the conversation under reference, see p. 562.

<sup>36</sup> Harriman's recommendations were set forth in a memorandum to the Secretary, dated January 14 (874.00/1-146).

Dr. Petru Groza, enclosing a declaration of the Rumanian Govt made at a meeting of the Council of Ministers on January 8. According to this declaration the Council of Ministers considered it indispensable that:

1. General elections should be held in the shortest time possible.
2. The freedom of these elections shall be assured. They shall be held on the basis of universal suffrage and secret ballot with the participation of all democratic and anti-Fascist parties which shall have the right to present candidates.
3. Freedom of the press, speech, religion and assembly shall be assured.

“Paragraph 2. The Govt of the US has been advised of the conversation which took place on January 9th between the President of the Council of Ministers, and the American and British Ambassadors. It has taken note of the oral explanation of the aforementioned declaration which the President of the Council of Ministers made to the American and British Ambassadors in this conversation to the effect that:

1. All political parties represented in the Rumanian Govt shall have the right to participate in the elections and to put forward candidates.
2. The examination of the balloting procedure and counting of the ballots shall take place in the presence of representatives of all the political parties represented in the Govt.
3. All political parties represented in the Govt shall be accorded equitable broadcasting facilities for the presentation of their political views.
4. All political parties represented in the Govt shall have equal rights to print, publish and distribute their own newspapers and political publications. Newsprint shall be distributed to them on a fair and equitable basis.
5. All political parties represented in the Govt shall have the right to organize associations and hold meetings. They shall be allowed premises for this purpose.
6. The Council of Ministers will consult with the representatives of the political parties in order to reach agreement concerning the grant of freedom of the press and speech as well as on questions relating to the drafting of the electoral law and the conduct of the elections.

“Paragraph 3. The Govt of the US has taken note of the statement contained in the declaration of the Rumanian Govt that the Ministries of Interior, Justice, Cults and Propaganda will be charged with the implementation of the decisions contained in the declaration. It understands from the statement of the President of the Council that these Ministries will not act on their own responsibility but under the close control of the Govt as a whole. Although these Ministries will be charged with the technical implementation of these decisions, the Rumanian Govt as reconstituted will bear the primary responsibility for their fulfillment and for safeguarding the interests of all the participating parties.

"Paragraph 4. As for the decision to hold elections in the shortest time possible, the Govt of the US confidently expects that arrangements will be undertaken with despatch and would hope that it may be possible to hold the elections at the end of April or early in May of this year.

"Paragraph 5. On the basis of the assurances contained in the declaration of the Rumanian Govt and on the understanding that the oral statement of the President of the Council of Ministers as set forth above, reflects the intentions of the Rumanian Govt, the Govt of the US is prepared to recognize the Govt of Rumania.

Please submit this text and the accompanying recommendations to the President. I should like to convey to the President my recommendation that Mr. Burton Y. Berry, who is at the present time our Representative at Bucharest be appointed the regular Minister at least to be continued at that post until after the general Rumanian elections.<sup>37</sup>

BYRNES

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[On January 20, 1946, Ambassador Harriman, who returned to Moscow on January 18, conferred with Foreign Commissar Molotov. Their conversation dealt in part with the results of the Rumanian Commission regarding the general situation in Rumania. For the record of this conversation, see memorandum of January 20, 1946, page 679.]

740.00119 Council/1-2346

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*Memorandum of Conversation* <sup>38</sup>

[Extract] <sup>39</sup>

SECRET

[LONDON,] January 23, 1946.

Participants: The Secretary  
 Mr. Vyshinsky  
 Mr. Bohlen  
 Soviet Interpreter

Mr. Vyshinsky said he wished to discuss with the Secretary the

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<sup>37</sup> A copy of this telegram was sent to President Truman under cover of a memorandum from Acting Secretary of State Dean Acheson dated January 16. Telegram 536, January 17, to the Secretary at London, stated that the President approved the course of action proposed by the Secretary provided that the British Government acted prior to or simultaneously with the United States and that the last phrase of paragraph 5 of the proposed note to the Rumanian Government was amended to read: "The Government of the United States is prepared to give favorable consideration to recognizing the Government of Rumania." (871.01/1-1646)

<sup>38</sup> Charles E. Bohlen, Assistant to the Secretary of State, probably prepared this memorandum.

<sup>39</sup> The omitted part of this memorandum was concerned with the situation in Bulgaria and the Iranian complaint against the Soviet Union before the United

results of the Moscow decision concerning Rumania and Bulgaria. In the case of Bulgaria [*Rumania*], the Commission set up in Moscow had had considerable difficulty in carrying out its task, and a good deal of influence had had to be brought to bear in the Rumanian Government. He said the inner party struggle and relationship between Maniu and Bratianu on the one hand and the Government on the other hand had created quite a difficult situation. He said, nevertheless, that the Commission had satisfactorily carried out its task and that the two new members of the Government fully met the qualifications outlined in the Moscow decision. Furthermore, the Rumanian Government has issued a statement concerning freedom of elections. In view of these evidences, he felt it was now the turn of the Governments of the U.S. and U.K. to carry out their part of the agreement and recognize the Rumanian Government.

The Secretary replied that he felt the Commission had made an honest and genuine attempt to carry out the Moscow decision and that the U.S. Government was now considering the results and would communicate its decision promptly. Mr. Vyshinsky inquired whether the Secretary thought that the Moscow agreement had been satisfactorily carried out. The Secretary repeated that he felt that a reasonable and honest attempt had been made, but that the U.S. Government, of course, would have to examine the results. He promised to take up the matter with the President immediately upon his return.

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[In telegram 992, January 29, to London, repeated to Moscow as 164, the Secretary directed that the text of the United States note to be delivered to the Rumanian Government be made available to Vyshinsky (740.00119 Council/1-1546). Telegram 1171, January 31, from London, reported that Foreign Secretary Bevin had spoken to Vyshinsky about Rumania on January 26 and had expressed views substantially the same as those of Secretary Byrnes (871.01/1-3146).

For text of note of February 5, 1946, from the United States Representative in Rumania to the President of the Rumanian Council of Ministers regarding the recognition of the Rumanian Government, quoted in a Department of State press release of February 5, see Department of State *Bulletin*, February 17, 1946, pages 256-257.

For exchange of notes of February 7 and 14, 1946, between the Rumanian Foreign Minister and the United States Representative in Rumania on this subject, see Department of State *Bulletin*, February 24, 1946, page 298.]

Nations Security Council. The portion dealing with Bulgaria is printed on p. 60. The portion relating to Iran is not printed, but for documentation on the subject, see vol. VII, pp. 289 ff.

871.00/2-846 : Telegram

*The Representative in Rumania (Berry) to the Secretary of State*SECRET  
PRIORITYBUCHAREST, February 8, 1946—8 a. m.  
[Received 10:55 p. m.]

159. I am privately informed that the Political Committee of the Communist Party found our note of February 5 entirely unacceptable. The Committee took Groza to task for having laid himself open to a point where we could send such a note to the Rumanian Government. But Groza claimed generally his innocence and particularly that he had made no commitments to hold elections this Spring. To support his point, he is said to have referred to his conversation with the King (see mytel 37 of January 10<sup>40</sup>) and his stenographic notes of his conversation with Ambassador Harriman and Clark Kerr (see mytel 48, January 12). The Committee accepted his explanation and also accepted Tatarescu's offer to find a way out. Tatarescu's way was to ignore the essence of our note and send a brief acknowledgment over his own signature (remytel 158, February 7, 8 p. m.<sup>41</sup>).

If the Department will refer to Ambassador Harriman's telegrams No. 2 of January 21, 2 p. m. and 25, January 31 [*telegrams No. 2 of January 2, noon, and 5, January 3, 1 p. m.*], both sent from this Mission, it will recall that the Ambassador felt considerable skepticism of the sincerity of Mr. Groza and his collaborators in giving the assurances required by the Moscow Decision. If the Department will reread my subsequent telegrams it will see that the Ambassador's skepticism has been fully justified. It has been suggested by Hatieganu and Romniceanu that only those freedoms have been given, which if denied would have immediately been evidence of sabotaging the Moscow Decision, and that these have been given tardily and reluctantly. I have seen no evidence of an effort on the part of the Government to cooperate wholeheartedly in implementing the Moscow Decision. On the contrary the line that I suggested in mytel 1031, December 30, 7 p. m.<sup>42</sup> that the Communist Party would continue to pull the strings that control Groza's action is confirmed. In this connection I report that this evening 6 hours after I had the Government's reply, I was told personally by Romniceanu and I received word from Hatieganu that they had not yet seen the official texts of the American and British notes, and that the notes were not discussed at the Cabinet meeting on February 6.

<sup>40</sup>Not printed; it reported that Prime Minister Groza had informed King Michael that he desired that the elections be held after the peace conference when there would be fewer troops in Rumania and after the completion of the purge program in private enterprise and public administration (871.00/1-1046).

<sup>41</sup>Not printed; it transmitted the text of Tatarescu's note of February 7 to Mr. Berry, cited in the bracketed note, *supra*.

<sup>42</sup>Not printed.

In analyzing recent developments against this background we can establish that the Groza government jumped the gun in announcing recognition, that it arranged a public demonstration in self-glorification for having secured recognition, and that in an official note it has ignored the very essence of our communication. We have reason to believe that this latter course has been dictated by the Political Committee of the Communist Party rather than by the Cabinet. I believe that the reason for these tactics goes much beyond the problem of our recognition of the Groza government. It springs from the fundamental desire of the Communist Party to minimize the influence of the western democracies in Rumania and to discredit the public statements of our national leaders. Since Propaganda Minister Constantinescu-Iasi said that recognition was a fact, I have heard that local Communists are now quoting with a wink the sixth point (American non-recognition of governments imposed by foreign powers) in President Truman's statement of American foreign policy as most recently expressed in the State of the Union message.<sup>43</sup> Feeling they have made good progress in discrediting statements of President Truman they are now seeking to discredit the work in Rumania of the American and British Ambassadors in Moscow by avoiding confirmation of commitments made by Groza to the Ambassadors. Should we accept this Rumanian reply we will be playing directly into the hands of those persons whose object is to undermine now and to eliminate eventually our influence in Rumania.

From this observation post it seems that our future line is clear. It should be based on the fact that Mr. Groza accepted the Moscow decision and gave commitments to our Ambassador. After studying those commitments the American Government has made a statement of its understanding of these commitments and has asked a confirmation. We should not let Groza, or the Communist Party in Rumania, get by with confusing what is a clear issue. In my opinion we should follow the Tatarescu note with one addressed to Groza stating that the reply made by Mr. Tatarescu is unsatisfactory and that it is pointless to discuss the name of a person to go to Washington to represent Rumania until Mr. Groza has confirmed the salient features we made in our note of February 5. This note should be sent immediately and should be made public immediately, along with the reply we have received from Tatarescu. If we follow this course we must realize that we are entering an avenue which may be turned into an impasse by Groza's refusal to reply. But weighing all facts as I see them in

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<sup>43</sup> For text of President Truman's message to Congress, January 21, 1946, on the State of the Union and on the Budget for 1947, see *Public Papers of the Presidents of the United States: Harry S. Truman, 1946* (Washington, Government Printing Office, 1962), p. 36.

Bucharest, I believe that this is a necessary risk and one that is certainly preferable to the alternative of making ourselves a party to Groza's efforts to sabotage the Moscow Decision.

No. 159; repeated to Moscow as 31 and London as 30.

BERRY

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871.00/2-846: Telegram

*The Secretary of State to the Representative in Rumania (Berry)*

SECRET  
URGENT

WASHINGTON, February 12, 1946—1 p. m.

98. Urtel 159, Feb. 8. I do not feel that any purpose will be served by requesting further specific confirmation from Groza of the guarantees he has already given in writing and orally as set forth in note sent to him on Feb. 5. As Tatarescu's reply does not take issue with the statement contained in that note of our understanding of those guarantees, it seems to me that his reply may be regarded as a satisfactory formal acknowledgment of those undertakings. I believe we will be more likely to obtain the practical execution of those guarantees by maintaining vigilance and protesting any violations as they occur than by engaging in further correspondence in an effort merely to achieve more specific affirmation of assurances already definitely given.

Accordingly please acknowledge receipt of Tatarescu's communication along the following lines:

"My Government has been pleased to receive the communication of Feb. 7, 1946 from the Minister for Foreign Affairs which my Gov't. considers happily confirms the U.S. Gov't.'s understanding of the assurances received from the Rumanian Government in execution of the decisions taken at Moscow. In the circumstances the U.S. Government is prepared to entertain a request for its agreement to the appointment of a Rumanian Envoy Extraordinary and Minister Plenipotentiary to the United States."<sup>44</sup>

We are informing the Brit. Embassy in the foregoing sense.<sup>45</sup>

Sent to Bucharest, repeated to London, Moscow, and Sofia.

BYRNES

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<sup>44</sup> The note quoted here was delivered by Mr. Berry on February 14, and the text was released to the press by the Department on February 15; see Department of State *Bulletin*, February 28, 1946, p. 298.

<sup>45</sup> Telegram 1701, February 11, from London, reported that the Rumanian reply to the British note on recognition had been a simple acknowledgment and did not contain any further guarantees. The Foreign Office felt that it would be useless to press for any additional guarantees from the Rumanian Government. (871.01/2-1146)

871.00/2-1346 : Telegram

*The Representative in Rumania (Berry) to the Secretary of State*

SECRET

BUCHAREST, February 13, 1946—9 p. m.

[Received February 16—11: 50 p. m.]

188. At the Palace this afternoon the King took me aside to tell me of conversations he had this morning with two Cabinet Ministers.

Tatarescu had called and brought with him the American note of February 5 and the Rumanian reply of February 7. Tatarescu explained that before Vyshinski left Bucharest he told Ambassadors Harriman and Clark Kerr that any further conversations they might have with Rumanian officials would be considered private talks. Bearing this in mind, the Rumanian Government in answering American note had no choice but to ignore the subject of freedoms inasmuch as a discussion on that subject would be based upon Groza's conversations with the Ambassadors which according to Russian view were only private conversations. Tatarescu added that any other form of reply would have offended seriously Vyshinski and the Soviet Government.

The King said he had received this morning General Rascanu, Minister of War. The Minister came to get the King's signature to a decree law which would permit the Government to retire 8,000 officers from army. The King agreed that Officer Corps should be reduced as was normal at end of any war but he thought that fundamental changes of this nature should be undertaken only by Government that would be formed after elections. He added for my information that process planned by this Government would leave on active list only officers of Communist sympathy. Minister took away his decree unsigned.

The King said that he had also refused to sign a decree incorporating into *gendarmerie* a corps of officers and men of the Tudor Vladimirescu Division (former Rumanian prisoners of war trained, re-equipped and returned to Rumania by Soviet authorities) for this would bring the *gendarmerie* under the direct control of the Communist Party. He asked if I knew that officers and men of Tudor Vladimirescu Division had been placed as instructors in every regiment in his army. He said that he had information that some of these men were openly speaking against him in their "instructions" to soldiers pointing out the advantages that life holds in neighboring republican states.

The King told me that he was beginning to receive complaints from members of Government that the two recently appointed Ministers of State were not cooperating loyally with the Government. Moreover the Government claims that the newspapers which are the official or-



gans of the Peasant and Liberal Parties are critical and disloyal to the Government. The King commented that the officials of the Government well knew how to criticize but they had not learned how to take criticism. He recalled that Groza had said that within 3 weeks after the departure of the Allied Commission the Government would have things in hand as securely as it had had before the arrival of the Commission. The King remarked that although such is not today a fact yet the tendency clearly is in this direction.

Repeated to London as 35 and Moscow as 3.

BERRY

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[On February 21, 1946, a note was delivered to the Soviet Government regarding the failure to bring about revisions in the procedures of the Allied Control Commissions for Bulgaria, Hungary, and Rumania. Instructions for the delivery of this note were contained in telegram 295, February 15, 1946, to Moscow, page 74. For text of the Soviet note of March 22, 1946, rejecting the American representations, see telegram 940, March 25, from Moscow, page 89.]

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740.00119 Control (Rumania)/2-2846: Telegram

*The Representative in Rumania (Berry) to the Secretary of State*

SECRET

BUCHAREST, February 28, 1946—7 p. m.

[Received March 3—4: 20 p. m.]

246. For the Secretary. His Majesty yesterday asked me to present to you the following six subjects upon each of which he said he would be pleased to learn the American point of view for the purpose of formulating his own course of action.

With a prepared memorandum in Rumanian before him King Michael read me the following in English: (1) The first step in the application of the Moscow decision was taken collectively by the US, UK and USSR. Does the US expect to continue to participate equally in the carrying out of succeeding steps required to give full effect to the Moscow decision concerning Rumania? (2) Is it the point of view of the US Govt that Soviet troops in Rumania will depart after ratification Rumanian peace treaty? (3) Certain members Rumanian Govt make it understood that failure of Groza Govt to be returned by electorate will have serious consequences for Rumania. Is this view of US Govt or is it view that three Allied Powers will accept whatever govt results from expression will of people at election? (4) Some Ministers pretend that the US and UK wish redraw frontier line between Rumania and Hungary whereas Soviet authorities wish retain present frontier. As present frontier established by Anglo-Americans

after First World War it is as important for Anglo-American prestige in Rumania as for Rumanians themselves that that frontier be retained. (5) Does US Govt expect occupy itself at all after peace treaty with economic situation Rumania? (The King verbally enlarged this point as meaning whether US expected any commercial relations with Rumania and whether it would accept situation created by economic agreements signed between Groza Govt and Soviet Union which have fostered monopolistic SovRom Companies <sup>46</sup> in every important phase of Rumania's economy.) (6) Can it be expected that after signing of peace treaty US will seek to establish commercial relations to permit economic development of country such as exporting American farm machinery, mine and petroleum equipment and road building machinery to enable Rumania to produce more grain, minerals and improve roads?

Explanatory of King Michael's statement I desire to say that some of his counsellors disappointed in the part of the Moscow decision concerning Rumania have advised King that Moscow was "sellout" and therefore that interest of American Govt in Rumania will disappear with holding of elections, as that is final commitment of our Govt under Yalta and Moscow agreements. On other hand, in my conversations with King, I have praised statesmanship of Moscow decision stressing it was essential to break deadlock that had existed between three great powers since Sept, that it was important to secure Soviet recognition of the democratic character of the two Rumanian historic parties and equally important to secure Soviet agreement to the holding of free elections in Rumania as soon as possible. I should welcome, therefore, some general statement of your views which I might transmit verbally as a message to His Majesty from you.

BERRY

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740.00119 Control (Rumania)/3-646 : Telegram

*The Representative in Rumania (Berry) to the Secretary of State*

SECRET

BUCHAREST, March 6, 1946—6 p. m.

US URGENT

[Received 9:30 p. m.]

271. Soviet officials have informed Rumanians that the Americans desire to alter the Transylvanian frontier in favor of Hungary (see my telegrams 961 of Dec 8, 1 p. m. and 1006, Dec 21, 1 p. m.<sup>47</sup>). In repeating this information Groza Govt officials hammer home the point that the Soviet Govt is the defender of Rumania against a projected

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<sup>46</sup> Soviet-Rumanian joint stock companies for various aspects of the Rumanian economy, provided for under the Soviet-Rumanian agreement for economic collaboration of May 8, 1945.

<sup>47</sup> Neither printed.

Anglo-American aggression. Moreover, they have reminded the Rumanians that the Soviet Govt, during the armistice negotiations, desired to return the whole of northern Transylvania unequivocally to Rumania, but was prevented from so doing by the insistence of Mr. Churchill that the final settlement be held over for the Peace Conference.

The King had raised the question of the maintenance of the present frontiers to me (see my telegram 246 of Feb 26 [28], 7 p. m.) and to Mr. Le Rougetel (see Amembassy London telegram 2495 to the Dept; repeated to Bucharest as No 16 <sup>48</sup>).

Marshal of the Court,<sup>49</sup> in a recent conversation with me stressed the importance of the subject, saying that the Rumanian peasant was unimpressed by the fact that six cyphers have been added to "national budget because of Soviet demands, but the same peasant will be profoundly impressed by the moving of a frontier post a few kilometers. The Marshal added that the discussions in London were being represented in Rumania as a tug of war between the Anglo-Americans and the Soviets, with the Soviets pulling on the Rumanian side.

He said that the story of the American proposal is reacting among Rumanians of all political parties to the advantage of the Soviet Govt and the Rumanian Communist Party. Moreover, if the Americans maintain their attitude in discussing the treaty terms with Rumanian officials, and that discussion precedes the Rumanian elections, the Americans will be presenting an electoral victory to the Communist-backed Groza government.

After giving this subject very careful consideration, it is my belief that (1) the Soviet authorities have consistently sought, and will continue to seek, to confirm the present frontier between Rumania and Hungary; (2) this attitude is increasing the prestige in Rumania of the Soviet Govt; (3) our suggestion to make minor rectifications in the frontier on ethnic grounds touches all Rumanians on a very sensitive spot and will cause our prestige to diminish if our pressure is maintained; and (4) the Hungarians, in view of the presence of heavily concentrated groups deep in Rumania, will likely be as dissatisfied as the Rumanians with our efforts if we press to establish the principle of rectification of the frontier for ethnic reasons and then apply the principle only within a few kilometers of the present frontier.

Not being informed of the development of the Dept's policy on frontier realignments I hesitate to make a recommendation concerning the Transylvanian frontier. I do suggest, however, in view of the conclusions that I have stated above, that consideration be given to the thought that the solution of the problem of the alteration in the

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<sup>48</sup> Not printed.

<sup>49</sup> Prince Dimitrie Negel.

Transylvanian frontier be sought within the framework of the UNO, rather than at the Peace Conference.

Sent to Dept repeated to London as 52, Moscow as 51 and Budapest as 5.

BERRY

871.00/3-646 : Telegram

*The Secretary of State to the Representative in Rumania (Berry)*

SECRET

WASHINGTON, March 8, 1946—8 p. m.

148. Urtel 246, Feb. 28. In regard to King Michael's inquiry I feel views of this Govt as to desirability of concerted Soviet, U.S. and U.K. policy and action and our wish to see established democratic Governments truly representative of will of people expressed through free elections have been so frequently stated as to make reiteration unnecessary. The same can be said for position this Govt that rehabilitation of economy of those nations which have suffered as result of war and establishment of normal commercial relations throughout world are cornerstones of a stable peace. As indicated my address Feb. 28<sup>50</sup> Great Powers have no right to keep troops in territories of other sovereign states without their approval and consent freely given and must not unduly prolong making of peace nor continue to impose troops upon small and impoverished states.

Concerning Rumanian-Hungarian frontier it will be recalled that in negotiations preceding signature of Rumanian armistice U.S. Govt, in line with its general belief that all territorial questions should be postponed until final peace settlement, took position that matter of Rumanian-Hungarian frontier should be thus deferred (urtel 271, March 6). While we do not believe that any useful purpose will be served by hypothetical discussion at present of matters to be taken up in connection with peace treaties, it may be stated that U.S. Govt will approach each question of this nature at appropriate time with utmost sympathy toward wishes of the inhabitants of area involved and with most careful attention to ethnographic, economic and political aspects of problem.

You may inform King Michael orally of foregoing.<sup>51</sup>

BYRNES

<sup>50</sup> For text of the Secretary's address to the Overseas Press Club in New York, February 28, 1946, see Department of State *Bulletin*, March 10, 1946, p. 355.

<sup>51</sup> Telegram 327, March 20, from Bucharest, reported that Mr. Berry had delivered the Secretary's message verbally to King Michael on the afternoon of March 20. During his one and one-half hour conversation with the King and the Queen Mother, Mr. Berry was told "feelingly the melancholy story of the deteriorating relationship between the King and Groza Government as well as the malignant details of projected but unsuccessful assassination plan . . . . It is sufficient to say that I found both King and Queen Mother distraught and visibly showing the effects of the government's war of nerves directed against them." (871.00/3-2046).

871.00/3-1046: Telegram

*The Representative in Rumania (Berry) to the Secretary of State*

SECRET

BUCHAREST, March 10, 1946—1 p. m.

PRIORITY

[Received March 12—6:10 a. m.]

297. In the 2 months since the Groza government was reconstituted and gave its formal commitments to the Allied Commission, this Mission has carefully watched and reported by telegraph and despatch the application of popular freedoms as instructed by Deptel 98 of February 12, 1 p. m. A running commentary on the high lights has been supplied by my telegrams and in documentary detail by my despatches such as Nos. 692 of January 15, 718 and 720 of January 29, 760 of February 13 and 316 of March 6.<sup>52</sup>

Recently, I have had lengthy separate conversations with Dinu Bratianu and Julius Maniu, the National Liberal and National Peasant leaders, who gave me supplementary information which they felt indicated a considered Government program to undercut the intent and operation of the Moscow decisions upon Rumania. They feel recent speeches by the Government and Communist leaders indicate elections will be indefinitely deferred until an NDF coalition unquestioningly can win through manipulation or violence. They point out that although the British and American Governments expected national elections by May, no electoral law has as yet been published. Moreover, Groza declared recently to a prominent National Peasant that he has every intention of holding on to his position.

The historic parties' leaders state political violence is increasing. The large Peasant and Liberal meetings are impeded but not prohibited while NDF bands disrupt their small meetings and wreck meeting premises. No traditional party clubs taken over by the Government have been returned although the AC while it was here was led to understand that the clubs would be made available. Lawsuits against Peasants and Liberals charged as responsible by the Government for the November 8, 1945 demonstrations are continuing despite Groza's promise to the Ambassadors to dismiss them. Opposition Party literature distribution is being opposed by NDF seizures and not by Government requisition of party automobiles used for this purpose. The historic parties still have no access to their radio.

Peasant and Liberal newspapers are subjected to what party leaders consider unreasonable Rumanian Government pressure and their newspaper allocations are arbitrarily cut. *Dreptatea*, the National Peasant paper, according to Mr. Maniu receives 2 newsprint rolls daily while one of the Communist papers *Scanteia* receives 20. Mr.

<sup>52</sup> None printed.

Maniu further has pointed out that a year ago his party had 20 newspapers in Transylvania alone whereas today it has only 3 for the entire country.

Mr. Maniu repeated to me his views expressed to the American and British Ambassadors while here that the Moscow decisions were a great personal disappointment but that he had accepted them because he understood that the American and British Governments would exert pressure upon the Groza government to make good its commitments. He further expressed his belief that the Government's post-Moscow tactics had been adopted with the complete approval of the Soviet authorities.

Looking at the reverse of the medal, we must admit that the Groza government did accept representatives of the two historic parties, that these representatives participate in at least some Cabinet discussions, that the Groza government has authorized the publication of a party organ in the capital and another in the provinces for each party; that up until now these newspapers have printed on local matters exactly what they pleased, often to the very considerable embarrassment of the Government and that political meetings are being held.

After weighing all available information at my disposal from the NDF and historic parties upon the application by the Groza Government of promised or tacitly agreed popular freedoms during the stay of the Allied Commission, my considered opinion is that the general complaints of the political opposition are justified and that the time is opportune for the Department to consider the procedure outlined in its telegram 50 of January 24, 3 p. m.<sup>53</sup>

This is 297 repeated London 58 and Moscow 57.

BERRY

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871.00/3-2346 : Telegram

*The Secretary of State to the Representative in Rumania (Berry)*

TOP SECRET

WASHINGTON, March 23, 1946—5 p. m.

185. After careful consideration of Schuyler's T822, March 20<sup>54</sup> Dept feels it desirable that the General in accordance with his suggestion raise matter at early meeting ACC. He may point out (1) that information received by him indicates possibility attempt on life of King, (2) that while it is obviously impossible to evaluate with cer-

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<sup>53</sup> Not printed; it directed Mr. Berry to report on those instances of violation of the conditions set forth in the American note of February 5 to the Rumanian Government. Such instances, if substantiated, were then to be brought to the attention of the British and Soviet Governments, and, with or without similar action on the part of those Governments, made the subject of a protest to the Rumanian Government. (871.00/1-2446)

<sup>54</sup> Not printed; it reported the details of an assassination plot against King Michael.

tainty the foundation of such reports the reliability of the sources of this information is such that we would feel remiss if we did not bring the matter to ACC attention and (3) that the US Govt is doing so in order that the Soviet occupying forces in Rumania may, so long as they remain in occupational control of that country, take such steps as may be necessary in their judgment to fulfill their responsibility for the safety of the royal family, unless and until such time as the Rumanian people declare in a free and orderly manner that they desire some constitutional form other than a monarchy.

Should the question of sanctuary for the King or his mother arise in the meantime you and Gen Schuyler should be guided by instructions contained Deptels 86 Feb 23, 1945 and 114 March 9, 1945.<sup>55</sup>

War Dept concurs in foregoing.

Sent to Bucharest, repeated to London and Moscow.

BYRNES

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871.00/3-1046 : Telegram

*The Secretary of State to the Chargé in the United Kingdom  
(Gallman)* <sup>56</sup>

SECRET

WASHINGTON, March 23, 1946—7 p. m.

2605. It seems clear from recent reports from Bucharest (Bucharest's tel 297, March 10, and previous) that Groza Govt, while making some effort to mount a façade of compliance with the assurances it has given with regard to freedom of expression, assembly, etc., and the early holding of elections, is countenancing and from all indications actively engineering the practical circumvention of those commitments. Two months after the reorganization of the Govt, not only has no date been fixed for the elections which it was hoped would be held at the end of April or early in May but no electoral law for such elections has been promulgated. In the meantime, while a measure of free expression has been provided by the authorization of publication of a limited number of opposition newspapers, the exercise of censorship has in certain notable instances prevented the free dissemination of important public pronouncements and the suspension and

<sup>55</sup> *Foreign Relations*, 1945, vol. v, pp. 475 and 485, respectively.

<sup>56</sup> Telegram 720, April 17, to Moscow, instructed Ambassador Smith to communicate with the Soviet Foreign Ministry along the lines set forth in this telegram. Ambassador Smith was further asked to indicate to the Soviet Government that the British Government had also been requested to participate in such an approach. (871.00/4-1146) Telegram 1275, April 21, from Moscow, reported that a letter had been sent to Soviet Foreign Minister Molotov inviting the Soviet Government to join the United States and British Governments in a possible three-power approach to the Rumanian Government (871.00/4-2146).

suppression of opposition papers on unsubstantial issues has further restricted the free expression of political views.

The treatment accorded the address of the United States Secretary of State on Feb. 28 is a case in point. Reliable information in our possession confirms that official Rumanian Govt "advice" was given to newspaper editors which resulted in the suppression of the text of that address. Subsequently important passages were deleted by censorship from an address by President Truman on March 6. Publication in whole or in part of speech by Senator Vandenberg on Feb. 27 was prohibited.

Concurrently, official suspensions and suppressions of individual newspapers have been ordered on grounds which seem to us clearly of a repressive character and there has been obvious discrimination along political lines in the distribution by Govt services of newsprint paper. As regards the abridgement of freedom of assembly, political violence is increasing. Traditional party clubs taken over by the Govt have not been returned, meetings of democratic elements are disrupted by organized bands of hooligans whose activities bear unmistakable evidence of Govt instigation, and legal proceedings against Peasant and Liberal Party members charged as responsible for demonstrations on Nov. 8 are continuing despite Groza's promise to Ambassadors Harri-man and Clark Kerr to dismiss them.

It is our view that this situation should not be allowed to continue without protest. Accordingly, you are requested to discuss the matter with Fonoff and inquire whether in circumstances Brit are disposed to join in possible three power request to Rumanian Govt 1) to fix firm date for elections and 2) to take immediate measures to correct abuses in compliance with guarantees Govt has given. If Fonoff is agreeable to proposal, we will approach Soviet Govt with view to latter's association with Brit and ourselves in appropriate communication to Rumanian Govt. It would be our intention, in event of Soviet disinclination to join in three power action, to consider advisability of U.S. or concerted U.S.-Brit representations to Rumanian Govt along this line.<sup>57</sup>

Sent to London, repeated to Moscow and Bucharest for information.

BYRNES

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<sup>57</sup> Telegram 4012, April 11, from London, reported the receipt of a note of April 9 from the British Foreign Office which stated that the British Government was agreeable to the American proposal and was prepared to make a joint approach to the Rumanian Government in company with the United States Government should it prove impossible to obtain Soviet agreement to a three-power approach (871.00/4-1146).



701.7111/4-146: Telegram

*The Representative in Rumania (Berry) to the Secretary of State*

SECRET

BUCHAREST, April 1, 1946—7 p. m.

OPERATIONAL PRIORITY

[Received April 2—6:30 p. m.]

375. Mytel 269 of March 5.<sup>58</sup> Rumanian manager of large American company reports that in personal conversation yesterday Premier Groza expressed marked irritation at lack of reply to Rumanian Govt note nominating Dr. Dumitru Bagdasar as Minister to Washington. Informant is one of Groza's intimates, they having served prison term together.

Groza stated that US would "have to take Bagdasar" as he would name no other man for the post. The entire tenor of his conversation showed an intransigent attitude toward the United States. Groza stated that US feared war with Soviet Union and belittled chances of success of any American action directed against Groza govt as there was "equality of weapons".

After expressing strong dissatisfaction with activities of National Liberal and National Peasant parties he concluded by announcing his intention "to do something" about them.

My disturbed informant although accustomed to Groza's eccentric talk expressed opinion that the Premier was voicing ideas with which he had been primed at some recent Soviet pep session.

375 from Berry, repeated Moscow 65 and London 67.

BERRY

740.00119 Council/3-1946: Telegram

*The Secretary of State to the Representative in Rumania (Berry)*<sup>59</sup>

SECRET

WASHINGTON, April 5, 1946—4 p. m.

315. There follows summary Dunn's<sup>60</sup> Delsec 292, Mar 19<sup>61</sup> re

<sup>58</sup> Not printed; in this telegram Mr. Berry reported that the nomination of Bagdasar represented a complete victory of the Communist Party over all other Rumanian political elements including the King and that the Marshal of the Court had hinted that the King would not be displeased if Bagdasar were found unacceptable by the United States Government (701.7111/3-546). A memorandum of April 12 from the Director of the Office of European Affairs, H. Freeman Matthews, to the Secretary of State observed that the Secretary had approved postponement of action on the Bagdasar nomination in view of the circumstances of his appointment, and in the light of reports that the Rumanian Government was not implementing its assurances regarding the holding of early elections and the exercise of freedom of the press and assembly by Rumanian opposition parties (701.7111/4-1746).

<sup>59</sup> Also sent to Budapest as telegram 352.

<sup>60</sup> Assistant Secretary of State James C. Dunn was serving as Deputy United States Representative at the Council of Foreign Ministers at London. Dunn and the Deputies of the British, Soviet, and French Foreign Ministers were meeting in London to consider the draft peace treaties for Italy, Bulgaria, Hungary, and Rumania.

<sup>61</sup> Not printed.

Transylvanian frontier problem (sent Bucharest and Budapest re Bucharest's 271, Mar 6, rptd Budapest as 5, and Budapest's 486, Mar 9,<sup>62</sup> rptd Bucharest as 19) :

Our proposal last Sept was that Rumanian Hungarian frontier shall be generally that of 1938 but ethnic situation of Transylvania shall be examined to determine whether by awarding small section to Hungary number of persons under alien rule would be substantially reduced.<sup>63</sup> British and French supported this general approach then but British now seem less enthusiastic.

No available substantiation of reports from Budapest that Russians may be disposed to revision. Gusev flatly stated Mar 11 Soviet Govt believed all Transylvania should go to Rumania.<sup>64</sup> Soviet position appears fixed.

Case for rectification of boundary not sufficiently clear to warrant making a major issue of it. Available statistics indicate that no revision apart from exchange of population would return to Hungary significant number of Hungarians without transferring to Hungarian rule large number of Rumanians. Unlikely that reduction of those under alien rule would be as much as 100,000. This would represent no solution minority problem. Transylvanian question cannot be solved by trimming frontier.

Although some satisfaction of well-founded Hungarian claims would benefit democratic Hungarian forces psychologically, it is doubtful that small rectification would contribute much to political stability in this region. Even if we willing to incur Rumanian resentment, our sponsorship rectification could hardly satisfy Hungarians. Also a minor change might aggravate situation of remaining Hungarians in Rumania.

Therefore it may not be desirable politically to attempt by means of present treaties alteration these boundaries. But we would want to oppose provisions which preclude later adjustment by other means.

If in general discussion this question Russians evince complete disinclination to study on its merits any proposal for revision, it might be well seek solution along lines of following amended text Article VII Soviet draft Rumanian treaty. "The decisions of the Vienna

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<sup>62</sup> *Ante*, p. 272.

<sup>63</sup> At the London meeting of the Council of Foreign Ministers, September 11-October 2, 1945, the United States proposals regarding a treaty of peace with Rumania were contained in document C.F.M. (45) 36, September 19, 1945, *Foreign Relations*, 1945, vol. II, p. 266.

<sup>64</sup> Fedor Tarasovich Gusev, the Soviet Ambassador in the United Kingdom, was serving as Deputy to Foreign Minister Molotov at the Council of Foreign Ministers. His statement was made in the course of a meeting of the Deputies in London.

award of Aug 30, 1940<sup>65</sup> are declared null and void without prejudice however to direct negotiations between the Govts of Rumania and Hungary looking toward an adjustment of the frontier which would substantially reduce the number of persons living under alien rule."

For reasons stated above Dept has agreed Dunn's position and approved his proposed amended text.

BYRNES

701.7111/4-2046

*Memorandum by the Secretary of State to President Truman*

WASHINGTON, April 17, 1946.

Pursuant to our note of February 14, 1946 to the Rumanian Government, extending recognition to that Government on the basis of assurances previously given us, we have now been approached through our Political Representative in Bucharest with the request that we signify the agreement of the United States Government to the appointment of Dr. Dumitru Bagdasar as Rumanian Envoy Extraordinary and Minister Plenipotentiary to the United States. Dr. Bagdasar is an executive of the National Popular Party, a Communist organization. He was born in 1893 near Galati, Rumania of Armenian parentage, studied medicine in Bucharest, and has been a surgeon and teacher at the University of Bucharest. Through the facilities of the Rockefeller Foundation he also studied medicine in the United States.

It has been reported that Dr. Bagdasar was nominated for the post of Minister to the United States over the protest of numerous political elements in Rumania, including the King, and that he is supported only by the Communists. However, while these circumstances might in normal times justify our declining to accept Dr. Bagdasar, I believe after careful consideration that it is advisable at this time to inform the Rumanians that his appointment is agreeable to us. I am particularly motivated to this conclusion by a desire to settle, so far as possible, questions which may be outstanding and which will affect the conclusion of the peace treaties.

Accordingly, if you approve, we will send appropriate instructions to the United States Political Representative in Bucharest to inform the Rumanian Government that the appointment of Dr. Bagdasar is acceptable to the United States.<sup>66</sup>

JAMES F. BYRNES

<sup>65</sup> For documentation on the arbitral award by an Italian-German Commission regarding the cession of Transylvanian territories by Rumania to Hungary, made at Vienna, August 30, 1940, see *Foreign Relations*, 1940, vol. I, pp. 501-503, and *Documents on German Foreign Policy, 1918-1945*, series D, vol. X, pp. 581-584.

<sup>66</sup> Notation on the original: "Approved Harry Truman". Telegram 261, April 24, to Bucharest, directed Mr. Berry to inform the Rumanian Foreign Minister that President Truman had approved the acceptance of Bagdasar as the Rumanian Minister to the United States (701.7111/4-2446).

871.00/4-2246 : Telegram

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

SECRET

Moscow, April 22, 1946—2 p. m.

PRIORITY

[Received April 22—9:03 a. m.]

1281. Subject is our request that Soviet Government associate itself with us in approach to Rumanian Government about latter's failure to live up to assurances given on occasion of visit by Tri-partite Commission in January (Embassy's 1275, April 21<sup>67</sup>). In transmitting this communication I have assumed that our purpose is to clear record with Russians prior to taking concrete measures to demonstrate to Rumanians that they cannot ignore with impunity assurances given to US. Now that we have taken this first step, I think we must by all means go ahead to take the concrete measures in question, which will presumably be a refusal to sign peace treaty with present regime in Rumania until such time as it shows readiness to implement its own assurances.

I wish to say that unless we are really prepared to carry through energetically on our own in the absence of prompt indication of Russian collaboration, I believe that approaches of this sort are apt to do more harm than good. Soviets feel they have made their objectives in Rumania amply clear to us and expect us to understand what those objectives are. In particular, they are well aware that these objectives are in direct conflict to our own and expect us to be equally aware of this. For us to send them communications implying existence of common purposes which we all know do not exist has tendency to confuse them and to suspect us of playing a devious game. I hope that in forthcoming talks in Paris it will be possible for us to get onto a franker and more straightforward basis with respect to these questions, a basis which will recognize squarely existing differences of concept and will not try to obscure them by formulae which can never have satisfactory practical application.

SMITH

871.00/4-2546 : Telegram

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

RESTRICTED

Moscow, April 25, 1946—5 p. m.

URGENT

[Received April 25—3:10 p. m.]

1344. Invitation to Soviet Govt to join with US and British Govts in three-power approach to Rumanian Govt was answered in letter from Lozovski<sup>68</sup> on April 22. Text in translation juxtaposed order follows:

<sup>67</sup> Not printed, but see last sentence of footnote 56, p. 584.

<sup>68</sup> Solomon Abramovich Lozovsky, Soviet Deputy Foreign Minister.

1. In connection with your letter of April 20, concerning Rumania, I inform you as follows at the instruction of the MinFonAff, Molotov.

2. The Soviet Govt cannot agree with the opinion of the Govt of the USA that the present Rumanian Govt, while trying to create the appearance of carrying out the assurances which it gave in connection with the decisions of the Conference of the Ministers of Foreign Affairs in Moscow in December, 1945, is in reality striving to circumvent the commitments which it has made. The information set forth in your letter concerning several cases of the short-term closing down of newspapers which had printed provocative attacks against Allied states, which cannot be tolerated under any conditions provides no foundation for the assertion that the freedom to express political opinions is limited in Rumania. Similarly, there is no basis for speaking of discrimination of a political character in Rumania in the distribution of newsprint.

3. As regards freedom of assembly, here also there is no basis for the assertion that there has recently been an increase of political violence. The assertions that cases of the disruption of meetings by organized bands of hooligans bear evidence of official institution on the part of the Rumanian Govt, as is stated in the letter of April 20 are utterly groundless and apparently the result of dishonest and tendentious information from reactionary elements.

4. I must say that the statement contained in your letter of April 20 that legal proceedings against persons charged as responsible for the demonstrations of November 8, 1945 have not thus far been halted does not correspond to fact, since according to report of the Allied Control Commission, no judicial proceedings against these persons have been, or are being, carried out.

5. As regards preparations for the elections, the Allied Control Commission reports, on the basis of data at its disposal, that such preparations are being effected. At present time work is being completed on the drafting of an electoral law with a view towards the holding of elections in the very near future (*v blizhaishee vremya*), after the draft has been approved and the voters' lists drawn up.

6. In view of the circumstances set forth above, the Soviet Govt sees no ground for the three powers approaching the Rumanian Govt with the statement indicated in the letter of April 20.

SMITH

740.00119 Control (Rumania)/5-946: Telegram

*The Representative in Rumania (Berry) to the Secretary of State*

SECRET

BUCHAREST, May 9, 1946—5 p. m.

[Received May 10—5:20 p. m.]

484. Russian ACC officials suggest that ACC propose to Rumanian Govt adoption of following five point program in view of facilitating Rumanian economic recovery:

- (1) Organization of centralized industrial planning agency.
- (2) Establishment of Government control over export and import of all goods with special attention to early import of essential raw materials and semi-finished products.

(3) Closer supervision over activities of all Rumanian banks to insure full utilization of bank credits by those industries considered to be most important to Rumanian economy.

(4) Establishment of new controls over distribution of liquid and solid fuels to eliminate present bottlenecks in this distribution.

(5) Revision of the budget with a view to approaching balance in near future.

At ACC meeting (see mydesp 901, May 3<sup>69</sup>) General Schuyler said he felt questions involving stricter Govt control of private enterprise must be carefully examined before being accepted. He had in mind the notorious inefficient and graft ridden reputation of Rumanian Govt which has shown itself incapable of establishing and enforcing just and impartial system of economic controls. The General added he would prefer to see the Govt take steps to encourage private enterprise and to release it from most controls already existing, particularly in the matter of foreign trade.

General Schuyler has now asked advice as to line he should take in ACC discussion, since the ACC may take action that influences economic developments in Rumania that being a question loosely related to foreign policy of American Govt.<sup>70</sup>

Repeated to Secdel Paris as 39.

BERRY

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871.00/5-1346 : Telegram

*The Representative in Rumania (Berry) to the Secretary of State*

CONFIDENTIAL

BUCHAREST, May 13, 1946—8 p. m.

URGENT

[Received May 14—9 : 40 a. m.]

493. President Bratianu of National Liberal Party has addressed letter to American British and Russian representatives in Rumania pointing out that shortcomings of Govt have become increasingly clear in 5 months since its reorganization.

Bratianu cites official and clandestine censorship of press; unequal distribution of newsprint; onesided propaganda in favor of Government made by state broadcasting service; aggressions of shock troops transported in official transportation against campaigning members of Liberal and Peasant Parties; and isolation of members of Liberal and Peasant Parties within Cabinet.

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<sup>69</sup> Not printed.

<sup>70</sup> Telegram 507, May 20, from Bucharest, reported that during a recent meeting of the Allied Control Commission for Rumania, Soviet Acting Chairman Susaikov said that the suggestions made by Soviet authorities for the economic rehabilitation of Rumania "were made in the full knowledge that Rumania is capitalistic country with remnants of a feudal system and no one is suggesting a Sovietization [of] Rumanian economy." Susaikov added that even a capitalistic society in times of stress must have distribution and production controls. (740.00119 Control (Rumania)/5-2046)

He recalls past efforts to draw attention of President of Council to infringements have been ignored and states he therefore is now forced to address three great allies upon faults of past and dangers of future mentioning specifically that if electoral law is promulgated without consultation of full cabinet as budget was promulgated it will not be fair law.

Maniu's memo (reported in my 463 of May 1, repeated Paris as 27<sup>71</sup>) with Bratianu's letter give official confirmation by leaders of historic parties to edicts this mission has reported since departure of ambassadors on January 10. They give point to my recommendation that United States Govt should protest to Rumanian Govt upon turn of affairs (remytel 297 of March 10). I may add longer our protest is delayed less effective it will be.

General Vinogradov<sup>72</sup> who regardless of what he thinks must take Russian attitude that all is well in Rumania has ordered Communist Interior Minister M N Gheorgescu to prepare 150 dossiers upon acts of provocation and violence allegedly committed by members of historical parties. I understand these documents are for use by Mr. Molotov in answer to any protest we or the British may make on one-sided respect for freedoms in Rumania.

Repeated Secdel Paris 44 and London 841½.

BERRY

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871.00/5-2146: Telegram

*The Secretary of State to the Representative in Rumania (Berry)*

SECRET

WASHINGTON, May 21, 1946—8 p. m.

US URGENT

329. In view further deterioration Rumanian political situation as reported in your recent tels and those your Brit colleague, the continued absence date for elections, and increased violence of repressive measures against historical and Petrescu-Socialist parties, we believe it now opportune to protest to Rumanian Govt violations of assurances given Tripartite Commission in January.

Soviet Govt rejected US proposal of tripartite approach to Rumanian Govt in this regard (Moscow's 1344 Apr 25 being rptd to you) but Brit are anxious to join in two power representations without delay.

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<sup>71</sup> Not printed; it reported receipt of a letter from National Peasant Party leader Maniu, copies of which had also been sent to the British and Soviet Missions, stating that the Groza government did not respect the Moscow Conference agreement on Rumania and hindered cooperation with the Liberal and Peasant Party representatives in the Cabinet. Maniu's letter further requested examination of the Rumanian internal situation at the Paris Peace Conference. (871.00/5-146)

<sup>72</sup> Lt. Gen. Vladislav Petrovich Vinogradov, Soviet Chief of Staff, Allied Control Commission for Rumania.

Accordingly please consult your Brit colleague, and when he has received instructions to take parallel action, deliver note of protest to Rumanian Govt along lines Deptel 2605 Mar 23 to London, rptd Bucharest as 186, to Moscow as 539 revised and supplemented in your discretion by subsequent developments. Note should emphasize failure arrange early elections.

Inform Moscow in advance of intended transmission of note giving text in order that Emb may inform Soviet FonOff concurrent with delivery.

Sent Bucharest as 329 rptd to London as 4175 and Moscow as 935.

BYRNES

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811.91271/5-2446 : Telegram

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

SECRET      US URGENT  
 NIACT

WASHINGTON, May 24, 1946—noon.

962. Please make strong representations urgently requesting Soviet Govt immediately to rescind order of Red Army Command in Rumania expelling Reuben Markham (Bucharest's tel 81 May 22<sup>73</sup>) from country and to restore his privileges and rights as correspondent. Order is clear violation Potsdam Communiqué which envisaged enjoyment by Allied press of full freedom to report developments in Rumania. This Govt cannot accept the position that the activities of a correspondent in an effort to obtain accurate information from all sources in the normal pursuit of his calling constitutes "meddling in Rumanian party politics". However, quite apart from the question of foundation of this charge which Markham categorically denies, you should emphasize that freedom to report is matter of principle to which this Govt firmly adheres.<sup>74</sup>

BYRNES

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<sup>73</sup> Telegram 513, May 22, from Bucharest, repeated to Moscow as 81, transmitted the text of a statement by Markham refuting charges made against him by the Red Army Command in Rumania. Mr. Berry added the following comment: "I know of no serious inaccuracy in Markham's above statement and analysis. He has gotten around the country as no other reporter and has written courageously of what he saw. Of course, the Russians and Rumanian Government resent this. His expulsion is part of program of preparation for elections which the government desires to hold while Red Army is still in Rumania and without the assistance of any official or unofficial observers from the US or Great Britain. For this very reason I think we should vigorously contest expulsion." (811.91271/5-2246)

<sup>74</sup> Telegram 1650, May 25, from Moscow, reported that a strong protest relative to Markham's expulsion had been made in a letter from Ambassador Smith to Foreign Minister Molotov on May 25 (811.91271/5-2546). Telegram 1962, June 21, from Moscow, transmitted the text of the Soviet Foreign Ministry note of June 19 rejecting the American protest and supporting the demand of the Soviet authorities in Rumania that Markham be expelled (811.91271/6-2246).



[On May 27, 1946, the United States Representative in Rumania delivered to the Rumanian Foreign Minister a note protesting the failure of the Rumanian Government to comply with the Moscow Conference decisions on Rumania and to fulfill the commitments made to the Tripartite Rumanian Commission. A similar note was delivered by the British Political Representative in Rumania. A copy of the American note was also made available to the Soviet Foreign Ministry. For text of Representative Berry's note, which was released to the press on June 1, 1946, see Department of State *Bulletin*, June 9, 1946, page 1007.]

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871.00/6-646 : Telegram

*The Chief of the United States Representation to the Allied Control Commission in Rumania (Schuyler) to the War Department*

SECRET

BUCHAREST, May 28, 1946.

[Received May 31, 1946.]

T-1352 (Cm-in 6491). The recent upsurge in the Government's campaign of political arrests has involved two Rumanian civilian employees of this Mission. Circumstances are as follows:

First case: Alexandru Stanescu, fully trusted and carefully screened employee who has been with us for over one year and a half, was arrested at 2230 hours, 26 May by four men who, without identifying themselves, leaped upon him as he was walking home, manacled him, threw him into a car and drove away. He has not been heard of since, and inquiries and protests to various Government agencies by my representatives and those of Mr. Berry have as yet produced no results.

Second case: Teodor Manicatide, a fully trusted employee of long standing, was visited at his home by representatives of the Sogurazza on 26 May but managed to inform this Mission in time for an officer to arrive and bring Manicatide to this headquarters. Two of my officers with interpreters then at once conducted Manicatide to the office of the Rumanian presidential Council of Ministers. My officers informed the Rumanians on duty that they understood Manicatide was wanted for questioning, and offered to have him questioned in their presence. This was not accepted, demand being made that Manicatide be given up to be arrested and jailed. My officers refused and after further altercation during which six or seven Siguranz agents attempted to restrain them by a show of force, Manicatide was brought to this Headquarters. I am now holding him in custody.

I am informed by Mr. Berry that one of his Rumanian female employees<sup>75</sup> has also been arrested and jailed.

<sup>75</sup> Elvira Olteanu.

Neither of my two employees arrested has engaged in any political activities to my knowledge, either before or during the period of their employment with this representation. They have both, however, been useful to me in furnishing political and military information, obtained from their friends and acquaintances. I am taking the matter up at once with General Susaikov, although by my Russian Liaison officer, I have already been advised not to interfere in these arrests. I have rejected such advice as unacceptable. Unless otherwise directed by you, I propose to maintain that so long as Rumania is operating under an ACC, the employees of such ACC can not be summarily arrested and questioned by the Rumanian Government unless ACC officials are present during the questioning. Such employees all have a certain amount of knowledge of ACC activities which are not proper matters for investigation by the Rumanian Government. I shall point out that further that if any employees are suspected of improper activities, I should be advised of same fact, and in event such case I will after investigation either discharge the employee or if consider the charges do not warrant discharge, I shall make the employee available for questioning in the presence of my officer. I propose to take no steps which may impede the course of Rumanian justice, but I shall not permit the Rumanian Government to inquire into the affairs of this representation unless my representative is present at the inquiry. I propose to maintain this position regardless of whether or not Susaikov agrees. I have already moved my key Rumanians into the hotel occupied by my enlisted men and shall prevent their arrest by the Rumanian authorities, except on my terms, using force if necessary.<sup>76</sup> All my Rumanian employees are now justifiably perturbed lest they, in turn, become subject to arrest, beatings or even deportation, solely as a result of their association with this representation. It is obvious that unless I take forthright action now, American prestige in Rumania will reach a new low.

It is inconceivable to me that we should permit the Rumanian Government, about to receive our official recognition while still under an armistice, to indulge in a terroristic campaign against American interests. I have discussed this question with Mr. Berry, who concurs in my proposed course of action pending receipt of instructions from higher authority.

Your confirmation or comment concerning my stand on this matter is urgently requested. I shall report at once the result of the interview with General Susaikov.

[SCHUYLER]

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<sup>76</sup> Telegram 402, June 18, to Bucharest, stated that "in view realities of situation, Dept feels that in face of determined action by authorities Schuyler should confine his resistance to passive opposition (short of armed conflict) necessary to compel such authorities to force entry and seize employees under protest." (871.00/6-1846).

871.00/5-2846: Telegram

*The Secretary of State to the Representative in Rumania (Berry)*SECRET  
US URGENT

WASHINGTON, May 30, 1946—4 p. m.

358. Schuyler's tel T-1352 and urtel 533 May 28.<sup>77</sup> War Dept informing Schuyler approval his position in regard to employees US representation ACC and urmis with which we agree. Concurrently with Schuyler's representations to ACC you should address formal protest to Rumanian Govt against this Rumanian interference functions ACC representation and urMis stating forcefully that US Govt considers outrageous action of organs of Rumanian Govt in summarily arresting personnel attached to American official Missions and will expect immediate cessation of such molestation and release of Stanescu and your employee. You may add that instances in which US employees are suspected of improper activities should in future be brought to attention of appropriate US representative for such remedial action as facts may warrant.

Sent to Bucharest, rptd to Budapest, Sofia, Moscow and London.  
BYRNES

871.00/6-146: Telegram

*The Representative in Rumania (Berry) to the Secretary of State*SECRET  
US URGENT

BUCHAREST, June 1, 1946—10 p. m.

[Received June 3—7:25 a. m.]

559. At King Michael's request I called at his country place yesterday afternoon. His principal purpose was to inform me of recent political developments, but as all he said I have reported, there is no point in repeating.

Additionally the King gave me full story of background of recent award to Groza with extraordinary accompanying citation. (See mytel 533, May 28.<sup>78</sup>) The King said that Tolbukin,<sup>79</sup> Susaikov and other Soviet officials exhibited annoyance at spontaneous demonstration occurring immediately following May 10 parade.<sup>80</sup> Susaikov at time suggested to King that he do something to show his displeasure

<sup>77</sup> Telegram 533, May 28, from Bucharest, reported that Representative Berry had been unsuccessful in his efforts to question responsible Soviet and Rumanian authorities regarding the two imprisoned Rumanian employees of the American political and military missions (871.00/5-2846).

<sup>78</sup> Not printed; it reported that while American and British notes were being presented to the Rumanian Foreign Office on May 27, King Michael, at an elaborate official ceremony in Constantza, was giving Prime Minister Groza a high Rumanian decoration (871.00/5-2846).

<sup>79</sup> Marshal Fedor Ivanovich Tolbukhin, Chairman of the Allied Control Commission for Rumania and commander of Soviet troops in southeastern Europe.

<sup>80</sup> At the May 10 Rumanian Independence Day parade, there had been a large-scale outburst of cheering for King Michael.

of this action by "disorderly elements". (See mytel 488, May 10<sup>81</sup>). The subject reoccurred occasionally in conversation during next few days but did not take concrete form until Tatarescu suggested that high decoration be awarded Groza because Soviets so wished. No action was taken until Major Skoda, General Susaikov's aide, telephoned General Niculescu, King's aide, that on following day Justice Minister Patrascanu would call at Palace for King to approve draft citation to accompany decoration for Groza. Major Skoda added that this was outgrowth of Susaikov's suggestion to King on May 10. Citation was so wholly unacceptable that King refused to accept, and as suggestion for decoration came from Tatarescu, he told latter would give decoration but unwilling to sign citation. Tatarescu agreed to secure Russian acceptance, but on following day telephoned Marshal Negel<sup>82</sup> that citation must be made as Soviets would accept nothing less to assuage their anger for events of May 10. This attitude was confirmed by telephone conversation from Major Skoda to General Niculescu.

King still refused but was persuaded on eve of scheduled ceremony, after conference with Tatarescu and Patrascanu. In conference allusions were made to Govt's desire to prolong war criminal law and increasing political violence throughout the country of which likely culmination would be arrest of Maniu and Bratianu and elimination of their parties. The King was given to understand that these things would come about unless he stopped them by meeting Soviet desire in signing citation. He was told if he did sign, the war criminal law would not be indefinitely prolonged, political violence would subside and arrested would be released.

Queen Mother interrupted to say several people had come to Palace to urge King not to sign citation saying his popularity would wane thereby. She said that although King by signing would be accused of weakness by those who did not know, [she?] thought he had shown character because he said a monarch, different from movie star, must not gauge public action by popularity of action but must act in interest of his country. In present case, loss of some popularity was small price to pay for reduction of political violence and keeping historical parties in field for coming elections.

Although it is true that King has been generally criticized for this action as his first mistake since *coup d'état* of 1944, yet in view of this first case of Soviet pressure this year I think that he made wise decision, particularly if it later becomes evident that Govt keeps its part of bargain.

BERRY

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<sup>81</sup> Not printed.

<sup>82</sup> Prince Dimitrie Negel, Marshal of the Court.

871.00/6-446: Telegram

*The Representative in Rumania (Berry) to the Secretary of State*SECRET  
URGENTBUCHAREST, June 4, 1946—8 p. m.  
[Received June 6—10:45 a. m.]

570. Mytel 564, June 3.<sup>83</sup> The Rumanian reply leaves much to be desired. On scrutiny it is nothing more than a weak defensive document filled with sophistries and second rate falsehoods. Although designed to give appearance of above board playing, through furnishing answer to points we raised, it really shows, as Department knows from Mission's despatches and telegrams since January, Government's lack of integrity. Brief comment follows by subjects.

*Elections.* No date is still set for elections, and no date even set for consideration by Government of electoral law.

*Liberties.* Note says opposition parties have 16 newspapers. That depends upon definitions of opposition. The fact remains that Maniu's National Peasants have one daily paper published in Bucharest, and Bratianu's National Liberals also have one daily. Neither have dailies published in provinces. Maniu's Peasants publish six weeklies irregularly when newsprint is available in provinces, and Bratianu's Liberals publish two weeklies. Prime Minister's willingness on February 22 to give ear to complaints, hardly applies to conditions today. He did hold press conference on date mentioned, and when those present asked for more equitable distribution of newsprint and freedom to criticize Government on administrative question, said he would see when he could so [*what he could do?*]. Published reports of this conference excluded this exchange. The excuse that censorship of statements of high American officials was necessary to prevent diffusion of polemics between the Allies breaks down under extensive Rumanian press coverage given Foreign Minister Molotov's interview to *Pravda* of May 27. Russian official statements are highly publicized while Americans' are suppressed or played down. Most recent example, no Rumanian paper has as yet published our note of May 27.

*Radio.* On this point Groza is simply renewing [*renegeing?*] upon his promise.

*Violence.* From information available here and in Department, Government bears chief responsibility for present wave of political violence, despite note's allegation to contrary.

*November 8 arrests.* As all November 8 arrests were made on polit-

<sup>83</sup> Not printed; it transmitted text of the Rumanian Foreign Minister's note of June 3, replying to the American note of May 27 (see bracketed note, p. 594). For text of Rumanian note, released to the press on June 7, see Department of State *Bulletin*, June 16, 1946, p. 1048.

ical basis, Groza is now abandoning promise made to Allied Commission.

*Cabinet collaboration.* Here Government is on strongest grounds, as the Ministers, on joining Cabinet did say the implementation of Moscow agreement was chief task of Government and that they could not be responsible for Government's administrative acts. Since then they have shown desire to collaborate but have not been met halfway. As reported, they were not consulted on budget law, indeed seldom are important matters discussed at rare Cabinet meetings. I understand Liberal representative is currently protesting nondiscussion of British and American notes by Cabinet.

*Distorted foreign impression of Rumania.* This is a well worn statement originally produced in Moscow, but now manufactured under license by Soviet satellite governments. Statement that public security comes before Moscow agreement is attempt to justify Government's course.

I understand that my British colleague has recommended to his Government that it declare Rumanian note unsatisfactory. It certainly is that. I suppose Department will wish to consult with British Government in order to coordinate action here. I suggest we do reply to note, saying it is not satisfactory, and United States is reserving its attitude.

Sent Dept 570, repeated Moscow as 93.

BERRY

871.00/6-546 : Telegram

*The Representative in Rumania (Berry) to the Secretary of State*

SECRET

BUCHAREST, June 5, 1946—6 p. m.

PRIORITY

[Received June 6—2:30 p. m.]

571. Yesterday afternoon officer of Mission conferred for third time with Bodnaras, Secretary General of the Presidency, and Kay, Communist Government Minister, on release of Mission's accountant, Elvira Olteanu, arrested May 27. See mytel 533, May 28.<sup>84</sup>

Prefacing remarks with statement he was speaking in private capacity, Bodnaras referred to our note requesting immediate release of Olteanu. See mytel 556 of June 1.<sup>85</sup>

He expressed shock at language our note, which he considered without precedent in overstepping bounds of diplomatic procedure. In terse emphatic manner, Bodnaras stated no matter how small, Rumania was sovereign state; that it reserved to itself right to do as it

<sup>84</sup> Not printed, but see footnote 77, p. 596.

<sup>85</sup> Not printed; it transmitted the text of a note regarding the arrest of American Mission employees, sent to the Rumanian Foreign Ministry in pursuance of instructions in telegram 358, May 30, to Bucharest, p. 596.

pleased with Rumanian subjects; and that if it saw fit to arrest Rumanian employee of United States Mission, under no circumstances would it feel obliged to explain its actions or set free person under arrest such as Olteanu, simply because it received demand to do so from foreign state. He claimed our note made it impossible for him to settle matter on informal, friendly basis, that Rumanian Government could not be bullied under pressure of foreign state into releasing from arrest Rumanian subjects. He said, "I do not know who was author of Mission's note, but obviously, from language used, author did not seem to understand he was addressing himself to a sovereign state, and not to some island, such as Philippines."

Bodnaras said he had not yet discussed with colleagues text of Government's reply to our note, and added, "But no matter what their opinions may be, I for one will categorically oppose satisfactory reply, even if Olteanu were innocent, which she is not."

Regarding charges, Bodnaras alleged simply evidence existed that Olteanu had contact with uncle Gavril Olteanu, fugitive from justice who, according to yesterday's papers, has been apprehended, and faces trial together with others before court martial court as leader of purported conspirative, terroristic organization. Parenthetically Mission has no reason to believe Olteanu connected with uncle's alleged activities.

As in previous interviews, Bodnaras again expressed indignation at manner which American officers "had forced their way into the Presidency," and unheard-of way they prevented qualified state authorities from carrying out arrest of Rumanian citizen against whom they held arrest warrant, that this warrant would stand until individual delivered by American military authorities to Rumanian authorities.

See General Schuyler's telegram T 1352, May 28.

He then said even if Olteanu were guilty, it was not so serious but in interests of good relations between our two Governments, Rumanian Government could have closed eye and permitted Olteanu to return to her position, but in view our note this was out of question unless our note should be withdrawn and matter approached on different basis whereby both sides extend informal apologies and make reciprocal concession. By this, it is understood Bodnaras was suggesting release of Rumanian employee now held by General Schuyler to Rumanian authorities against release of Olteanu.

Although I shall continue press for release Rumanian employees our Missions, it is obvious for present they will not be released.

I believe Bodnaras could not have furnished our Government with more eloquent description of what we must expect in dealing with

Groza government, which was so aptly described recently to an officer of this Mission by more "friendly" Communist member of Government when he said, "This is not a government, but simply a gangster police force."<sup>86</sup>

Repeated to Moscow as 94.

BERRY

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871.00/6-646 : Telegram

*The Representative in Rumania (Berry) to the Secretary of State*

SECRET

BUCHAREST, June 6, 1946—10 p. m.

[Received June 8—10: 10 a. m.]

578. Reourtel 577, June 6.<sup>87</sup> Following is text of Foreign Minister's note:

"Sir, I have the honor to acknowledge the receipt of your note dated June 1<sup>88</sup> and to request you to take cognizance of the Rumanian Government's reply.

From statements and information received from the authorities of the general security police of the state it follows that Monsieur Alexander Stanescu has not been arrested but Mlle. Elvira Olteanu was taken in custody on May 27.

The account of the general Security Police specifies that 'the arrest has been necessary, as the above named is a member of subversive organization directed against the security of the state'.

The Rumanian Government deeply regret that the US Government have ascribed an offending intention to an act performed by responsible agents within the bounds of the Rumanian laws. The quality of clerk in the service of a foreign mission carries no privilege and so much the less any other immunity that quality does not protect against sanctions provided by the laws of the country any citizen who commits an offense.

With regard to the request for the release of Mlle. Olteanu the Rumanian Government regret to be unable to take this demand into consideration on principle.

Rumania is a free and sovereign state and cannot permit the immix-

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<sup>86</sup> Telegram 582, June 8, from Bucharest, reported that a trusted aide of Prime Minister Groza had told Berry that there were "powerful but irresponsible elements" in the Rumanian Government who insisted on relating the American protest note of May 27 with the arrest of Miss Olteanu. Berry expressed the conviction that "there would be good chances of seeing this matter settled to our entire advantage if it were not for what I believe to be fact that it is part of Soviet pressure campaign upon Americans applied upon instructions from Moscow in Bulgaria and Yugo as well as Rumania". (701.7111/6-846)

<sup>87</sup> Not printed; it drew particular attention to the concluding paragraph of the note quoted below which was interpreted to mean that there would be further arrests of Rumanian employees. The telegram concluded as follows: "This will deal such a heavy blow to their morale that for practical purposes our Rumanian employees will be little more than observers within Mission for the Rumanian and Russian secret political police." (871.00/6-646)

<sup>88</sup> The American note of June 1, not printed, was sent in pursuance of the instructions contained in telegram 358, May 30, to Bucharest, p. 596.



tion [*sic*] on the part of other states, even though they are friendly, in the internal order of the country and in the application of the national laws. Her position as country under an armistice only commits her to certain obligations ensuing from the armistice agreement. Towards the fulfillment of such obligations the Government can receive orders and instructions from the ACC only.

The Rumanian Government avail themselves of this opportunity to point out an occurrence, the gravity of which will no doubt be taken into consideration by the US representative in Rumania.

[Here follows a complaint that members of the United States Army intervened to prevent the arrest by Rumanian security agents of Teodor Manicatide.]

The Rumanian Government trust that this regrettable act has happened without the knowledge of the superior authorities of the US Military Mission. It has been brought to the attention of the ACC for investigation and settlement.

At the same time the Rumanian Government beg to inform you that they will supply you in due course with further information and with the results of the investigations that are being made with regard to the Rumanian clerks in the service of the United States Mission in order to strengthen thus the feelings of trust and friendship on which they wish mutual relations between our countries to rest.

I have the honor, Sir, to request you to accept the expression of my highest consideration."

BERRY

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871.00/6-946: Telegram

*The Acting Secretary of State to the Representative in Rumania  
(Berry)*

SECRET US URGENT

WASHINGTON, June 13, 1946—3 p. m.

385. Mistels 577<sup>89</sup> and 578 June 6; 588 June 9.<sup>90</sup> Concerning arrest US local employees Dept in similar previous cases has consistently authorized representations to foreign govts on principles of reciprocity and comity. Rule to which this Govt has generally adhered in cases involving immunity of employees of foreign diplomatic missions from local jurisdiction is that if a State does not prohibit its nationals from becoming the employees or servants of a foreign diplomatic rep they are while so employed to be considered without the limits of its jurisdiction. The one exception legally recognized in US has been in case of a process involving a debt contracted before employee entered the diplomatic official's service.

It is suggested therefore subject to your concurrence in advisability

<sup>89</sup> Not printed, but see footnote 87, p. 601.

<sup>90</sup> Telegram 588, not printed.

such course that you reply verbally to FonMin re his note of June 6 along following lines:

“On basis of practical necessity and substantial universality of the custom of according immunity to clerks and servants of diplomatic establishments, regardless of their nationality while engaged in business of such establishments, US Govt over many years has held in principle and in practice that employees of foreign diplomatic officers in US are entitled to immunity without regard to the nationality of such employees. Consequently, this Govt considers that on the basis of reciprocity it is warranted in claiming and expecting immunity for clerks and servants in the employ of its Missions regardless of their nationality.

US Govt would be disposed to give due consideration to question of waiving immunity in individual cases in which persons employed by its Missions may be charged with violating Rum laws or regulations. But US Govt finds it wholly inadmissible that any personnel in regular employ of its Missions should be subjected to summary arrest by an organ of Rum Govt without prior notification to the US Missions of grounds for such arrests and without any request by Rum Govt for surrender of the accused. Such conduct is particularly incomprehensible on the part of a State with which friendly relations are in process of being reestablished while that State is still under an Armistice regime. US Govt, therefore, has protested vigorously against the seizure and intimidation of its employees.

When recently two employees of US MilMis in Bulgaria received summons for arrest by the Bulg militia, the Bulg FonMin expressed deep regret in name of his Govt as well as personally ‘for the intolerable action of the militia’. US Rep and US MilRep were assured by Bulg Govt that steps would be taken to quash the summons and to ensure continued availability of these persons for employment by US MilMis.

In the interest of an informal settlement consistent with usual courtesies in relations between friendly States of current unfortunate circumstances involving Rumanian subjects employed by US Rep and US MilRep, US Govt proposes the following:

1. That the US employees under arrest or against whom a warrant has been issued be freed immediately and permitted to resume their normal duties in the employ of the US Missions without further molestation.

2. That Rum Govt give verbal assurance that further intimidation of US employees regardless of their nationality will not be countenanced by Rum Govt; that summary arrests will not take place in future; and that, if Rum Govt has charges or suspicions relating to any US employees it will communicate these to US Rep for due consideration of the question of his waiving immunity in individual cases.

3. That on basis of above understanding both the US note of June 1 and Rum note of June 6 be withdrawn and incident considered closed."<sup>91</sup>

Sent Bucharest, rptd Moscow, Budapest, Sofia and Paris.

ACHESON

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[On June 14, 1946, the United States Representative in Rumania delivered a note to the Rumanian Foreign Minister stating that the Rumanian Government's reply of June 3 to the American note of May 27 was unsatisfactory. A similar note was addressed to the Rumanian Foreign Minister on the same day by the British Political Representative in Rumania. For text of Representative Berry's note, a copy of which was made available to the Soviet Foreign Ministry, see Department of State *Bulletin*, June 30, 1946, page 1125.]

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761.71/6-1546 : Telegram

*The Representative in Rumania (Berry) to the Secretary of State*

SECRET

BUCHAREST, June 15, 1946—10 a. m.

[Received June 17—7:25 a. m.]

605. There are no facts at my disposal to contradict Barnes<sup>92</sup> analysis (his tel June 12 to Dept repeated Bucharest as 18<sup>93</sup>) and many to confirm it.

In political field Soviet or Soviet backed Rumanian activities in last few weeks have been intensified in atmosphere already over-charged with bitterness and violence.

Spearhead of this attack has been directed against America and its Missions in Rumania. It has sought first to reduce our powers of observation by every means notably ordering summarily Markham to leave Rumania, refusing clearances for Americans desiring to visit Rumania, delaying clearances for airplanes and obliging them to use corridors. It has sought secondly to reduce means of making our

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<sup>91</sup> In his telegram 706, July 13, from Bucharest, Representative Berry reported that he used the authority given him in this telegram in the course of a conversation with Prime Minister Groza on July 2. The Prime Minister assured Mr. Berry that he personally wanted very much to see the situation clarified and the general atmosphere improved, and he promised to communicate Berry's suggestions to the interested Rumanian Ministries. He subsequently informed Mr. Berry that the charges against Miss Olteanu were very grave and that it was not yet possible to release her. (871.00/7-1346)

<sup>92</sup> Maynard Barnes, United States Representative in Bulgaria.

<sup>93</sup> Telegram 437, June 12, from Sofia, repeated to Bucharest as 18, expressed the view that the Soviet Union appeared to be making military dispositions in the Balkans aimed at confronting the United States and the United Kingdom with the threat of immediate military action in southeast Europe to assure Soviet objectives in advance of final discussions at the forthcoming Council of Foreign Ministers meetings (740.00119 Control (Bulgaria)/6-1246).

presence felt by stepping up general campaign of violence hoping to intimidate our friends, threatening officials of Society of Friends of US, arresting member of my staff, member of Gen Schuyler's, and kidnapping second member of his staff and censoring increasingly newspapers of opposition which would like to carry full statements of Secretary Byrnes and other American statesmen.

Campaign has sought to paralyze growing conviction that Rumania's survival depends on strength of its ties with western democracies. Soviets and their Rumanian Quislings are frantically seeking to blast Rumania free of such ties. A recent broadside of three anti-American articles in single issue of Red Army newspaper opened latest phase of this campaign.

In military field there is evidence of increasing Soviet activity particularly in air section which is not of defensive character. Many new planes are arriving daily. The influx reached its peak first week of June. Now an estimated 6,500 to 7,000 Soviet military airplanes are in Rumania. 50% are fighters, 30% assault and 20% light bombers. Rumanian airdomes now occupied or being prepared for Soviet occupancy number 141. In Transylvania are 71. Buildings of all sorts and shops near airports have been requisitioned in large numbers. Fuel dumps maintained at capacity level. In Lugoj area, departure point for Yugoslavia, there are now 400 to 600 Soviet aircraft and at Arad there are 400.

General Schuyler has reported recent Soviet troop and material movements south and west. Although number of Soviet troops in Rumania is less than 6 months ago, there has been gradual shifting of troops throughout country toward concentration southwestern area. Rumanian Army is being coordinated with Red Army through better liaison and supervision.

Such facts are impressive and in present atmosphere give cause for serious concern although it must be admitted that same facts [apparent omission] be viewed otherwise if there were more evidence of Soviet intention to cooperate with western democracies in international matters rather than to act unilaterally in support of position of Communist parties in foreign countries.

I, therefore, must agree with Barnes' conclusion that stage is set for another Soviet unilateral action in southeastern Europe. Whether such action which will tighten Soviet control of this area takes place now, I believe, will depend upon Paris rather than Balkan developments.

This is 605 from Berry. Repeated to Sofia as 17, Secdel Paris as 70 Belgrade as 17 and Moscow as 98.

BERRY

[On June 17, 1946, the Rumanian Foreign Minister transmitted to the United States Representative in Rumania a note replying to the Representative's note of June 14. The Rumanian note expressed regret that its June 3 note had not satisfied the United States Government but observed that the Soviet Government had raised no objection regarding the Rumanian Government's implementation of the Moscow Conference decisions. For text of Rumanian note of June 17, see Department of State *Bulletin*, June 30, 1946, page 1125.]

740.00119 EW/6-1846: Telegram

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

RESTRICTED

Moscow, June 18, 1946—5 p. m.

[Received June 18—3:35 p. m.]

1921. Following is translation of FonOff note No. 104, dated June 15, received June 17, 1946.

"With reference to note of Embassy of US of May 27 in which was set forth contents of note of Govt of USA to Rumanian Govt, the Ministry of Foreign Affairs of the USSR has the honor to communicate the following:

"The Rumanian Govt, as is known, has already given US Govt appropriate explanations with respect to questions touched upon in above-mentioned note. Nevertheless, Soviet Govt cannot overlook charges made by American Govt against Rumanian Govt of non-fulfillment of decisions of Moscow Conference of Foreign Ministers.

"As has already been stated in note of Deputy Minister of Foreign Affairs of USSR, S. A. Lozovski, addressed to Ambassador of US, Mr. Smith, under date April 22,<sup>94</sup> Soviet Govt cannot agree with view of Govt of US that present Rumanian Govt is not fulfilling assurances given by it in connection with decisions of the meeting of Foreign Ministers in Moscow December 1945 and in particular with regard to question of elections. It is known that Rumanian Govt, in the month of May, published draft of an election law for public discussion.

"As far as question of freedom of expression of political views in Rumania is concerned, the Ministry of Foreign Affairs, in supplement to Soviet note of April 22, states that according to information at its disposal, there are being published at present in Rumania, 16 opposition newspapers and periodicals.

["]The Soviet Govt cannot agree with assertion that radio broadcasting facilities in Rumania are monopoly of certain parties, since broadcasting stations in Rumania do not belong to any political party or group but are governmental.

"The Soviet Govt does not dispose of any facts which would support statement that the Rumanian Govt is impeding the holding of meetings by opposition groups or is applying any other political compulsion against supporters of opposition.

<sup>94</sup> The text of the Soviet note of April 22 was transmitted to the Department in telegram 1344, April 25, from Moscow, p. 589.

"As has already been pointed out in Soviet note of April 22 assertion that trials of the members of the Liberal and Peasant Parties in connection with the disorders of November 5, 1945 have not been suspended does not correspond to facts. The Soviet Govt has confirmation from its representatives on ACC Rumania that no prosecution of these people has been or is being conducted.

"The Soviet Govt also considers it necessary to call attention to the fact that according to reliable information at its disposal, Rumanian Govt is taking all measures incumbent upon it [to] the end that representatives of the Liberal and Peasant Parties in the Govt may fulfill their responsibilities and functions in able spirit of cooperation with the Govt as was envisaged in Moscow decisions of three Ministers of Foreign Affairs.

"Ministry of Foreign Affairs of the USSR requests Embassy to make the foregoing known to Govt of the US."

Dept repeat to Bucharest as Moscow's 40.

SMITH

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740.00119 Control (Rumania)/5-946: Telegram

*The Acting Secretary of State to the Representative in Rumania  
(Berry)*

SECRET

WASHINGTON, June 19, 1946—6 p. m.

406. 1. Dept much interested tripartite conversations Rumanian economic recovery reported urtel 484, May 9 and preceding telegrams, despatches and minutes sent War Dept. Dept believes that improvement major-power relations with respect Eastern Europe would be greatly facilitated by development such economic consultative groups in which economic policies of major powers can be dealt with at technical level with least possible reference to political and security issues. Dept, therefore, anxious to continue and extend scope of U.S. and U.K. participation such conversations and, if possible, to place them on more permanent basis with view establishing clear cut precedent for tripartite consultation on means of furthering economic recovery Eastern European countries as envisaged Yalta Declaration. Our hope would be tripartite consultative machinery on Rumanian economic recovery could be continued even after dissolution of ACC. To this end, suggest you consider possibility participation U.S. and U.K. civilian representatives in discussions.

2. For your information, Dept has proposed to U.S.S.R. in connection, possible U.S.-Soviet loan negotiations discussion of means to further economic recovery of Eastern European countries.<sup>95</sup> Dept is also promoting creation under UN Economic and Social Council of

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<sup>95</sup> For documentation regarding the consideration of granting loans and credits to the Soviet Union, see pp. 818 ff.

a Sub-commission on Reconstruction of Devastated Areas with similar terms of reference.<sup>96</sup> To extent prior agreement on facts of and remedies for Rumanian economic situation could be worked out at Bucharest level, work of above groups on Rumanian problems would be greatly facilitated.

3. In light above considerations, Dept would like tripartite economic group not only propose particular economic and administrative measures to Rumanian Govt through ACC, but to undertake responsibility for working out with Rumanian Govt comprehensive economic recovery program for latter part 1946 and 1947. Although you will know extent to which this is possible, Dept believes following outline of program may be useful:

*A. Basic economic objectives of recovery program:*

1. Maintenance of minimum agreed consumption standard of food and essential consumers goods for civilian population;

2. Provision for exports which will provide sufficient exchange (including necessary amounts of freely convertible currencies) to pay for minimum imports required to maintain minimum consumption standard and in general to maximize essential production and to meet other essential foreign exchange obligations including service charges on any reconstruction credits which may be received;

3. Fulfillment of clearly defined armistice obligations to maximum extent consistent with (1) and (2).

*B. Industrial production*

Production targets for individual industries required to reach basic objectives of the economic program; raw materials, fuels, equipment and spare parts requirements, allocation controls, and labor program required to reach production targets; measures to induce management to maximize production.

*C. Food and agriculture*

Estimates of agricultural production, consumption and exportable surpluses in 1946 and 1947. Measures to increase production.

*D. Rail and road transport*

Rolling stock and other equipment requirements, domestic production and import requirements.

*E. Foreign Trade*

1. Minimum import program for 1946 and 1947 by commodities and probable sources of supply.

2. Commodities available for export in 1946 and 1947 which can be sold in markets to yield currencies required to pay for imports.

3. Maximum armistice deliveries compatible with attainment of first two objectives of economic program during same periods. (A clear determination of all economic armistice obligations would, of course, be a prerequisite for U.S. agreement to a recovery program.)

*F. Price, Fiscal and Wage Policy.*

<sup>96</sup> By the resolution of the United Nations Economic and Social Council on June 21, 1946, a Temporary Sub-Commission on Economic Reconstruction of Devastated Areas was established. For terms of reference of the Sub-Commission and an account of its work, see *Yearbook of the United Nations, 1946-47* (New York: 1947), p. 479.

4. Reference specific Soviet proposals outlined urtel 484, May 9, and Schuyler's T-1137, April 27,<sup>97</sup> proposals refer largely to establishment of administrative controls which are probably necessary to economic recovery. More basic question, however, is economic program to which controls will give effect. Therefore, Dept suggests that while Schuyler could agree to necessity controls of this general type, U.S. should stress that tripartite preparation of general economic recovery program is fundamental if controls are to be used to promote recovery. Dept's specific comments on five proposals follow:

A. Your para. 1: Centralized industrial planning agency appears desirable if composed largely of reasonably impartial technically competent specialists rather than politicians. Such agency should be limited to laying out industrial plans and general supervision of production schedules as suggested in our Feb proposals. In this connection, our Feb view should be reaffirmed that state administrators should be carefully examined with object of eliminating obstructionist type.

B. Your para. 2: We agree that there should be government supervision of exports and imports to prevent import of nonessentials, but exports should be permitted to greater extent than at present to those areas from which needed imports can be secured in return. Desirability that U.S. and British oil and U.S. lumber companies be allowed to export on their own account in order that they may import critically needed equipment might be noted again. In general, Rumanian exports should be allowed to move to markets which will yield the currencies required to pay for essential imports and to meet other foreign obligations.

C. Your para. 3: Re supervision of all banks to insure extension of credits to Rumanian industrial enterprises, it should be noted that large part of banking structure already under control of state or of Rumanian-Soviet joint bank. We agree that state investment should be extended only to essential industry.

D. Your para. 4: We agree that availability of liquid and solid fuels a bottleneck on industrial production at present and that better allocation system desirable. We feel, however, that equally important reason may be that Soviets are taking too much out of country and solution may involve reduction Soviet demands for reparations and Army maintenance. Additional transport should also be allocated to coal and oil industries.

E. Your para. 5: We are unable discuss this point fully without seeing budget. Rumanian Government was requested to submit study of proposed 1946-1947 budget to ACC (Schuyler's T-166, Jan 9<sup>98</sup>) and this should be called for. Balancing of budget by increasing taxation appears impossible so long as present degree of corruption in tax administration continues. On basis of expenditures for past year it appears that costs of Russian occupation account for most of

<sup>97</sup> Latter not printed.

<sup>98</sup> Not printed.



deficit and that only hope for substantial reduction deficit lies in substantial reduction occupation costs.

F. As regards general question Rumanian Govt intervention in private business, U.S. representatives should not take position that U.S. opposes it as matter of principle (since this is primarily an internal Rumanian affair), but that U.S. attitude depends entirely on whether in individual cases Govt control is likely promote or hinder production or distribution of essential commodities and services. In general, Dept feels this issue should not be overstressed and the U.S. representatives should emphasize their willingness participate in preparation tripartite economic recovery program and avoid as far as possible assuming position of mere critics of Soviet or Rumanian Govt action.

5. For your confidential information, Dept's policy is not to grant credit to reparations paying country unless reparations and other economic armistice obligations have been clearly defined and fixed at size which permits country to earn foreign exchange sufficient to pay for essential imports and to service credit. In addition no U.S. economic assistance for Rumania could be considered unless economic recovery program which clearly satisfied objectives outlined in para. 3A above had received tripartite approval and had been accepted by Rumanian Govt. If conversations proceed favorably and there appears to be some possibility of tripartite agreement on recovery program which meets these conditions and if question of credits is raised you may inform ACC and Rumanian Govt along these lines.

6. Your detailed comment requested.

ACHESON

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701.7111/7-2346

*Memorandum by the Acting Secretary of State to President Truman*

SECRET

WASHINGTON, June 21, 1946.

Subject: Request for Agreement to Appointment of Mihail Ralea as Rumanian Minister to the United States

On June 8, 1946 our Political Representative in Bucharest received a letter from the Rumanian Foreign Minister stating that Dr. Dumitru Bagdasar, whose appointment as Rumanian Envoy Extraordinary and Minister Plenipotentiary to the United States you approved in April of this year, is unable to proceed to his post and proposed in his stead, Dr. Mihail Ralea. We have learned informally that Dr. Bagdasar is critically ill.

Dr. Ralea was born in Bucharest in 1896, the son of a Rumanian judge. After studying at the Rumanian universities of Iasi and Bucharest, he received his LL.D. and Litt.D. degrees from the University of Paris. He has been Professor of Esthetics, Sociology and

Psychology in the Universities of Iasi and Bucharest respectively from 1926 to the present. He is the author of a number of works and has been for some time editor of the oldest Rumanian scientific and literary review. He is reputedly a talented writer and speaker.

Dr. Ralea is Minister of Arts and Minister of Religion ad interim in the present Rumanian cabinet. Although officially a member the Communist-supported Plowmen's Front Party of Premier Groza he is said to be secretly enrolled in the Communist Party itself. He is essentially opportunistic, having accommodated himself in Ministerial capacity to two regimes of opposite political tendencies, and is presently reported to be extremely pro-Russian.

Last year Dr. Ralea was proposed as Rumanian Minister to France, but was not accepted by the French Government because of his intimate association with the former King Carol and because he was unfavorably known to the French residents in Rumania. We have ascertained, however, that the French Government would not be embarrassed if we should see fit to accept him.

The Secretary, in a telegram of June 17, from Paris recommends that, unless the Department perceives some sound reasons for objecting to the appointment of Dr. Ralea, we should give our agreement. We do not perceive any sufficient reason in the circumstances to refuse Dr. Ralea.

Accordingly, if you approve, we will send appropriate instructions to the United States Representative in Rumania to inform the Rumanian Government to that effect.<sup>99</sup>

DEAN ACHESON

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871.00/7-446: Telegram

*The Representative in Rumania (Berry) to the Secretary of State*

SECRET

BUCHAREST, July 4, 1946—7 p. m.

URGENT

[Received July 8—10:55 a. m.]

681. Remytel 641 of June 23.<sup>1</sup> Yesterday King Mihai formally notified representatives of all political parties that as constitutional monarch he could not sign two draft Govt electoral laws since first decree had unconstitutional provision for abolition of Senate. To settle impasse he urged all parties to come to common agreement. This action followed unsuccessful pleas of Communist Justice Min-

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<sup>99</sup> Marginal notation on the original: "Approved Harry Truman".

<sup>1</sup> Not printed; it reported that the National Peasant, National Liberal, and Socialist Parties, in written memoranda to the United States Mission and in public announcements, had expressed their strong opposition to the new electoral laws proposed by the Groza government. The three parties maintained that the electoral laws, in their current form, were unconstitutional and made the holding of unfettered elections within the meaning of the Moscow Conference decisions impossible. (871.00/6-2346)

ister<sup>2</sup> that King accept decree and after meetings of Inter-Ministerial Committee, in which representatives of all Govt political parties could not agree upon revisions of decree texts. National Peasants and National Liberals during these meetings succeeded in removing every constitutionally objectionable article in national representation decree except Senate abolition. They secured certain modifications in second decree for elections to Chamber of Deputies but consider law undemocratic and designed to secure NDF majority.

While King is mainly concerned with constitutional violation and realistically seeks local settlement, opposition to Govt sponsored bills, including National Peasants, National Liberals and Petrescu<sup>3</sup> Socialists object to both decrees and request that they be submitted under Moscow agreement to three Allies who guaranteed unfettered elections.

In interviews yesterday both Maniu and Bratianu, Peasant and Liberal leaders, expressed fervent hope that American Govt would support King in his position and additionally would express opinion upon electoral decrees by right of Moscow agreement. They base this request upon their conversations with Ambassador Harriman prior to reorganization of the Groza govt promising three Govts "would see that the various steps to the implementation of the agreement were fulfilled". Maniu went so far as to tell me in strictest confidence if King signed law as drafted, his party would refuse to enter candidates in coming election. He asked I use my influence with King to stand firm on his decision.

The King's Secretary yesterday likewise told me in confidence that King was taking this firm stand hoping to force political parties to find compromise that would be acceptable to all. Failing to succeed in this the King would, after a few days, sign laws as drafted. Secretary in name of King asked me to use my influence with Mr. Maniu to be reasonable.

I am taking precautions not to meet King this week-end in order that Department may have time to send instructions. If no instructions are received and King informally inquires my opinion I propose to tell him that it would be mistake in my opinion to refer matter for decision to three Great Powers, signatories of Yalta convention. In effecting local solution he should do his utmost short of breaking with Govt to act in accordance with the principles of constitution. If Govt refuses to yield he should accept the laws with objectionable features in order to be able to fight again when his position is stronger.

BERRY

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<sup>2</sup> Lucretiu Patrascanu.

<sup>3</sup> Constantin Titel Petrescu, leader of one branch of the Rumanian Social Democratic Party.

811.91271/7-846 : Telegram

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

SECRET

Moscow, July 8, 1946—4 p. m.

[Received July 8—11:07 a. m.]

2123. I have read Berry's No. 103 on Markham case and refer particularly to last paragraph thereof.<sup>4</sup>

I want to repeat my conviction that we make a mistake in dealing with matters of this kind on basis of an individual personality instead of on principle involved. Since it is important to us to have press representation in Rumania, it seems to me that when it became apparent that Markham must go, regardless of rights or wrongs of his individual case, his successor should have been nominated at once and an entrance visa requested. Possibly *Christian Science Monitor* had no one available at moment or did not desire to replace Markham under circumstances, but if a replacement from this or another news medium can be found, I believe he should be nominated at once. Soviet military authorities will hesitate to eject one correspondent after another in rapid succession, and if resistance is encountered to admitting a successor to Markham we can attack it vigorously on principle, and our stand will be absolutely sound whereas in case of Markham we were licked before we started.

I am perfectly willing to lose with honor if no other tactics are available, but I would much prefer a partial victory to a complete defeat. Above estimate of subject is based only on our local point of view here, but is prompted by our knowledge of Soviet tactics and circumstances under which it is possible to make headway against them.

SMITH

871.00/7-446 : Telegram

*The Acting Secretary of State to the Ambassador in the United Kingdom (Harriman)*<sup>5</sup>

SECRET

WASHINGTON, July 10, 1946—7 p. m.

US URGENT

5281. We presume Brit FonOff will have received info similar Bucharest's 681, July 4 rptd as next following tel.

<sup>4</sup>Telegram 655, June 27, from Bucharest, repeated to Moscow as 103, not printed; the final paragraph read as follows: "Markham has now left Rumania, Soviet and Rumanian Governments have achieved their objective, principle and application of uncensored American news reports from Russian-controlled areas has received great setback, and entire affair has been another heavy blow against American prestige in Rumania by reducing our effectiveness in bringing about free and unfettered elections." (811.91271/6-2746) Telegram 640, June 22, from Bucharest, reported that the only other American correspondent in Rumania had been recalled and expected to leave by July 1 (811.91271/6-2246).

<sup>5</sup>Mr. Harriman resigned as Ambassador to the Soviet Union in February 1946 and assumed his duties as Ambassador in the United Kingdom in April 1946.

Dept considers that, under Yalta and Moscow agreements as implemented by Rum Govt assurances to Bucharest Commission, we could if desirable request tripartite determination of constitutionality of proposed Rum electoral laws. However in light of realities of situation it appears that such an approach would undoubtedly be rendered abortive by Soviet refusal to participate and that more of substantive nature might be gained by local settlement among Rumanians in Bucharest and by King following course suggested Berry's final para.

Accordingly Dept proposes authorizing Berry if King inquires to state our views informally along lines Berry proposes. We would appreciate ascertaining FonOff views this regard.<sup>6</sup>

Sent London, rptd Paris for Secdel <sup>7</sup> and Bucharest.

ACHESON:

871.00/7-1146 : Telegram

*The Representative in Rumania (Berry) to the Secretary of State*

SECRET

BUCHAREST, July 11, 1946—8 p. m.

US URGENT

[Received July 14—7 p.m.]

705. Remytel 681, July 4. In conversations with political leaders and the King's close advisers throughout week I have maintained it was vital that all local democratic forces coordinate their strength in order to obtain from Government maximum concessions in its draft electoral laws. Stressing that this was my personal point of view, in order to leave door open for change of front if Department desires, I said I felt maximum progress could be registered at this time by Rumanian politicians themselves. I did not deny Maniu's charge that we have responsibilities on December Moscow decisions, but I said our effectiveness today in implementing decisions could go little beyond notes of protest, whereas he, having member of his party in Government, could bring about changes in draft legislation. Although not convinced, historic party leaders, and particularly Liberals, followed this lead and in course of week made considerable progress in removing objectionable features of Government drafts electoral laws.

Last evening Cabinet, in 9-minute session, approved fifth draft of two electoral laws over strong objections of National Peasant and National Liberal representatives. Opposition Ministers declared National representation law unconstitutional by virtue of suppressing

<sup>6</sup> Telegram 6668, July 12, from London, reported that the British Foreign Office's views coincided with those of the Department (871.00/7-1246). Telegram. 453, July 13, to Bucharest, authorized Berry to state informally to the King, as the Department's views, those proposed by Mr. Berry in the final paragraph of telegram 681, July 4, from Bucharest, p. 611.

<sup>7</sup> The Secretary of State was in Paris as chairman of the U.S. delegation to the Council of Foreign Ministers, Second Session, Second Part.

Senate and that second, or election law proper, was drafted to facilitate all possible electoral frauds, citing as examples provisions for voting in factories, business enterprises and Government offices, limited time given to control electoral lists, and permitting Government to name its functionaries as heads of all local electoral boards. They then left session and cameramen proceeded with filming of Cabinet approving two decrees.

Cabinet communiqué announced electoral bill had been discussed in several Cabinet sessions, with an Inter-Ministerial Commission, and had been frequently amended. The final texts were now approved and Justice Minister Patrascanu authorized to submit them to King for signature. Patrascanu in press statement referred to free discussion of proposed bills, to adoption of many amendments suggested by historic party leaders, adding, whether they agreed or not, decrees had been "drafted with direct participation of both Mr. Romniceanu and Mr. Hatieganu". On constitutional question he retraced his previous statement (mytel 641, June 23<sup>s</sup>) and declared 1923 Constitution in force except as modified by article 3 of constitutional decree of September 2, 1944, which he maintained authorized Government to abolish Senate and organize a Chamber of Deputies as "representative assembly of people's will".

After Cabinet decision, General Susaikov sent his aide to Marshal Negel to say General hoped King would sign laws "today or tomorrow at the latest". Before signing, the King will, I understand, seek to clarify Government's recognition of 1923 Constitution, aside from clauses concerning Senate.

King Michael realizes electoral law offers opportunity for Government to pack ballot boxes and return an assembly of its own choice. He realizes the dangers to Crown and country of Communist Assembly. He knows the country is overwhelmingly anti-Communist. However, he feels he cannot refuse his signature on the ground that abuses will be committed under the law. He realizes that Government if acting under most perfectly framed electoral law, could still resort to same corrupt practices for purpose of returning itself. Clearly, if there is no good intention on part of Groza government to hold free and unfettered elections, no law however carefully phrased will prevent Government from carrying out its plans. Its immediate plan is to win elections regardless of its promises and commitments under Moscow decision. In this I believe it has concurrence of Soviet authorities. In recent private conversation, Communist Cabinet member told the King that in free election Government could not obtain 20% of votes, whereas Government expected to have 80% of votes of elected Assembly.

<sup>s</sup> Not printed.

Faced with this situation, what should our attitude be? In my opinion on receiving protests from Maniu, Bratianu and Petrescu, we should call Government's attention to inadequacies of present law and recall its commitment to hold free and unfettered elections. We must reconcile ourselves to fact that such will be little more than paper protest in view of Soviet Government attitude. However, we must maintain position whereby we are free to refuse to recognize results of elections if we desire. It seems to me we can do little more in view of fact that truly effective ways of forcing Government to hold free elections, that is neutralization of key ministries and presence of foreign observers, were eliminated before the ambassadorial commission reached Bucharest last January.

Repeated to Moscow as 106 and London as 97.

BERRY

871.00/7-1346 : Telegram

*The Representative in Rumania (Berry) to the Secretary of State*

SECRET

BUCHAREST, July 13, 1946—9 p. m.

[Received July 14—5:55 p. m.]

707. Remytel 681, July 4 and 705, July 12 [11]. This afternoon Maniu asked to see King Mihai. Maniu said King should provoke constitutional crisis and break with Govt. He should make international scandal of situation thereby forcing America and England to take action even if it meant open Russian occupation of Rumania. Maniu said this was only way prevent fraudulent election with Communist legislature determining future destiny of country along Communist lines. King replied that if he followed Maniu's advice it would mean the ending of chapter today whereas if he fought rear guard action there was always hope of story some day having happy ending.

Then Bratianu was received. He confirmed Maniu's stand. Next came Groza then Tatarescu and finally Patrascanu. King asked Patrascanu for further concessions and received some. When he insisted on others Patrascanu said "If the Govt gives more it will be giving the nation to the historical parties—that it can never do. We have given all we can." King then signed two decree laws.

BERRY

871.00/7-1746 : Telegram

*The Representative in Rumania (Berry) to the Secretary of State*

SECRET

BUCHAREST, July 17, 1946—11 a. m.

URGENT

[Received 12:22 p. m.]

716. Remytel 681, July 4. Should Maniu return to his threat not to put up candidates because an undemocratic electoral law would make

it impossible to elect such, I propose telling him that I think such action would be disastrous for his party. Although it is true many persons will abstain from voting through fear of violence and it is probable that many votes will be improperly counted yet I think it is essential that the historic parties put up their candidates. Some are likely to be elected and those that are elected will act as the voice of the parties in the Parliament. Without such voice, the historic parties will merit Vyshinski's description of "archaic" and Parliament will be organized without their participation. It would only then be a step to suppress them as reactionaries leaving the whole field to the Communists and fellow travelers.<sup>9</sup>

BERRY

871.00/8-346 : Telegram

*The Representative in Rumania (Berry) to the Secretary of State*<sup>10</sup>

SECRET

BUCHAREST, August 3, 1946—noon.

PRIORITY

[Received August 4—2:20 p. m.]

753. I have received signed documents from Bratianu and Petrescu protesting against electoral laws.<sup>11</sup> In résumé they say they are inconsistent with Moscow agreement; unconstitutional in abolition of Senate; and make possible widespread voting frauds by prescribed methods of voting and control of district electoral boards. These documents reaffirm detailed objections previously made by Liberals, Petrescu Socialists and National Peasants given my despatch 1052 of July 18.<sup>12</sup> Today I was verbally notified by emissary of Maniu that he considered himself in accord with rest of opposition in objecting to electoral laws for exactly same reasons invoked in his written protests prior to their passage.

Rather than send note to Rumanian Govt as I suggested in my 705 of July 11, I now believe our next move will be more effective by taking another tack. Tatarescu will leave soon for Paris; he will ask to be received by Secretary Byrnes.<sup>13</sup> I hope the Secretary will see him and tell him of importance we give to matter of civil liberties in pre-election period. He might say that under electoral law a fair or corrupt election can be held following intention of Govt. As Govt has

<sup>9</sup> Telegram 469, July 18, to Bucharest, authorized Representative Berry to state his proposed advice to Maniu as the Department's view (871.00/7-1746).

<sup>10</sup> Text of this telegram was transmitted to London in telegram 5861, August 6.

<sup>11</sup> Copies of the signed documents under reference were transmitted to the Department as enclosures to despatch 1076, August 5, from Bucharest, not printed.

<sup>12</sup> Not printed.

<sup>13</sup> Secretary of State Byrnes was in Paris as chairman of the U.S. delegation to the Peace Conference, July 29-October 15, 1946.



promise[d] free and unfettered election we expect it to fulfill its promise.

I believe Tatarescu will immediately give broad assurances. If he does I hope to be informed of them and authorized to use them in my conversations with Groza, with the Communists and with leaders of historic parties. In order to prevent misconstruction I would like authority to place information I hope to receive in informal memorandum form and leave copies with Groza and other leaders. Of course if Dept wishes to follow this recommendation with formal note to Rumanian Foreign Office so much the better.

Repeated Paris for Secdel as 97.

BERRY

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740.00119 Council/8-646: Telegram

*The Acting Secretary of State to the Secretary of State, at Paris*

SECRET

WASHINGTON, August 6, 1946—8 p. m.

US URGENT

3886. Secdel 603. For the Secretary. Subject your approval we think Berry's proposal Bucharest 753 Aug 3 repeated Paris Secdel as 97 and London as next following tel most desirable step in circumstances.<sup>14</sup>

It seems to us that on basis available info strong case cannot be made against actual provisions electoral laws but that emphasizing importance full and effective compliance by Rum Govt with spirit of free democratic processes in coming elections would not only serve in some measure to influence Govt toward implementation its pledges but also constitute notice to Govt of reservation US position in regard outcome elections. Likelihood of obtaining desirable reassurances from FonMin concerning civil liberties in pre-election period would appear greater if such assurances requested by you orally than if sought in first instance through formal *démarche* previously proposed in Bucharest 705 July 11 repeated London as 97 and to Secdel Paris as next succeeding tel. Suggested subsequent informal confirmation to Groza etc. of substance your conversation with Tatarescu including such assurances as he may give would also, we believe, be useful. We could consider further advisability formal note to FonOff.

If you agree this course we would like to take matter up with Brit with view to similar Brit action. At time earlier proposal Berry's Brit colleague Bucharest informed FonOff London on July 16 his endorsement some such move on grounds its sobering effect on Rum

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<sup>14</sup> In telegram 3954, Delsec 809, August 11, from Paris, the Secretary gave his approval to the general procedure set forth below (740.00119 Council/8-1146).

Govt and its encouragement to best elements of opposition.  
Sent Paris for Secdel repeated London and Bucharest.

ACHESON

611.7131/8-1546 : Telegram

*The Representative in Rumania (Berry) to the Secretary of State*

SECRET

BUCHAREST, August 15, 1946—5 p. m.

US URGENT

[Received 6:15 p. m.]

793. Mircea Solacolu, Minister of Foreign Trade and Foreign Economic Agreements, informed me today that a Government commission of six Ministers, of which he is a member, decided that Rumania must import minimum of 500,000 tons of corn, and perhaps 1 million tons, in coming year; that commission wants to know possibilities of obtaining part of this quantity in US against payment; that, if there are possibilities, commission intends to grant N. Malaxa interim authority to begin negotiations which would be later conducted, if necessary, and consummated in name of Government, by Solacolu. Response in principle is requested prior to Solacolu's departure for Moscow end this month.

Solacolu states that part payment would be made by 10 tons of gold from currency cover, and balance could come from exports of oil and timber products to US or third countries, provided he succeeds in having current Soviet demands on these products relaxed because of critical Rumanian crop condition.

Please telegraph whether in principle such negotiation may be entertained, and under what conditions. For part of the needs Rumanian Government apparently intends also to ask for UNRRA relief. Rumanian Government, incidentally, is making about dollars 4 million available to petroleum companies, against needs of about dollars 8 million for equipment needs much of which must come from US.<sup>15</sup>

BERRY

740.00119 Control (Rumania)/8-1746 : Telegram

*The Representative in Rumania (Berry) to the Secretary of State*

SECRET

BUCHAREST, August 17, 1946—noon.

US URGENT

[Received 5:40 p. m.]

799. Deptels 406, June 19; 472, July 19; despatch 6027 [1027] July 8.<sup>16</sup> Soviet officials in past several months have shown no en-

<sup>15</sup> Telegram 571, August 24, to Bucharest, stated that the United States Government was willing to consider Rumania's need for corn (611.7131/8-1546).

<sup>16</sup> Telegram 472, July 19, to Bucharest and despatch 1027, July 8, from Bucharest, not printed.

thusiasm on their own initiative for continuing economic meetings. Reason may be that although last two meetings were conducted from American-British side with great decorum and in no spirit of mean criticism of Soviet or Rumanian Government action, Soviet officials undoubtedly received more information of specific practical character and more ideas than they gave. There was basically, if tacitly, a reluctance on Soviet part to accept clear conclusions such as fact that an artificial lack of exports to free currency markets constituted basis foreign trades stagnation. Perhaps greatest reason for Soviet loss of interest was growing conviction that good 1946 crop would automatically solve many problems and indeed permit continuance of Soviet exploitation Rumanian economy under armistice.

However, imminence of seriously deteriorating economic conditions precipitated by drastic corn drought of past several weeks increases possibility that Soviet may wish to resume meetings and perhaps in more objective spirit. I am convinced that our initiative meetings can be resumed at any time their effectiveness dependent perhaps as much in manner of approach to all problems by American and British particularly avoidance of criticism as upon Soviet intentions.

A major factor would be the wholehearted approval of at least certain individuals in Rumanian Government of American-British interest in rehabilitating Rumanian economy. It is no secret that certain Rumanian officials look for levers with which to pry concessions from Soviet in way of reparations, the fundamental to at least the beginning of recovery.

I am in full accord with broad economic objectives outlined in Deptel 406 seeing little to be added or omitted but make following suggestion. Drought necessitating help from abroad may be means of bring[ing] about Soviet acceptance of American-British objectivity. Minister Foreign Trade in talks at Moscow beginning September 2 expects to be able to convince Soviet of practicability of its relaxing armistice pressures and to release considerable quantities of oil and timber to pave the way for later consideration credits in railways and industrial plant on basis outlined by Department if American Govt sees its way clear to sell Rumania large part of corn needed to stave off famine in various areas of country.

BERRY

871.00/8-2446 : Telegram

*The Representative in Rumania (Berry) to the Secretary of State*

CONFIDENTIAL

BUCHAREST, August 24, 1946—9 a. m.

US URGENT

[Received 11:30 a. m.]

819. What I expected yesterday to be brief courtesy call on Prime Minister turned into 3½ hour monologue. Following is essence of his statements for what they are worth.

1. Concerning freedoms, he admitted that he [*we?*] had cause for complaint on restriction of freedom of assembly. Upon all others he said no one could complain. Moreover, freedom of assembly was restricted because of overriding necessity of maintaining order. He claimed there were provocative elements in extreme Right and Left which desired trouble. Serious trouble would only mean disappearance of present "democratic" Government which would be followed by dictatorship on extreme Left. Therefore, in interests of most Rumanians, he was restricting occasions for clashes between extremist[s]. Concerning Pitesti and other incidents, he said he regretted them more than I, but realized more than I how reduced were casualties compared to what might have been if he had acted less energetically.

2. Concerning election date, said he had told Ambassadors in January that he would not present himself until electorate had full bellies. In January he expected such condition to exist in September, and in June had announced elections for that month. Then came the drought and corn crop failure. He was meeting this new crisis by importing corn. He recently received 1,700 tons from Yugoslavia. Shipments were coming from Poland and Russia and he was negotiating to buy elsewhere. Within 6 weeks he expects to be in position to show the electorate that he has provided for their elementary needs and then hold elections forthwith.

3. Concerning freedom of elections, he said that when Anglo-Americans agreed to Moscow decisions they were thinking in terms of free elections such as were held in England or America, whereas Russians were thinking in terms of free elections such as were held in Russia. In view of presence of Russian Army in Rumania, coming elections would likely be held according to Russian interpretation of "free and unfettered".

4. About detention of our arrested employees he claimed he desired to release them long ago, but was prevented by extremists within his Government. Only by exerting his greatest efforts had he been able to play down affair. He has now succeeded to point where in stated evidence there is no connection made between American employers and employees subversive activities. Moreover, trial will be secret,

except for American observers, and press will carry no stories of it. He expected cases to come to trial "very soon".

5. In previous conversation he mentioned his desire to see closer relations between Balkan countries. When I asked if his plans had developed, he said as soon as peace treaties were signed and elections held I would see tremendous changes. He will invite chiefs of Balkan and eastern European states to visit Bucharest. Out of visit will grow an economic union extending from Austria to the mouth of Danube and including Poland. This will be customs union rather than political federation, as in politics states already have similar point of view. I inquired if he had discussed subject with Russians, to which he replied he had discussed it with Marshal Stalin, who told him to go ahead and do what he pleased, as Russia had no intention of interfering in internal affairs of her neighbors, except to see friendly governments in power.

Repeated to Secdel at Paris as 113.

BERRY

871.00/8-2446: Telegram

*The Representative in Rumania (Berry) to the Secretary of State*

SECRET

BUCHAREST, August 24, 1946—noon.

URGENT

[Received 1:45 p. m.]

821. After giving very careful consideration to every fragment of evidence concerning Groza government's election intentions, I come inescapably to conclusion it is not intention of Government to hold free and unfettered elections required by Moscow decisions. Moreover Rumanian Government's attitude has full support of Soviet Government.

This situation demands a decision from US. If we are liable to insist upon reasonable compliance with Moscow decisions and therefore plan to recognize results of Rumanian elections no matter how fraudulent simple justice requires us now so to inform leaders of opposition parties who are staking existence of their parties as well as their own lives upon our good faith.

Should we permit opposition leaders to go into elections without this knowledge we must expect those who have been our friends in Eastern Europe to say that we have shrugged our shoulders at our obligations, let down all democratic elements of this country and given coat of white-wash to Groza façade of Communist Party.

If, on other hand, we are going to insist on free and unfettered elections for Rumania according to our interpretation of those words it is important to confirm now to Rumanian representatives in Paris

that such is our intention adding if Government takes contrary course it will incur from us consequences where and as we are able to apply them (remytel 753, August 3).

In Rumania we are not able to do much at this time to bring about an acceptance of our viewpoint except by holding to a firm line politically. In Western World however, we could in all matters concerning Rumania act so as to prevent divergence from growing up between our official statements and our day by day actions.

Repeated Secdel Paris 114.

BERRY

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740.00119 Council/8-2246 : Telegram

*The Acting Secretary of State to the American Delegation at the Paris Peace Conference*

SECRET

WASHINGTON, August 29, 1946—6 p. m.

US URGENT

4487. Secdel 781. Following is point by point reply data requested urtel 4184 Aug 22 (Delsec 845) : <sup>17</sup>

1. Rum 1942 mining law containing 293 articles designed primarily impose restrictions on foreign cos and grant privileges and benefits to oil cos 75% capital owned by Rum nationals. While foreign cos are placed on equal footing among themselves, law is complex and imposes such restrictive and discriminatory measures on foreign cos vis-à-vis Rum cos, it destroys foreign co incentive for new exploration and development additional reserves during critical period declining production. Large foreign cos primarily responsible for major portion exploration activities and discovery new production in past. They no longer feel warranted invest new capital since are largely deprived fruits new discoveries under 1942 law.

In particular law creates mining districts and provides where three oil bearing structures are discovered in one such district, first structure belongs to discovering co or cos; second or third structure taken over by Rum Govt as duration reserve and allotted 50% to Rum cos and 50% to any cos having suffered financial losses in exploratory operations other mining districts; remaining structure allotted 25% Rum cos and 75% co or cos holding exploratory rights to mining district involved. If only two structures discovered in mining district, first structure belongs to co or cos holding exploratory rights therefor and

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<sup>17</sup> Not printed; in this telegram the American delegation at the Paris Peace Conference requested information on the difficulties being encountered by American petroleum companies in continuing their business operations in Rumania (740.00119 Council/8-2246).

other structure declared duration reserve subject to foregoing allotment procedure.

Furthermore, 1942 law adopts principle exploration and exploitation for oil in Rum (outside existing producing fields) must be done in associations which must include, in case of exploration work, all parties with oil rights in area concerned and, in case of exploitation, owners of surfaces covering given proved structure. Private concession holders are required join associations or give up their interest therein in return for royalty payment. In no case may private concession holder develop his own concession.

Am cos object to associations principally (1) they contain numerous members and are unwieldy, (2) membership may be acquired irrespective solvency individual members with inability pay proportionate expenses, and (3) previous geological knowledge and development technology must be shared with small Rum cos contributing little if anything. Association procedure similarly applies extensions to proven areas of existing fields and to discovery new zones beneath those presently exploited.

Although 1942 law contains restrictive features applicable foreign cos, there is no evidence German influence. Conversely, law appears aimed insuring greater participation Rum cos in ownership and development indigenous petroleum resources.

Outstanding example discrimination against Brit and Am cos is Rum Govt declaration new joint Sov-Rum co (Sovrompetrol) as Rum co; therefore it is eligible benefits and advantages accorded Rum cos under above law.

2. Extent Am co problems under 1942 law met by Rum Peace Treaty<sup>18</sup> agreed provisions. Although Dept believes Am oil cos (principally Romana-Americana) prefer acceptance Brit position calling for repeal 1942 mining law, Dept's view is agreed provisions (para 1, 2, and 6 Article 24) Rum Peace Treaty provide sufficient protection restore Am property rights as existed prior enactment 1942 law.

3. Furnishing price data later.

4. Petroleum annex proposed by Brit Govt apparently designed cancel Rum Govt actions detrimentally affecting Brit oil interests without yielding benefits obtained thereunder. US Govt unable support this position and therefore concurs action taken by Amdel.<sup>19</sup> Also see para 2 above.

<sup>18</sup> For text of the Draft Peace Treaty with Rumania, as approved by the Council of Foreign Ministers on July 18, 1946, see vol. iv, p. 63.

<sup>19</sup> In the June 4 and June 26 meetings of the Economic Committee of the Council of Foreign Ministers, the British delegation proposed a special annex on petroleum to the Draft Treaty of Peace with Rumania. The American delega-

5. US-Sov Oil Commission established under Potsdam<sup>20</sup> to investigate facts and examine documents as basis settlement questions arising from removal oil equipment from warehouses Romana-Americana in Rum. Commission met seven times beginning Aug 20, 1945. Amrep submitted detailed list of equipment removed at second meeting, including where and when equipment purchased, whether new or used, extent depreciation, and in some cases railway car numbers in which Sovs loaded material for removal. Amrep also furnished *procès-verbal* listing materials lifted. These prepared by Romana-Americana engineers and signed by minor Rum officials but Sovs in lifting materials signed no documents. Amrep further offered furnish documentary proof US ownership equipment removed, but Sovrep constantly evaded issue by demanding documents not only on materials lifted but also on all materials on hand Jan 1, 1942 and purchased by Romana-Americana between that date and Aug 1944.

Dept considers Sov request as outside terms of reference Commission and further evidence Sov policy delaying and preventing Commission's performing assignment. This view Dept borne out by actions Sov members similar UK-Sov Commission as after UK members met similar Sov demands, latter countered with request for still further details and reasons for inability proceed work of Commission.

Accordingly, Dept requested US side US-Sov Commission to (1) take position that evidence materials removed clearly US owned had been supplied Commission; (2) submit factual report stating Commission's terms of reference, its operations to date and conclude with statement that unless Sov side submits evidence refuting US ownership of equipment removed then US side would consider report final report of Commission;<sup>21</sup> (3) indicate to Sov side that copy report may be published, and (4) state if Commission cannot agree case would be pressed diplomatic level. Dept has not been informed any developments subsequent to despatch foregoing message.

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tion opposed the British proposal on the grounds that the problems sought to be dealt with were adequately covered in other provisions of the Draft Treaty. The British and American positions were detailed in a Report by the Economic Committee, C.F.M. (46) 157, June 27, 1946, not printed.

<sup>20</sup> For the decision on oil equipment in Rumania by the Potsdam meeting of Heads of Government, July-August 1945, see part XIII (XIV) of the Protocol of Proceedings of the Conference, *Foreign Relations, The Conference of Berlin (The Potsdam Conference)*, 1945, vol. II, p. 1496.

<sup>21</sup> Text of the Report of the American Representatives on the Joint United States-Soviet Oil Commission in Rumania was transmitted to the Department as an enclosure to despatch 1100, August 19, 1946, from Bucharest, neither printed. The report was presented at the eighth meeting of the Commission, October 8, 1946. Much of the substance of the report was included in the statement issued by the Department of State on July 21, 1947, on the occasion of the dissolution of the Commission. For text of that statement, see Department of State *Bulletin*, August 3, 1947, p. 225.



6. Annex II of Article XX of Secret Potsdam Protocol<sup>22</sup> (agreed to in principle by Sov, UK and US reps Potsdam) states principle burden reparations and war trophies should not fall on Allied Nationals and states para 3 while US not opposed reparations from current production Allied National properties, (1) satellite country must provide immediate and adequate compensation Allied Nationals including sufficient foreign exchange or products so they can recover reasonable foreign currency expenditures and transfer reasonable return on investment, and (2) such compensation must have equal priority with reparations. Accordingly, Dept requested AmMis Bucharest support thru FonOff Romana-Americana's request Rum Govt for permission export sufficient portion its oil output to obtain foreign exchange needed purchase replacement equipment and supplies not available Rum and for servicing investment. AmMis also requested keep Amrep ACC informed developments on request and if Rum Govt did not act favorably thereon Amrep ACC should request ACC support and assistance. Only response Rum Govt thus far is promise make 4 million dollars available petroleum cos, against latter's stated needs 8 million dollars to purchase equipment in US. Detailed plan how dollar availability affect Am co needs requested but not received.

ACHESON

871.00/8-2946

*Memorandum of Conversation, by the Director of the Office of European Affairs (Matthews)*<sup>23</sup>

PARIS, August 29, 1946.

Participants: Mr. Tatarescu, Rumanian Minister for Foreign Affairs  
 Rumanian Interpreter  
 The Secretary  
 Mr. Matthews

Mr. Tatarescu called on the Secretary this morning and said that he wanted to pay his respects and to express his gratitude and that of the Rumanian people for the decision of the Council of Foreign Ministers in May with regard to Transylvania.<sup>24</sup> He was also grate-

<sup>22</sup> *Foreign Relations, The Conference of Berlin (The Potsdam Conference)*, 1945, vol. II, p. 1498.

<sup>23</sup> A summary of this conversation was transmitted to the Department in telegram 4385, Delsec 886, August 31, from Paris, not printed. Mr. Matthews was serving as a Special Political Adviser to the United States delegation at the Paris Peace Conference.

<sup>24</sup> On May 7, 1946, the Council of Foreign Ministers agreed that the Hungarian-Rumanian border of January 1, 1938, should be restored. See the United States delegation record, vol. II, pp. 259-260.

ful for the action taken yesterday (in the Hungarian Political and Territorial Commission) confirming the restoration of Transylvania to Rumania.<sup>25</sup> The Secretary pointed out the decision of the Commission will be valid as a Conference recommendation only when it has been approved by the Conference. Mr. Tatarescu said that he knows there is considerable anxiety in the United States and Great Britain concerning the situation in Rumania and that he would therefore like to explain what the situation is. The Secretary said he was glad of this because he himself has considerable apprehension concerning the Rumanian situation.

The Rumanians are a people of order, discipline, and work, said Mr. Tatarescu, and while all countries have suffered crises resulting from the war, he feels confident that the situation in Rumania is more normal than that in any other country of Central or Eastern Europe. From Lithuania to Greece, he said, one would find conditions in Rumania the most peaceful. Furthermore, it is the only country which, since the war, has remained a "capitalist country from the social point of view". It is the only one that has not nationalized its industry. There are Communists and Socialists in the Government, of course, but even these Parties in Rumania are essentially bourgeois. The only major social step taken was that of badly needed agrarian reform. For the last two years there have been no strikes. He did not want to deny that there had been some excesses and some violence, but these are fortunately on the decline.

As to foreign policy, Mr. Tatarescu said that his country stood for collaboration with the Soviet Union but not for isolation. Rumania also wants relations with the United States and Britain and especially with France, with which country it has long had such close ties. From the time of Versailles to 1940 Rumanian policy was one of complete loyalty to democracy. Rumania was, he said, "a satellite of France and Geneva". Unfortunately, Rumania lost its head after the fall of France. It was threatened on four sides—by Germany, by Russia, by Hungary, and by Bulgaria. As a result, Rumania lost Bessarabia, the Dobruja, Northern Bucovina, and half of Transylvania. She was isolated and finally forced into an unpopular war. As soon as possible Rumania regained her freedom and joined the Allies. Her contribution on the side of the Allies was 18 Divisions and she lost 100,000 casualties. In fact, Rumania became the fourth Power in importance on the Allied side.

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<sup>25</sup> On August 28, 1946, the Political and Territorial Commission for Hungary of the Paris Peace Conference unanimously adopted article 1, paragraph 3 of the Draft Hungarian Peace Treaty providing for the restoration of the Hungarian-Rumanian border of January 1, 1938. See the United States Delegation Journal summary record of this Commission meeting, vol. III, p. 302.

Rumanian collaboration with Soviet Russia arises from her geopolitical situation. He himself has been very anti-Communist all his life. He has fought the Communists and is still doing his best to fight the Communists in Rumania. On the other hand, one must be patriotic and a realist and he cannot lose sight of the fact that there are "200,000,000 men across the Prut". If one is not a friend of the Soviet Union, then one must be an enemy. It is therefore a question of the very existence of Rumania to be friendly to the Soviets. But he wanted Mr. Byrnes to remember that Rumania is not a Slav nation, but Latin, with Latin clarity of mind, order, and above all, individualism.

On the other hand, Rumania does not wish, continued Mr. Tatarescu, to remain isolated from the West. She wants her old traditional relationships to be resumed. He asks help from the noble people of America. If we have any doubts about his country we should ask France what Rumania stood for during the last 30 years as a factor of order and civilization. In fact, he must protest against Rumania being placed on the same footing with Italy, Bulgaria, and Hungary. Italy was the seat of Fascism; Hungary and Bulgaria were the watch-dogs of Germany. In conclusion, he asked again for the aid of the United States. (At no point did he specify what type of aid he had in mind).

The Secretary said that it was not necessary for him to tell Mr. Tatarescu that the people of America have friendly feelings for the people of Rumania. It was not necessary for him to say that the people of America are not interested in collaboration with any country when such collaboration lessens its independence. The United States has been in two wars in Europe and has never asked one foot of territory or one dollar. Mr. Tatarescu promptly agreed. The United States, continued the Secretary, was not asking and would refuse to accept any special privileges not given to other countries. That is what we mean by equality of opportunity for trade. We are asking nothing for ourselves which we would not want Rumania to give, say, to France or the Soviet Union. The American people fought the war for equal rights for all and they therefore think that Rumania has the right to trade with anyone it wishes and to run its own government. The United States wants Rumania to have friendly relations with the Soviet Union. There is plenty of room for all.

What then are the United States apprehensions? The United States does not believe that there can be any satisfactory situation in Rumania unless Rumania is free. The United States insisted at Moscow in working for the formula adopted in the belief that this would help make Rumania independent. Early and free elections

were promised but they have never been held. There were many in the United States who criticized the Secretary, asserting that free elections would never take place and that therefore there was no basis for the Moscow Agreement. The Secretary defended the formula and believed it was justified but now his opponents can say that nothing has been done. There are reports that elections may be held in November. He asked Mr. Tatarescu if that is correct.

Mr. Tatarescu replied that Rumania had more interest than anyone that elections be held as soon as possible and he himself is working to that end. There has been a delay because of the difficulties in agreeing on an election law. One was finally adopted, however. We should recall that these are the first elections in 10 years. Two months were necessary for the preparation of new election lists, for in the interim there had been great movements of people and women had now been given the vote. Thus there will be some 7 million voters in the forthcoming elections compared to 3 million ten years ago. The delays have been caused only by technical reasons and the elections will now, he said, surely take place in October.

The Secretary said that the American Government has disturbing reports that these elections if held will not be the free and untrammelled elections which in his presence Stalin, Roosevelt, and Churchill worked for at Yalta. On the contrary he hears of political meetings, such as that at Pitesti, which are broken up by the police and that there is no freedom of political assembly or opportunity for the Opposition to carry on their meetings.

Mr. Tatarescu said he did not know anything about any incident at Pitesti. He always speaks the brutal truth. The fact is that it would be a big mistake for anyone from the West to look upon such incidents without considering the ideology of the country. In 20 years he has taken part in 25 campaigns and has won 10 elections. He considers himself, therefore, a professional. He knows it would be a great mistake to judge Rumanian election habits by the standards of New York. The Secretary said he recognized that one could not expect perfection in government anywhere but that the breaking up of meetings and Party Assemblies caused unfavorable attention all over the world. Mr. Tatarescu said he deplored such incidents and attributed them to the extreme tension existing in his country between the Government and the Opposition. He is returning to Rumania shortly and will try his best to arrange—"a truce"—between the Government and the Opposition, which he hoped would end such violence. The incidents were, however, the result of Rumanian habits and civilization. Look at Greece where conditions are worse, and also Bulgaria and Yugoslavia. He admitted the atmosphere in Ru-

mania is not what he wants, but election conditions are far worse in other countries. The Secretary said that while incidents had of course occurred in Greece, he wished to point out that Greece has invited neutral observers to see that her elections were freely carried out.<sup>26</sup> He himself had picked the best men available and sent them to Greece as observers. The result was a free election. Greece has again, in connection with its forthcoming plebiscite, insisted that there be neutral observers thus to give confidence to the world in the results of the elections. Because of the shortage of time and personnel, he had at first declined the Greeks' invitation but they begged him to change and he has therefore agreed to send some informal observers. The United States has no interest in the elections but based on their reports we will tell the world what happens and if there is violence that will not be concealed from the peoples of the world. At Yalta much time was spent in writing the provisions for free and untrammelled elections and now he dislikes to feel that the promises of Yalta have not been complied with. The Secretary understands that the Rumanian electoral law is satisfactory, but his own 25 years of experience has shown him that the important thing in elections is the way the law is applied. It was sad to note that before the elections people were saying that the police in Rumania will prevent all freedom of expression. Mr. Tatarescu said that he thought the reports were probably exaggerated. He himself stood for free elections and he is convinced that they will be properly conducted. The Secretary warned him that the question of our future relations with Rumania are bound to be affected by the manner in which these elections are carried out. He was therefore glad to have the Foreign Minister's assurances that they will be free.

The Secretary said he wanted to tell Mr. Tatarescu frankly that certain remarks in his statement in the Plenary Session he had not liked.<sup>27</sup> The Foreign Minister had said that the Soviet Government had been generous on the matter of reparations and that he hoped others would likewise be generous. The Secretary pointed out that while we had agreed at the time the Armistice was negotiated and feeling was high that \$300 million should go to Russia as reparations, we did not think any such figure should have been demanded and we were opposed to it. We had likewise noted that the Soviet Union had

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<sup>26</sup> For documentation regarding the participation of the United States in the Allied Commission to supervise the Greek elections of March 31, 1946, see vol. VII, pp. 88 ff.

<sup>27</sup> Foreign Minister Tatarescu, in his capacity as Chief of the Rumanian delegation to the Paris Peace Conference, addressed the 15th Plenary Meeting of the Conference on August 13, 1946. For a summary of Tatarescu's address, see the United States Delegation Journal record of the 15th Plenary Meeting, vol. III, p. 190.

taken a considerable number of ships from Rumania. The U.S. and the British, however, had taken nothing. As the Secretary listened to Mr. Tatarescu's speech he got the impression that the only way to be considered generous was to take something from Rumania. He wanted to know in what respect Mr. Tatarescu did not think that the United States had behaved generously.

Mr. Tatarescu objected that he did not say that the United States was not generous. In his reference to Soviet generosity he only meant that the Soviet could have taken whatever it wanted. The Secretary remarked that it was curious to thank people for not taking everything. Mr. Tatarescu said he had to admit while Rumania did very little against the United States or Great Britain, she had destroyed and pillaged to a shameful extent in Russia and had burned and blackened Soviet territory all the way from the Black Sea to the Volga. When he had gone to Moscow, Mr. Mikoyan, the Minister of Commerce, had showed him his estimates which amounted to three billion dollars of damage caused by Rumania. Mr. Mikoyan had done this for the purpose of bringing home to him what Rumania really owed. Thus in reducing these claims to \$300 million the Soviet had behaved generously. The Secretary pointed out that it is utterly impossible for any country to be reimbursed for property destroyed in war any more than it could be reimbursed for the lives lost, and we must get away from this conception. As far as the United States was concerned, United States claims had arisen largely in the period since the Armistice. They concerned primarily the question of our oil interests. He understood that the Rumanian Government requires oil for reparations and has fixed the price to be paid for the oil so low that our companies find it difficult to stay in business. Mr. Tatarescu said that he was familiar with the question and that not only American companies but British and Italian and Rumanian companies were similarly affected. The difficulty was due to the fact that Rumania is living under a regime of fixed maximum prices which apply to all companies. However, he felt this system would soon be abolished. In any event, he believed that the oil companies were not really in bad shape but were "doing a good business".

The Secretary said that he raised the question because Mr. Tatarescu had spoken of the matter of compensation and he wanted to point out that almost all American claims had arisen in the period since the Armistice. What, however, we are interested in most of all is that the elections in Rumania will in reality be free and fair. Mr. Tatarescu said that not only should the elections be free but there must be "a good government" in Rumania. The Secretary replied that this is what we are interested in and he wanted to stress one important fact.

We have been involved in two wars in Europe and after that experience we are convinced that we cannot live to ourselves. This time, as shown at Yalta (in the Declaration on Liberated Europe) and ever since, we intend to concern ourselves with the problems of Europe and to carry out our full responsibilities. We want Rumania to be the same free and independent country that Mr. Tatarescu does. Mr. Tatarescu said he was very happy to hear this because it was a great thing for humanity that the United States should continue to interest herself in Europe. In conclusion the Secretary stated that Rumania need have no reason to be afraid of any country and if she appealed before the United Nations in case of any threat she would be defended. The United States was determined to stand by the United Nations in every issue and to see that the United Nations assume their full responsibilities. Mr. Tatarescu said this was a very heartening and important statement which he was most happy to hear.

H. FREEMAN MATTHEWS

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871.00/9-1246 : Telegram

*The Acting Representative in Rumania (Melbourne)*<sup>28</sup> to the  
*Secretary of State*

SECRET

BUCHAREST, September 12, 1946—noon.

[Received September 13—3:17 p. m.]

870. In interview yesterday ranking Rumanian Communist, well known to Mission, stated preparations being made for elections second half October and that Interior Minister Georgescu, is charged by Communist Central Committee with responsibility for arrangements. To this end, Georgescu also has assumed control of Justice Ministry during absence of Patrascanu at Paris Conference. Patrascanu reportedly will not return to Rumania until election to avoid responsibility for bludgeoning country magistrates to obey Interior Minister's election orders. Key Communists are supervising preparations in assigned areas. Bodnaras is handling Moldavia, Luca is charged with Transylvania, Pauker has oil field region and party wartime Secretary General Parvules of the Banat.

My informant anticipates no difficulty in Government forces gaining 85% of vote in view tactics to be followed. Interior Minister Georgescu told him that forced registration of all syndicate members in factories, offices, Government ministries and military barracks, which also includes their wives, parents, children of age to vote and servants, would enable Government to control more than 500,000 votes in

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<sup>28</sup> Mr. Berry departed on August 28 for brief visits to Paris and Washington. Roy M. Melbourne assumed charge of the Mission during Berry's absence.

Bucharest alone with only one-tenth of electorate voting in public polling places and not subject to direct pressure. Peasants would vote to retain their lands and in recalcitrant districts outright intimidation would be employed or ballot boxes changed and count falsified at each prefecture headquarters.

Rumania would be last country in Soviet sphere to have such elections and resultant Parliament would carry forward Communist program of nationalizing business, breaking opposition and abolishing monarchy. This program would not begin for several months following elections in order to lull temporarily local and foreign opinion. Following elections Red Army would continue to remain in area to support forthcoming Communist Party line of need to protect Soviet frontiers.

Repeated Secdel Paris 123.

MELBOURNE

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[Telegram 3495, September 17, from Moscow, printed on page 145, transmitted the text of a Soviet Foreign Ministry note of the same date protesting the travel restrictions imposed on Soviet representatives on the Allied Commission for Italy and the Advisory Council for Italy and contrasting these restrictions with the alleged freedom of travel enjoyed by American representatives to the Allied Control Commissions in Rumania, Hungary, and Bulgaria. Instructions as to the reply to be made to the protest were contained in telegram 1806, October 10, to Moscow, repeated to Bucharest as No. 658, page 154.]

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871.00/9-2346: Telegram

*The Acting Representative in Rumania (Melbourne) to the Secretary of State*

SECRET

BUCHAREST, September 23, 1946—11 a. m.

URGENT

[Received September 23—4:20 a. m.]

896. Political opposition is becoming more gloomy as Government, apparently abandoning all consideration for Western opinion, sets stage for fixed elections. Completion of registering electorate shows irregular pattern adopted throughout country, many villages not even having formal registration or it being arbitrarily stopped without warning as in [apparent garble] on September 5, while control of [apparent garble] and industrial vote was established on lines Mistel 870, of September 12. Published Bucharest's electoral lists show many omissions of registrants and protests may not be recognized since no registration receipts issued to individuals. Notable omission is Dinu Bratianu, leader National Liberals, who is instituting legal



proceedings. Many judges who under law would preside over district electoral commissions, are being temporarily transferred from their districts to other areas. For example, chief Bucharest district judge has been sent to Maramures Province in Transylvania.

Tactically Government suppresses any opposition electoral campaign moves. Censor takes care no such information appears in newspapers, while police prevent poster and pamphlet distribution by arresting any hardy spirits attempting to do so. Both Peasants and Liberals assert futility of holding public meetings under circumstances with police having strict instructions to disrupt them. Any opposition protests to Government or Soviet ACC authorities are disregarded while Russians are returning to sender every written protest received from National Peasant and National Liberal parties. Recent accretion to overwhelming evidence that Soviets intend to see Government successful in elections is furnished by on-the-carpet interview of *Jurnalul's* editor with chief Soviet censor who stated categorically USSR would help present regime "by absolutely all means to emerge victorious in coming elections".

Rumanian elections are being stolen now. Elections may be marked by less violence than hitherto expected, but any observers present would merely record successful trial run of machine whose workings can now clearly be seen. British political representative concerned by this unremitting drive toward prefabricated electoral results has suggested his Government make public statement of free electoral procedure criteria with which it would judge Rumanian elections. Such a move appears good one but if Department is approached by British concerning joint action in announcing criteria for free elections it is suggested statement should call attention to manner in which electoral preparations have proceeded thus far.

Repeated Secdel as 128.

MELBOURNE

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740.00119 Council/10-346: Telegram

*The Acting Secretary of State to the Secretary of State, at Paris*

WASHINGTON, October 3, 1946—7 p. m.

5280. Secdel 1043. For the Secretary. Following summary remarks exchanged Oct 1 when new Rumanian Minister Mihail Ralea presented letters credence President Truman. Ralea expressed joy at resumption diplomatic relations and stated that since mass Rumanian people Aug 23, 1944 threw off Nazi yoke and joined Allied Powers in fight against Germany Rumania had "proceeded to purification of political life within the country" by casting out old

regime and instituting democratic reforms. "Since then Rumania has honestly lived up to her armistice obligations, has maintained perfect political and economic order in southeastern Europe". Today he asserted Rumania is regenerated country desirous collaborating in peace of world, and his coming US signifies beginning new life.

In reply President Truman expressed pleasure at resumption relations and stated that US people and Govt have followed with special interest developments in Rumania since Aug 23 1944. "Throughout subsequent armistice period, in conformity with Yalta and other Allied agreements, gov't of US has endeavored to assist cooperatively in reestablishment of an independent Rumania under a government broadly and genuinely representative of will of its people. To this end, US Gov't was gratified to receive the assurance of Rum Gov't that the forthcoming elections in Rum would be free and fair. This assurance provided a basis for recognition by US. Gov't and people of US will have continuing interest in developments affecting Rumania and continuing desire for creation of those conditions which will permit Rumania to participate fully as a free member of United Nations."

ACHESON

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871.00/10-1646

*The British Embassy to the Department of State*

AIDE-MÉMOIRE

(31/46)

His Majesty's Government are of the opinion that it would be advantageous to address a note to the Roumanian Government in connection with the undertakings given by the Roumanian Government to assure free and unfettered elections.

2. The following is the proposed text of a note which His Majesty's Government are considering and which, subject to any comments by the Department of State, they will send to the Roumanian Government:—

"I have been instructed by His Majesty's Principal Secretary of State for Foreign Affairs to inform you that he has been glad to note that the Roumanian Government intend to hold elections at an early date. His Majesty's Government are deeply conscious of the grave responsibility which they assumed, together with the United States and Soviet Governments, at the Crimean and Potsdam Conferences regarding the holding of free and unfettered elections in Roumania. His Majesty's Government recall that, during the visit of representatives of the Soviet, United Kingdom, and United States Governments to Bucharest in January 1946, in connexion with the implementation of the decisions reached by the three powers at Moscow, the head of

the Roumanian Government gave certain assurances to Lord Inverchapel, then Sir Archibald Clark-Kerr, and accepted the obligation to hold free and unfettered elections. It was on the basis of these assurances that His Majesty's Government in the United Kingdom and the United States Government agreed to recognise the present Roumanian Government.

(2) "There is thus an obligation on the Roumanian Government to ensure that the Roumanian people shall be given an early opportunity freely to choose the Government under which they wish to live, and His Majesty's Government consider that they have both the right and the duty to bring the following to the attention of the Roumanian Government.

(3) "His Majesty's Government note that the Roumanian Government have promulgated a law for the compiling of electoral rolls and the subsequent conduct of elections. It is the view of His Majesty's Government that certain features of this law are not entirely consonant with democratic practice. In particular they have noted the following points:—

(a) The electoral law provides for representatives of all parties to be present at the counting of votes in the voting sections. The determination of the final voting in the constituencies and throughout the country, however, is the responsibility of the electoral bureaux and of the Central Electoral Commission, which are exclusively composed of representatives of the present Roumanian Government.

(b) Although candidates may eventually obtain certified copies of the results of each voting section, there is no provision for the immediate official publication of these results.

(c) Appeal against irregularities of the counting of votes must be made to the electoral bureaux or the Central Commission, both of which are under direct Government influence.

(4) "Moreover, His Majesty's Government have been concerned to learn from H.M. representatives in Budapest [*Bucharest*] that certain grave irregularities have occurred in connexion with the preparations for the elections. His Majesty's Government had occasion to draw the attention of the Roumanian Government to certain of these facts in their notes of the 27th May and of the 14th June, to which they have received no satisfactory reply. The Roumanian Government must be aware that the essential element in the holding of free elections is that all democratic parties should have equal freedom and equal facilities to engage in political activity in the period preceding the elections. This condition is at present clearly disregarded. It appears that the opposition parties in Roumania are subjected to acts of intimidation. Their meetings are frequently broken up by armed adherents of other parties, and some weeks ago one member of the Executive of the National Peasant Party was assassinated and two more have been assaulted and severely beaten while endeavouring to conduct their electoral campaign. These and other acts of violence have, it would seem, taken place with the connivance of the police and local authorities, and with the approval of the Government. In the presentation of their views the Opposition parties have also been hampered by the

censorship which the Roumanian Government exercises over the press and by the refusal of any facilities for free speech.

(5) "It has further been brought to the attention of His Majesty's Government that the arrangements for registering voters are not proceeding in accordance with the provisions of the electoral law. It is noted that in Bucharest the time limit for registration has been restricted to fifteen days, which is too short a time to allow all those wishing to vote to have their names inscribed in the registers. Moreover, there is evidence that local authorities responsible for the registration of voters are requesting details of the applicants' political views and are discriminating against voters on the basis of such declarations or because of their known political views. Registration books have been refused to many persons and the number of persons figuring on the published lists of voters is often considerably less than the number of persons who endeavoured to register.

(6) "In view of the foregoing, His Majesty's Government wish to emphasise that among other conditions it is essential, in the carrying out of the elections as envisaged by the Crimea and Potsdam Declarations,—

(a) That all democratic and anti-Nazi parties should be allowed equal facilities to conduct their election campaigns without discriminatory restriction of normal electoral activities and without the threat of physical intimidation. The phrase, 'all democratic and anti-Nazi parties' should clearly include the following, namely:—

National Peasant Party—led by M. Iuliu Maniu

The National Liberal Party—led by M. Constantine Bratianu

The Social Democratic Independent Party—led by M. Constantine Titel Petrescu.

(b) That all these parties should be represented on all electoral commissions at all levels, and that the votes should be counted in the presence of representatives of all parties.

(c) That the official record of the results should be published immediately in each voting district.

(d) That there should be an adequate system of appealing to an independent authority in the event of election disputes; and

(e) That adequate time and facilities should be granted so as to enable all members of the electorate to register and that no person should be required to state his political views or be discriminated against on account of his known political views.

(7) "His Majesty's Government are confident that the Roumanian Government will take into account the views represented above when making arrangements for this election.

(8) "The United Kingdom political representative in Bucharest has on several occasions requested information as to the date on which elections are to be held. Mr. Bevin trusts that a reply will now be given."

3. His Majesty's Embassy is instructed to ask for an early expression of opinion by the State Department on the text of the above note

and to enquire whether the United States Government will be prepared to address an analogous communication to the Roumanian Government.

WASHINGTON, 16 October, 1946.

871.00/10-1946: Telegram

*The Representative in Rumania (Berry) to the Secretary of State*

SECRET

BUCHAREST, October 19, 1946—9 a. m.

URGENT

[Received October 20—6 a. m.]

981. Redetel 669, October 16.<sup>29</sup> My British colleague<sup>30</sup> has shown me Foreign Office draft note to Rumanian Govt and his suggestions for alteration of note. He believes such note is mandatory, as Rumanian reply to last British note on subject of implementation of Moscow Agreement was unsatisfactory and subsequent conduct of Rumanian Govt in preparing for elections has shown gross irregularities.

I am convinced that pre-election treatment of opposition parties has been anything but what we anticipated in Moscow decision. Rumanian Govt admits that opposition is denied use of radio. It is common knowledge that members of opposition parties do not have freedom of public assembly. In brief, Govt's pre-election policy is designed to stifle opposition. Intimidation has been widely used. Oppressive means are generally applied. No registration of voters known to be members of the opposition parties is general rule. This policy has been applied with such ruthless thoroughness that actual polling on November 19 may be quite fair. That day may even mark quietest national election ever held in Rumania. At same time it will mark most unrepresentative election.

The British obligations to Rumanian nation based upon Yalta and Moscow are no greater than our own. In past we have taken leadership in attempt to fulfill these obligations. We have not succeeded fully because Soviet Govt has not shown good faith that we had right to expect of it, nevertheless, by our actions in Rumania as pointed up in our notes of May 27 and June 14, we have secured grudging respect of Government and gratitude of opposition. Consistency on our part requires us at this time to reaffirm our principles and demand of Rumanian Govt fulfillment of obligation it assumed as condition to receiving our recognition.

<sup>29</sup> Not printed (871.00/10-1646); it asked for comments on the *démarche* proposed in the British Embassy *aide-mémoire* of October 16, *supra*.

<sup>30</sup> Adrian Holman, who had become British Political Representative in Rumania in March 1946.

But before embarking upon that course we must foresee its consequence. First, in practical field, note from American Govt is unlikely to bring any material change in policy of Soviet Govt as applied through Rumanian Govt to win forthcoming elections by heavy majority. Nevertheless, note will reaffirm to Government seriousness with which American Govt regards obligation once undertaken. It will bolster morale of opposition and will strengthen bond between US and great mass of Rumanian people who, through helplessness, are unable now to give expression to their democratic principles. It will confirm the faith of those Rumanian nationalists who later on may become nucleus of movement which we may need particularly.

At same time note will put us in position where we cannot without losing immense prestige recognize results of forthcoming elections. It follows that we cannot appoint Minister to Rumania while an unrepresentative government remains in office. Therefore, I recommend decision not be taken upon what present circumstances in Rumania require, but rather upon line Dept desires to take in future toward this country. If it wishes to maintain fighting diplomatic front a firm note is required. If, however, it is going to recognize the validity of most fraudulent elections ever perpetrated in Rumania and confirm that recognition by appointment of Minister, the least said publicly at the present time about Rumanian elections the less bad is our position. If this course is chosen, I plan in private conversations with Government officials and party leaders to repeat position we took in our notes to Rumanian Govt and which Secretary took in his conversation with Mr. Tatarescu. Honesty requires me to say, however, that such private conversations will not bluff the Rumanian Govt, nor sustain the ebbing strength of our staunch Rumanian friends.

BERRY

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[Telegram 680, October 22, to Bucharest, authorized Representative Berry to deliver a note to the Rumanian Foreign Minister regarding the forthcoming Rumanian elections (871.00/10-1946). Text of the note was subsequently somewhat altered at Mr. Berry's request. Regarding text as finally delivered on October 28, see the bracketed note, page 644.]

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871.5018/10-2046

*The Rumanian Chargé (Riposanu) to the Secretary of State*

No. 140

The Romanian Chargé d'Affaires presents his compliments to the Hon. the Secretary of State, and has the honor to ask his Excellency

to be kind enough as to forward the text of the following note to the Hon. the Secretary of Agriculture, at his earliest convenience.

As a consequence of the terrible draught which ravaged Romania during the past two years, the Romanian Government has been compelled to appeal to the Allied Control Commission, composed of the three Great Powers, in order to forward to the Governments concerned, Romania's request for cereals and, especially, for corn. Following that appeal, a conference took place in Romania, in August 1946, at the American Mission to the Allied Control Commission, where the U.S.A. was represented by the Hon. B. Y. Berry, representative of the U.S.A. in Bucharest, the Hon. N. E. Dodd, Under Secretary of Agriculture in the U.S.A., Mr. Kekitch, Commercial Attaché of the U.S.A., in Bucharest, on one hand; and Mr. T. Savulescu, Minister of Agriculture, Mr. G. Maurer, Under Secretary for Communications, on the other hand, and several technicians.

The result of that Conference was that the persons present fully realized that Romania was, indeed, in bad need of cereals and, especially, of corn.

Besides, some Romanian businessmen who were sent to purchase corn in the American markets, in order to prevent the famine which threatens the Romanian people, informed the Romanian Legation that they were unable to buy the corn wanted since Romania is not considered to be among the countries supposed to receive corn from the U.S.A. That list is set up by the Department of Agriculture.

Consequently, the Romanian Chargé d'Affaires begs the Hon. the Secretary of Agriculture to have Romania included in the above mentioned list, as from August 1946, when the Romanian Government informed the U.S.A., as to the urgent needs of corn for Romania, up to the amount of 1,000,000 tons.

The Romanian Chargé d'Affaires expresses to the Hon. the Secretary of State his deepest thanks for the assistance he will grant to the Romanian people in this matter of vital importance.

WASHINGTON, October 20, 1946.

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871.00/10-2346

*The Department of State to the British Embassy*

AIDE-MÉMOIRE

With reference to the British Embassy's *aide-mémoire* No. 31/46 of October 16 1946, quoting the text of a note which the British Government propose to transmit to the Rumanian Government in connection with the forthcoming elections in that country and inquiring whether the United States Government is prepared to address an analogous communication to the Rumanian Government, the Department of State has authorized the United States Political Representative in Rumania to deliver a communication along the following lines to the Rumanian Minister for Foreign Affairs when the British

Representative receives instructions to present the parallel note suggested in the Embassy's *aide-mémoire*:

[Here follows draft text of the proposed note to the Rumanian Foreign Minister.]

In response to the Embassy's request for comments on the suggested British note, the Embassy will observe that, while the United States note covers the substance of the British approach in its entirety, reference to specific provisions of the Rumanian electoral law which present particular opportunities to deny participation in the election to the Opposition Parties, has been omitted. It is the feeling of the United States Government in this connection, and a similar line was taken in conversations with the Rumanian Foreign Minister in Paris during August, that, although exception can be taken to certain provisions of the electoral law, by and large that statute provides a basis for free and unfettered elections, if its provisions were in fact implemented by the Rumanian Government in a spirit of sincere desire for the full participation therein of all democratic political parties. The United States Government considers it advisable to emphasize the importance of such implementation. Similarly, the United States Government hesitates to suggest particular steps such as those set forth in Paragraph 6 of the British note as essential to the conduct of a free election in Rumania, preferring to base its approach upon a general protest against Rumanian contraventions in respect to its assurances of the freedom to be guaranteed in these elections.

WASHINGTON, October 23, 1946.

611.7131/10-2546

*Memorandum of Conversation, by Mr. Howard J. Hilton, Jr., of the Division of Commercial Policy*

[WASHINGTON,] October 25, 1946.

Participants:

STATE:

Walworth Barbour, SE  
G. A. Costanzo, FN  
Howard J. Hilton, Jr., CP  
Robert G. Hooker, EE  
J. E. King, BC  
Francis A. Linville, IR  
Wallace McClure, SPA (ESC)  
Stanley D. Metzger, ES  
Ben T. Moore, CP  
Horace J. Nickels, SE  
J. A. Stillwell, IR

AGRICULTURE:

Gordon P. Boals, OFAR  
Albert Viton, RA  
Clayton E. Whipple, OFAR

COMMERCE:

S. W. Becker, OIT  
William M. Friedlaender  
K. Koranyi  
Stanley Shoup, OIT

The meeting was arranged to discuss the visit of the unofficial trade mission from Rumania which is constituted by Messrs. Malaxa and



Ausnit, Rumanian industrialists, and other representatives of the Rumanian Government and business.

Mr. Barbour, in opening the meeting, raised the question of an allocation of corn to Rumania. He pointed out that Rumania had suffered a severe drought which has resulted in an estimated deficit of a million metric tons of corn. The Rumanian Government, in endeavoring to secure corn from the United States, has made several approaches to the American Mission in Rumania; the Rumanian Trade Mission has also raised the question of obtaining corn from the United States. Messrs. Stillwell, Linville, Whipple, Boals, and Viton said that the Rumanian request would have to be considered in connection with total requirements. They pointed out that there was a general shortage of corn, and it appeared doubtful that an allocation could be made to the Rumanian Government unless the State Department were to request that a high priority be given to shipments of corn to Rumania. Mr. Barbour stated that the Department did not desire to give special consideration on political grounds to Rumania in this connection, but if corn were to be available the Department of State would like to see some allocation of corn made for Rumania.

It was generally agreed that this matter would be studied by IR and the appropriate groups in the Department of Agriculture.

Mr. Friedlaender asked if this mission had some official connection with the Rumanian Government. He was told that the mission was unofficial and represented the American-Rumanian Chamber of Commerce, but not the Rumanian Government, although some members of the mission are in the Government.

The background and general approaches of the mission were discussed. A general understanding was reached that discussions with the mission and with American businessmen who may raise questions with the Departments of State and Commerce regarding this mission would be coordinated between the two Departments.

It was generally agreed that (1) no credits could be extended to the Rumanian Government through instrumentalities of the United States Government at the present time, (2) no steps could be undertaken at the present time to unblock Rumanian funds which are blocked in the United States, (3) American businessmen asking for advice regarding proposals which might be made by Messrs. Malaxa and Ausnit should be informed of the present difficulties facing the United States Government in protecting American interests in Rumania, and (4) the Departments of State and Commerce had no objection to the conclusion of arrangements with Messrs. Malaxa and Ausnit which would provide for trade with Rumania or investments

of American capital in Rumania, provided such arrangements are not contrary to the commercial policy of the United States.

871.00/10-2646 : Telegram

*The Representative in Rumania (Berry) to the Secretary of State*

CONFIDENTIAL

BUCHAREST, October 26, 1946—3 p. m.

PRIORITY

[Received October 27—11:22 a. m.]

1008. I have received signed statement from National Peasant, National Liberal and Independent Socialist Parties addressed to American, British and Soviet Foreign Ministers.<sup>31</sup> Statement refers to Yalta and Moscow agreements as justification for calling attention to international question of manner Groza govt executes promise of free elections. Original document will be forwarded by pouch.

In detailing Government abuses in electoral preparations statement covers ground previously reported by mission. It states 50% of those asking to be registered have been omitted from electoral lists and registration tactics of regime already have compromised validity of elections. It recounts measures used to force public and army into line to vote for Government bloc ticket, outlines Government's restrictions on press freedom and opposition electoral publicity, and reiterates practical Government suppression of right of assembly and its terroristic campaign. Communists are stated as temporarily mobilized for army and *gendarmerie* to be available during elections. Opposition also said to be systematically impeded in registration of its candidates.

Statement concludes Government actions indicate strong measures will be taken during elections which will involve suppression of personal liberties of candidates and their adherents. Three opposition parties thus make five requests: (1) revision under international control of all electoral lists; (2) reestablishment of press liberty, electoral propaganda, right of meeting under equal conditions for all parties in election, as well as their equal surveillance of elections; (3) guarantee of personal liberties of electors and candidates; (4) impartiality of army, police and public authorities aiding election operations; (5) whatever election results no reprisals against any electors for their political attitude during campaign.

<sup>31</sup> Text of the statement referred to here was transmitted to the Department in despatch 1207, October 29, from Bucharest, not printed (871.00/10-2946). On November 9, Representative Berry received an additional memorandum signed by Maniu, Bratianu, and Petrescu, addressed to the Secretary of State and the British and Soviet Foreign Ministers, giving further details on the methods used by the Rumanian Government to falsify the results of the forthcoming election. The memorandum was reported upon in telegram 1043, November 9, from Bucharest, and a copy was transmitted to the Department in despatch 1242, November 18, from Bucharest, none printed (871.00/11-946 and 871.00/11-1846).

Government circles privately admit to this Mission between 600 to 2,000 men in uniform from Communist controlled strong arm squads will be stationed in each prefecture during elections and plans are being perfected to place blame on opposition for any outbursts or violence on election day.

BERRY

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[On October 28, 1946, the United States Representative in Rumania delivered to the Rumanian Foreign Minister a note regarding the views of the United States Government on the preparations for the forthcoming elections in Rumania. For text of note, see Department of State *Bulletin*, November 10, 1946, page 851. The British Political Representative in Rumania also delivered a note October 28 regarding the forthcoming elections to the Rumanian Foreign Minister. The British note was a revised version of the proposed note quoted in the British Embassy *aide-mémoire* of October 16, page 635.]

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871.00/10-2946 : Telegram

*The Representative in Rumania (Berry) to the Secretary of State*

TOP SECRET

BUCHAREST, October 29, 1946—noon.

[Received October 30—7:55 a. m.]

1013. No distribution except to SE. Dr. Filderman, President of Union of Rumanian Jews, called to give me copy of secret compact he had made with Govt, throwing support of his organization to Govt for elections, and receiving in return promise of Govt to perform certain acts specified in compact for rehabilitation of Jews in Rumania. Later, communiqué will be published stating Jewish community decided to support Govt in elections but reasons for support will remain secret. Dr. Filderman said Jewish vote would amount to about 2 percent of total vote.

Dr. Filderman admitted action was nothing short of capitulation in face of Govt pressure and an about-face of democratic attitude that he has maintained through 40 years. He said he regretted beyond words necessity of capitulation, particularly to this Govt which is most despotic and most undemocratic Rumania has ever had. Whereas all former govts had recognized rights of their adversaries, Groza govt recognized its adversaries only as enemies that must be destroyed. Dr. Filderman gave as his reasons for signing compact:

(1) As number of Jewish notes [*votes*] will not affect one way or other results of elections he didn't have right to sacrifice Jews or principle in view of lessening possibility of peaceful international solution

of eastern European problem within next few months. He added, he was convinced Russia was not working for solution but on contrary for domination in this area—domination that would only be ended by war between western democrats and Russia;

(2) If he had not gone along, Govt would have considered his group center of reaction and proceeded to destruction of community and violence towards members;

(3) Soon after election Soviet Govt would deport thousands of Rumanian Jews to Siberia as it deported thousands from Bessarabia after acquiring that territory in 1941;

(4) With Jews voting with Govt in elections there was hope Govt would keep some of its oft repeated promises to restore to Jews all that was taken from them during Antonescu regime.

BERRY

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871.5018/10-2046

*The Secretary of State to the Rumanian Chargé (Riposanu)*

The Secretary of State presents his compliments to the Chargé d'Affaires ad interim of Rumania and refers to his note of October 20, 1946 concerning a request for an allocation of corn from the United States.

The Secretary of Agriculture has been notified of the Rumanian Government's request for procurement of 1,000,000 tons of corn. This request will be submitted by the Secretary of Agriculture to the Secretary General of the International Emergency Food Council where consideration will be given to including it with the import requirements of all other countries for bread grains.

This Government's grain export program is determined after an examination of the relative needs of the various countries requesting supplies from the United States and after these needs have been considered by the Cereals Committee of the International Emergency Food Council, on which most of the major grain importing and exporting countries are represented. Export licenses are issued in accordance with this export program.

Although the production of grains in the United States has been extremely good during this crop year, the urgent requirements of many areas of Europe and Asia are so great that it is quite apparent that the available supply in the United States will not be adequate to fulfill the demands.

The Secretary of State wishes to assure the Rumanian Chargé d'Affaires that full consideration will be given to the Rumanian grain requirement by this Government in consultation with other members of the International Emergency Food Council.

WASHINGTON, November 1, 1946.

871.00/11-246 : Telegram

*The Representative in Rumania (Berry) to the Secretary of State*

URGENT

BUCHAREST, November 2, 1946.

[Received November 2—2:41 p. m.]

1024. Following is unofficial English translation of Rumanian text of note signed by Tatarescu delivered to me by Secretary General of FonOff at 2 p. m. today. Secretary said note will be published tomorrow by Rumanian press along with our note.

"I have the honour to acknowledge receipt of your note of October 28, 1946<sup>32</sup> and hasten to communicate to you the Rumanian Government's reply.

The Rumanian Government is glad to be able to interpret the contents of this note as a manifestation of the interest that the United States Government is showing Rumania in general and for her integral evolution in particular and to express to it its entire gratitude.

On examining the contents of this note, however, the Rumanian Government much regrets that the views expressed in its reply of June 18 [17], 1946<sup>33</sup> are not shared by the US Government.

Through your note of October 28, 1946 the United States Govt indeed expresses its concern that the Rumanian Govt has failed to implement the obligations assumed on the basis of Moscow decisions.

Yet in its note of June 18, 1946 in reply to an intervention made by the United States Govt by virtue of the Moscow decisions the Rumanian Govt states 'on the other hand the Rumanian Govt in receiving this new note of the US Govt cannot refrain from observing that the Moscow decisions have been the result of discussions and of decisions arrived at jointly by the Govts of the USSR, the US and Great Britain, therefore the Rumanian Govt must assume that any observatory act destined to control and to direct the implementation of the Moscow decisions cannot be the work of signatory governments individually but the collective work of these governments. The Rumanian Govt, however, has not received [from the Government of the U.S.S.R. any objection or observation]<sup>34</sup> regarding the implementation of the Moscow decisions and they cannot, therefore, disregard this situation. The Rumanian Govt still holds the same position today.

On principle it is unable to take into consideration any observations in connection with obligations it had assumed as a result of the Moscow conference agreement unless such observations proceed from all the three signatory powers of the agreement.

On principle, furthermore, it cannot take into consideration any observations or recommendations that would constitute acts of interference in its internal policy and which would thus be incompatible with the attributes of a free and sovereign state.

<sup>32</sup> Department of State *Bulletin*, November 10, 1946, p. 851.

<sup>33</sup> *Ibid.*, June 30, 1946, p. 1125.

<sup>34</sup> Bracketed insertion based on copy of translation of note transmitted to the Department with despatch 1221, November 4, 1946, from Bucharest, not printed.

Therefore, it much regrets to find itself unable to retain [*accept?*] or discuss the observations in the United States Govt note of October 28, 1946.

Desiring, however, to respond to the interest manifested by the US Govt towards Rumania, the Rumanian Govt hastens to inform you that by the steps taken and steps to be taken yet all the obligations which it has assumed following the Moscow Conference agreement will be fully implemented so that the free expression of the Rumanian peoples vote on November 1946 will represent its will and its aspirations.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration."

BERRY

871.00/11-346 : Telegram

*The Representative in Rumania (Berry) to the Secretary of State*

SECRET

BUCHAREST, November 3, 1946—10 a. m.

[Received November 4—4:18 p. m.]

1027. Groza in expansive mood recently told of secret meeting with Tito.<sup>35</sup> Tito assured him as long as Moscow was satisfied with Rumanian Govt he had nothing to ask from Rumania adding if there were Govt in Rumania with which Moscow was not satisfied he would revise his attitude. Groza cited this conversation as evidence that happy future of Rumania was closely tied to continuation of his Govt. In same conversation he said his Govt planned to strengthen the church in Rumania as it was weapon that would be used against the imperialism of Vatican. In this connection he is drafting law arranging for retirement of some independent-thinking bishops in Transylvania and replacement by men more in sympathy with new DPM order.

BERRY

871.00/11-446 : Telegram

*The Representative in Rumania (Berry) to the Secretary of State*

SECRET

BUCHAREST, November 4, 1946—9 a. m.

US URGENT

[Received 1:50 p.m.]

1026. This week Maniu, Bratianu, Petrescu and several other leading politicians of opposition called at Mission. Members of staff have seen at other places Groza, Gheorghiu-Dej, Maurer and other leading personalities of Government. This telegram gives trend of thinking of each of two groups.

Opposition leaders are convinced their true strength is increasing steadily. Titel Petrescu said 80 per cent of workers have indicated

<sup>35</sup> Josip Broz-Tito, Yugoslav Prime Minister.

their desire to be with his party. For first time in party's history peasants are contributing money to sustain party organization. Maniu confirmed this adding he had never been so strong and never so impotent.

These men expressed gratitude for our help and recent Voice of America broadcasts to Rumania. Petrescu was particularly pleased, claiming many workers have said to him, "See, our friends have not forgotten us".

All opposition leaders agree elections will be quite opposite of "free and unfettered". They said representation of their parties in Parliament would be limited to number determined prior to election day by Communist Party. Only change they noticed since delivery of our note is intensification by Government of its terrorist tactics. Summarized chief complaints against Government are:

1. Crossing from registration lists names of thousands Liberal [and] Peasant Party members and [apparent garble].

2. Placing obstructions to point of physical violence to the deposit of lists of names of candidates.

3. Arresting candidates on hastily trumped up charges.

4. Changing of normal voting places so voters in heavily peasant communities must travel 30 miles or more to vote, with no transportation available other than oxen or horse-drawn carts.

5. Continuing preparations for temporary induction into *gendarmerie* of several hundred Communist Party members in each voting district "to preserve order during elections".

Bratianu with Maniu concurring stressed tightening grip Russia is securing in southeastern Europe while pretending she is assisting area towards return to normal living. He recalled Bulgaria has just had "free" election,<sup>36</sup> Rumania is scheduled to have one soon, and with Yugoslavia already in line, Russia soon will be able to present to world a structure based on "freely expressed will" of Balkan peoples, which will be used as powerful robot for pressing for Russian solutions of such international problems as Danube and Straits. Bratianu said his party by participating in elections and assisting in giving appearance of orderly return to normal living was becoming unwilling tool of Russians. He wondered in view of absence of freedoms if opposition could not do more for the cause by withdrawing Ministers from Government and withdrawing candidates from elections, thereby showing world that all was not progressing in Balkans as Russians claimed. I said any such unadvised action would be a blunder as it would increase rather than diminish our difficulties on larger plane during next few months. If Department disagrees please instruct urgent reply.

<sup>36</sup> For a report on the Bulgarian elections of October 27, 1946, see telegram 869, October 29, from Sofia, p. 163.

Gheorghiu-Dej, Communist Minister of Communications, explained election was a battle in which opposition were enemies that must be defeated. He said Government had exploited every weakness of opposition and would continue to do so. He added Soviet Government expected Rumanian Government to win election, and win it it would. Although admitting privately numerical weakness of Communist Party he insisted it formed most active element of population and therefore deserved to have leadership. As illustration he used agrarian reform, claiming people desired it in spite of opposition of reactionary Radescu government, second that Communists seeing trend brought it to a head through characteristic leadership and tactics. In this he said, the party proved correctness of maxim "might makes right". Other Government leaders followed same line, all insisting Russia trusted present Government and therefore country could be saved only by returning present Government to power. All said a government formed by opposition would bring Russian occupation and loss of Rumanian independence.

We see Communist Party in Rumania is still wearing national cloak, but in election it is out to win regardless of what costs in broken pledges and dead peasants. After election it can throw off its cloak or continue to wear it according to needs of moment.

BERRY

871.00/11-546

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*The British Embassy to the Department of State*

AIDE-MÉMOIRE

His Majesty's Government are considering whether any action could usefully be taken in connection with the appeal by the three Opposition parties in Roumania which was addressed to the Governments of the United States, the U.S.S.R., and the United Kingdom on the subject of the Roumanian Government's measures to prevent the holding of free elections in Roumania.<sup>37</sup>

Recent experience in Bulgaria does not encourage the hope that any tripartite action will be possible. Nevertheless, His Majesty's Government think that there would be advantage in attempting to secure consideration of the Roumanian electoral preparations by the Allied Control Commission as a measure of reinforcement to the Notes which were handed to the Roumanian Government on October 27th by the British and American representatives in Bucharest.

If the United States Government agree, it might be proposed to the Soviet Government that the memorandum from the three Opposi-

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<sup>37</sup> The opposition memorandum under reference was described in telegram 1008, October 26, from Bucharest, p. 643.



tion parties in Roumania should be considered by the Allied Control Commission in Roumania, who should be asked to make recommendations as to any action which should be taken, in the light of the situation revealed by that memorandum.

His Majesty's Embassy is instructed to ask the State Department for the views of the United States Government on this suggestion.<sup>38</sup>

WASHINGTON, 5 November, 1946.

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871.00/11-946 : Telegram

*The Representative in Rumania (Berry) to the Secretary of State*

SECRET

BUCHAREST, November 9, 1946—7 p. m.

US URGENT

[Received November 13—6:07 a. m.]

1047. As forthcoming Rumanian election is being cut to a Moscow pattern, I hold no hope for securing Soviet agreement to ACC consideration of opposition memorandum or to impartial consideration of any aspect of electoral problem by ACC. Nevertheless, for the good that it will have outside Rumania now as well as within this country when democratic methods are finally restored, I favor making the effort.

Since acts of past cannot be undone, it seems undesirable at this stage to emphasize in ACC discussion of abuses of freedoms and perjuring of electoral lists, but I believe many projected abuses may be prevented if we can assure opposition parties of their right to have representatives at all polling places throughout November 19, (reference Department's telegram 715, November 8<sup>39</sup>). This would do something to restore situation of which opposition leaders complain in second memorandum, (reference my telegram 1043, November 9<sup>40</sup>).

Whether we succeed in bringing electoral problem before ACC as means to reinforce our notes, I think we cannot let the Rumanian note of November 2 stand as last document of this exchange. That note calls for reply. Moreover, a reply should be available to the Ru-

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<sup>38</sup> In an *aide-mémoire* dated November 14 and handed to an officer of the British Embassy on the same day, the Department stated that it was prepared to accept the British suggestion that the memorandum of the Rumanian opposition parties be referred to the Allied Control Commission for Rumania with a request that the Commission be asked to recommend such action as may appear possible in the circumstances (871.00/11-546). On November 16, however, the British Embassy informed the Department that the British Government no longer contemplated action on the opposition memorandum in the Allied Control Commission.

<sup>39</sup> Not printed; it reported on the proposals contained in the British *aide-mémoire* of November 5, *supra*.

<sup>40</sup> Not printed, but see footnote 31, p. 643.

manian people before they go to polls. In view of impediments to news distribution in Rumania November 15 is our deadline.<sup>41</sup>

BERRY

871.00/11-946: Telegram

*The Acting Secretary of State to the Representative in Rumania  
(Berry)*

SECRET

WASHINGTON, November 14, 1946—3 p. m.

US URGENT

723. We are informing Brit Govt thru Emb here our agreement to proposal that appeal by Rum opposition parties to three powers be referred to ACC.<sup>42</sup>

Dept agrees opinions par 2 urtel 1047. Accordingly, when your Brit colleague has received instructions take parallel or supporting action, pls request Gen Schuyler to ask that ACC consider opposition memo with view to recommending such action as appears warranted in circumstances. In particular he is authorized to request that Commission take steps necessary to ensure all parties right to have representatives at polling places throughout election day and at counting of ballots.

Schuyler is authorized to recall renewed assurances of Rum Govt in note of Nov 2 that obligations which it assumed pursuant to Moscow Agreement will be fully implemented. Despite possible reply from Sovrep that matter is internal affair or not properly ACC concern, Schuyler should request issuance to Rum Govt whatever directives requisite to promote free conduct of elections.<sup>43</sup>

ACHESON

[On November 15, 1946, the United States Representative in Rumania delivered a note to the Rumanian Foreign Minister replying to the Rumanian note of November 2 and reiterating the American position on the Rumanian elections. For text of the note, released to the press on the day of its delivery, see Department of State *Bulletin*,

<sup>41</sup> Text of reply to the Rumanian note of November 2 was transmitted in telegram 726, November 14, to Bucharest, not printed. Regarding delivery of the American note, see bracketed note, above.

<sup>42</sup> Regarding the Department's *aide-mémoire* of November 14 to the British Embassy, see footnote 38, p. 650.

<sup>43</sup> Telegram 729, November 16, 2 p. m., to Bucharest, stated that the British Government no longer contemplated Allied Control Commission action on the appeal of the opposition parties. General Schuyler was directed to take no action in the matter. (871.00/11-1646)

November 24, 1946, page 967. The British Political Representative in Rumania delivered a similar note to the Rumanian Foreign Minister on November 16. On November 18, Foreign Minister Tatarescu sent the following reply (in unofficial translation) to Representative Berry: "I have the honor to acknowledge the receipt of your note of November the fifteenth, 1946. The Rumanian Government, after having examined its contents most carefully, considered necessary to reassert, in reply, its view set forth in its note of November the second, and wishes to assure the United States Government that the democratic principles of freedom and justice invoked in your note are and will remain the constant guidance of its action in the present general elections as well as in the achievement of the great reforms destined to reorganize the basic establishments of the Rumanian state." (871.00/11-1846)]

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871.00/11-946 : Telegram

*The Chief of the United States Representation on the Allied Control Commission for Rumania (Schuyler) to the War Department*

SECRET

BUCHAREST, 16 November 1946.

URGENT

R-102. Mister Berry last evening transmitted to me instructions just received from the State Dept in its message number 723 dated 14 Nov. The ACC action contemplated by these instructions appears to be based upon incomplete knowledge of the actual British position in the matter. I have discussed the problem with the British political and military representatives in Rumania who have shown me all pertinent communications and have particularly emphasized to me the following considerations:

1. HMG never contemplated taking up directly in ACC Rumania the question of assuming free elections but rather proposed a joint approach to the Moscow Govt urging that that government issue appropriate instructions to the ACC.

2. HMG now considers it is now too late for even that approach and prefers to let the matter rest entirely on the basis of its communication to the Rumanian Govt, including its final note which is to be delivered at noon today and with which I am familiar.

3. HMG considers it highly undesirable approach the matter at this time in the ACC, anticipating merely a rebuff from the Russians which they fear might draw attention from the importance of their last note to the Rumanian Govt.

4. HMG considers it also undesirable to base any protest of the Russians on a polite note from the opposition parties. HMG considers it preferable to discuss the entire matter of political fraud in Rumania on a high level after the elections have been completed, at a time when the general question of the conduct of the electoral

campaign can be brought up, on the basis of factual observation by British representatives in Rumania.

Mister Berry and I both interpret the instructions in State Dept message number 723 to require my action in the ACC only if and when my British colleague is prepared to take parallel action. Since his instructions do not permit him to take the initiative or to parallel or support me, I am not approaching Susaikov on this question unless I receive further definite instructions to this effect. In this connection both Berry and I believe it is now too late to warrant an attempt to provoke ACC action; even assuming Russian willingness to discuss the question in the ACC (which I consider most unlikely), that we could not reasonably expect at this late date the ACC to issue instructions to the Rumanian Government which would require that Government to alter its electoral procedures through entire nation on 19 Nov, only 2 days away.

[SCHUYLER]

871.00/11-2246 : Telegram

*The Representative in Rumania (Berry) to the Secretary of State*

SECRET  
URGENT

BUCHAREST, November 22, 1946.  
[Received November 24—1 a. m.]

1097. Yesterday morning King Michael sent me an urgent personal message asking me to meet privately his Marshal of the Court, his personal secretary and an intimate personal adviser. Accompanied by Mr. Melbourne, I dined privately with these three.

All three agreed preparations for elections were undemocratic and results were attained fraudulently.<sup>44</sup> The question that was giving them serious concern was, what should the King do under these circumstances? All agreed in recent months King's popularity had dwindled; that Soviets would continue to tolerate King as long as he remains a political force; that King's acceptance of election results would further seriously undermine his prestige; that when his prestige nears exhaustion Soviets will lose no time in ridding themselves of him. They reminded me Parliament opens December 1, that custom required King to read speech from throne at opening. By this act he will commit himself to acceptance of results of fraudulent elections and acts of Parliament thereby constituted.

Beyond this point the three were not in agreement.

The private secretary stated his view that King had an obligation to Rumanian people to refuse to accept results of fraudulent election regardless of any action by Americans and British. He said he realized

<sup>44</sup>For a summary report on the course and results of the Rumanian elections of November 19, see despatch 1265, November 27, from Bucharest, p. 662.

if King took this stand it would again bring him into open conflict with Government and Soviets, it would increase personal danger, and it might mean his abdication. It would mean, however, that until end of his reign, he had acted in accordance with will of his people. But, if he accepts results of elections, he will be tolerated yet a little longer by Russians, but in the end he would go anyway, and perhaps not much later as he would become at once a King without popular support.

The Marshal took view it was necessary to continue to play for time. He admitted acceptance of elections by King would most seriously undermine his popularity, but he felt if King could outlast Russian occupation, he had even chance of reestablishing his position in minds of his people. He felt King, therefore, should accept elections and open Parliament unless we and Britain advised him otherwise. In such case, King would be accepting American-British historic parties' reports on election rather than Government-Soviet report, and we would have obligation to see matter through as last time we had seen it through by bringing about Moscow decision after King's attempt to implement Potsdam Agreement had been thwarted. The Marshal felt if we could not guarantee an ultimate arrangement of situation, King, irrespective of our action, should accept the election.

The third Rumanian reminded us King by his action August 23, 1944,<sup>45</sup> made himself symbol of national Govt movement regency and by his act of August 20, 1945,<sup>46</sup> symbol of national resistance. Since latter date he has lost popularity by decorating Groza, confirming death sentence of Antonescu, dismissing hundreds of career officers from army, accepting electoral law, and publicly associating himself with Soviets. The Rumanian said if King accepts results of elections he would destroy last vestiges of his hold on people and his reason for being. He could not be a traitor to himself. He had to refuse to accept elections. At same time Americans and British had no choice but to refuse to accept. Eight notes had been sent to Rumanian Govt asking fulfillment of promise made and Government had told Anglo-Americans to mind their own business. In view of obligations assumed toward Rumania in Yalta, Potsdam and Moscow, Anglo-Americans could not accept this treatment, and ever again in eastern Europe champion democratic principles. He concluded King, Americans and British are in same boat and has to refuse to accept results of elections.

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<sup>45</sup> Date on which King Michael arrested Marshal Antonescu and established a new government which concluded an armistice with the United Nations and declared war against Germany.

<sup>46</sup> Date of King Michael's appeal to the United States, the United Kingdom, and the Soviet Union for advice on means to establish democratic and representative government in Rumania.

I told them I had not yet received full reports upon elections and had made new [no?] recommendations to Washington and had, of course, received no instructions. I said I could not, therefore, make any statement but I hoped within a few days to know attitude of my Government upon elections and I felt sure King's position would receive serious consideration at same time that my report on elections is being considered.

BERRY

874.00/11-2346 : Telegram

*The Representative in Rumania (Berry) to the Secretary of State*

SECRET

BUCHAREST, November 23, 1946—6 p. m.

US URGENT

[Received November 24—7:28 a. m.]

1101. Before considering recommendations which follow, Dept should be familiar with General Schuyler's carefully documented report telegraphed as his 130 of November 23,<sup>47</sup> based on observation of American officers throughout Rumania on election day; Mr. Holman's telegram on November 22 to London repeated to Washington,<sup>48</sup> based upon British observations on election day, the press reports of American correspondents in Rumania; my preliminary reports, including Rumanian press reports of Government statements, notably mytels 1089, November 20; 1094, November 21; 1095, November 21; 1088, November 22; and 1099, November 22.<sup>49</sup> Dept also should have seen mytel 1097, November 22, concerning King Michael's predicament.

I feel it would only be tedious to summarize here what has already been reported. Suffice to say Groza govt carried through elections in same spirit as it prepared for elections—in utter disregard for promises given and for elementary decency. In fact Govt established new low level for Balkan elections. It blatantly falsified returns, mocking the carefully phrased suggestions of Anglo-American notes. Such action makes it impossible for us to accept election results. We are forced to modify our attitude toward Rumanian Govt to meet new conditions. In view of this I offer the following minimum recommendations based on what I believe we can do rather than what I would like to see done.

(1) American Government, preferably with parallel British action, should state that it considers Rumanian elections were not the free

<sup>47</sup> Not printed.

<sup>48</sup> Telegram 9706, November 22, from London, not printed; it reported that a British Foreign Office official had commented that the reports from the British Mission in Bucharest made it clear that the Rumanian elections were "a complete fake". (871.00/11-2246)

<sup>49</sup> None printed.

and unfettered elections anticipated by Moscow decision and promised by Groza govt. Such statement will be given widest local circulation if it is a part of note to Rumanian Govt. I suggest such note include no statement about recognition of Govt, leaving it understood by fact that we address note to Govt that we will continue normal business with it. Since new Parliament meets on December 1, our note should be delivered not later than Friday, November 29.

(2) As elections, normal final step in implementation of Moscow decision, ended in fiasco, I recommend Rumanian question be discussed again as early as possible on same level as that which produced Moscow decision. Because of Soviet attitude, I am no longer hopeful this will bring much improvement locally, unless there is general improvement in American relations with Soviet Union, but I believe effort must be made. We then will have supported Rumanian democratic elements by all means presently within our grasp, and record will show that we exhausted every such means to fulfill commitments we assume towards Rumania at Yalta, Potsdam and Moscow. Responsibility for failure then is the Soviets. Nevertheless, they secure all their Rumanian objectives and can realize their further plans such as break-up of opposition on present form and elimination of monarchy.

(3) I recommend before end of calendar year I be transferred. Although my relations with all political leaders have never been better, I am convinced they will begin to bring a diminishing return. Having been so active politically during the past 2 years, it will be impossible, with elections what they were, for me to be close to Govt without incurring enmity of opposition, or close to opposition without incurring enmity of Govt. Because of important political implications, I am making transfers subject of my next following telegram.<sup>50</sup>

(4) I suggest officer Dept has in mind to become Chief of Mission in Rumania proceed in near future to Bucharest. Whether he arrives at end of December or early in January, shortly before or shortly after my departure, is immaterial. Upon his taking over I suggest Mission assume status of Legation, inasmuch as there is now Rumanian Legation in Washington, and by that time treaty should be initialed. I feel we could indicate disapproval of Govt by making that officer Chargé d'Affaires with personal rank of Minister. The Rumanians would be sensitive to such move and at same time flow of our information will not be interrupted nor will it be difficult to name officer Minister Plenipotentiary at more propitious moment. I believe this will require no change in article 35 of draft Rumanian treaty.<sup>51</sup>

<sup>50</sup> Telegram 1102, not printed.

<sup>51</sup> For text of the draft Peace Treaty with Rumania, see vol. iv, p. 63.

(5) I have given very much thought to King Michael's predicament, discussing it thoroughly with members of my staff, and have come to conclusion that we should offer him no advice as we are not in position to back our advice with other than moral support. It is true situation offers King perhaps last opportunity to proclaim his position and to rally national sentiment before becoming engulfed, since question of changing "basic establishments of state" is unlikely to be presented publicly to him as clear-cut issue.

I expect he will ask me to come and see him late in week, at which time he will certainly wish to know American Govt's attitude towards elections. I propose to limit myself to stating my attitude and, if asked, say General Schuyler and I will not be present at opening of Parliament as that would give impression American Govt had accepted results of election.

BERRY

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871.00/11-2246 : Telegram

*The Acting Secretary of State to the Representative in Rumania  
(Berry)*

SECRET

WASHINGTON, November 26, 1946—6 p. m.

US URGENT

745. Reurtel 1097, Nov 22. Text of Dept's press release on Rum elections issued today<sup>52</sup> and carried by Voice of America is being transmitted next following tel. You may inform King of this statement US Govt's views re those elections if it has not already come to his attention.

As further step Dept is considering sending notes to Sov and Brit Govts substantially as follows: 1) our reports concerning conduct Rum elections indicate flagrant abuses despite our previous expressions of apprehension to Rum Govt and receipt of reiterated assurances by that Govt. Evidently Groza govt was unable or not disposed abide by assurances. 2) consequently, US Govt cannot consider that Rum Govt has fulfilled promises given three powers in implementation Moscow decisions nor regard election results as reflecting free and unfettered expression will of Rum people. 3) Hence, US Govt conscious of obligations assumed at Yalta in light subsequent tripartite agreements, urges Sov and Brit Govts concert with US to formulate joint steps re Rum situation particularly with view to holding of new elections without delay under conditions ensuring in fact implementation guarantees given by Rum Govt. 4) US Govt will appreciate early response and suggests proposed con-

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<sup>52</sup> Department of State *Bulletin*, December 8, 1946, p. 1057.



sultations take place in Moscow between US and UK ambassadors and appropriate rep of Sov Govt.

We have informed Brit Emb here informally with request Emb ascertain FonOff views in matter. If Brit agree we would contemplate transmitting notes immediately and publishing contents.<sup>53</sup>

While we cannot assume responsibility advising King as to course he should pursue, we have no objection your acquainting him our thinking along foregoing lines if you consider desirable.

Sent Bucharest; repeated Moscow and London.

ACHESON

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871.00/11-2646

*Report Prepared by Mr. Charles E. Hulick, Jr., on the Staff of the Representative in Rumania (Berry)* <sup>54</sup>

SECRET  
Report No. 54

BUCHAREST, November 26, 1946.

#### RUMANIA'S FIRST MASS TRIAL PROCLAIMS OPEN WAR TO LIQUIDATE HISTORICAL PARTIES

During the week November 11-18, 1946, there was held in Bucharest a Mass Trial according to the Soviet pattern established by Andrei Vishinsky in famous Moscow Trials of 1936. This report is based entirely on the notes of the Mission's Officer who was present as observer throughout every minute of the trial. It is of immediate actual importance in that the blunders made by the less experienced Vishinskys of Rumania exposed in its entirety the real objective of the trial and provided the Western Democracies with a window through which they could obtain a clear glimpse of Soviet Russia's goal in the Balkans and the ruthlessness with which she intends to attain it. More trials with the same purpose will follow. The press already has announced the discovery of another alleged terrorist organization, led by an Army General. Although the trial of this group and others will follow the same pattern, the revealing mistakes made during the trial under review will not likely be repeated.

On the surface, the trial of ninety-one individuals for alleged subversive activity was to be presented as a trial following the normal established method of the civilized world to administer justice to

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<sup>53</sup> Telegram 754, November 30, to Bucharest, repeated to Moscow and London, stated that the Department had been informed that the British Foreign Office did not favor the proposal set forth in this telegram on the grounds that (1) it would achieve no practical effect and (2) it would result in a probable Soviet response which would only augment the impression of American-British impotence (871.00/11-2246).

<sup>54</sup> Received by the Division of Foreign Reporting Services of the Department of State on December 11, 1946.

individuals accused of illegal activities. Fortunately for the truly civilized part of the world, the trial's cruel travesty on Justice could not be concealed, but, on the contrary, was revealed in all its despicable evilness.

First arrests were carried out May 27, 1946. The public learned of these arrests through sensational front-page articles in the Communist controlled press. These articles told of the discovery of subversive terroristic organizations which had hidden deposits of arms, ammunitions and infernal machines; that these organizations aimed at overthrowing the Government, insurrection of the Army and disrupting unity of Rumanian State; that among the arrested were prominent members of the opposition parties, the National Peasant, under leadership of Iuliu Maniu, and the National Liberal, under leadership of C. Constantin Bratianu, and Rumanian employees of the American Political and Military Missions in Bucharest; and that the organizations, as could be seen from the confiscated propaganda leaflets, were anti-semitic, anti-communist and anti-russian in character. Thus the stage was set to produce irrefutable proof of the necessity to dissolve the "Fascist" historical parties and to infer to the world that the United States was supporting these organizations and therefore unmasked itself to be the cradle of reactionary Fascism.

After holding the accused under detention for nearly six months the much heralded trial, which was rushed through with morning, afternoon and evening sessions, commenced on November 11. On the following day the indictment was read.

After a brief résumé of the indictment, which was eighty-one pages long, this report, instead of treating the trial as it progressed from day to day, will endeavor to present the plot of Emil Bodnaras (Secretary General of the Presidency of Council of Ministers and Rumanian Communist Politburo member, recognized Chief of Secret Police), as it was uncovered during the trial.

[Here follow details of the indictment and of the testimony given during the trial.]

#### INQUISITION METHODS TO EXTORT INCRIMINATING EVIDENCE

The mere fact that the trial was built up mostly on the basis of "synthetic evidence produced in the laboratory of the Secret Police and Judiciary authorities", as one outstanding lawyer told the Court, served to make even the Judges of the Court believe in the veracity of the declarations made by numerous of the accused that they had been tortured morally and physically at the prison of Pitesti to extort from them false declarations to incriminate them and the American and British Missions.

Radu Valsanescu's<sup>55</sup> declaration in Court about the subterranean cell has already been described. Others were placed in this cell, in particular Mr. Calleya and Colonel Plesnila.<sup>56</sup> In addition to keeping Colonel Plesnila for days in this stinking, filthy cell, the commissars told him that his wife had been arrested and was being detained in a similar cell. Plesnila heard the wailings of a woman's voice and was later told by the commissars that his wife had died. After this he was brought to the cell of General Aldea<sup>57</sup> and Calleya. He was described to the Court by General Aldea as a half-crazy man, nearly unrecognizable, who begged that he be killed so that he could join his wife, whom he believed to be dead! If the commissars wanted to get signatures from somebody else they brought Plesnila into the individual's cell and threatened to put that person through the same torture. This was done to General Aldea who was likewise told that if he did not sign the desired statement, his wife would be arrested and subjected to Gestapo tortures.

Generals Aldea and Eftimiu,<sup>58</sup> Colonel Evolceanu<sup>59</sup> and every officer arrested in connection with "The Armed Group Sinaia" described to the Court how they had been tortured and threatened with the arrest of their wives. They said they preferred to sign anything in the end, rather than subject themselves, the uniforms they wore and possibly their wives to further indignities. They declared that they decided to do this with the firm conviction that when they appeared before the High Military Court composed of Generals of the Army in which they had served or were serving, they would be judged not on the basis of these extorted statements but on the basis of truth and justice.

General Atanasiu, President of the Court, could not hide the fact that he was deeply moved by these declarations. However, he tried to minimize their value by stating to the officers that he could not believe Army officers decorated for bravery on the front could permit civilian commissars to quail them into signing false statements. No one in the courtroom believed for one moment that Atanasiu was sincere in saying what he did. His facial expression gave him away.

[Here follows brief accounts of the concluding statements by the prosecuting attorney and the defense lawyers.]

<sup>55</sup> Private Secretary to Constantin (Dinu) Bratianu.

<sup>56</sup> Lt. Col. Eugen Plesnila, allegedly a member of the so-called "National Resistance Movement".

<sup>57</sup> Gen. Aurel Aldea, Rumanian Minister of Interior August-December 1944, and allegedly the commander of the so-called "National Resistance Movement".

<sup>58</sup> Gen. Constantin Eftimiu, alleged leader in the so-called "National Resistance Movement".

<sup>59</sup> Alleged member of the so-called "Armed Group Sinaia" described as a terrorist organization.

## THE VERDICTS

Following three-and-a-half hours deliberation, General Atanasiu announced the Court's heavy verdicts at 7:30 a. m.<sup>60</sup> Twenty-seven of the accused were condemned to life-imprisonment at hard labor. Among these were General Aldea and Eftimiu, Colonel Plesnila, Lt. Colonel Evolceanu and all but one of those who were tried in absentia, including Manicatide of the American Military Mission. Steanta and Paliacu were likewise condemned to hard labor for life. There were eleven acquittals, the most important being Ionel Pop,<sup>61</sup> Radu Valsanescu and the Secret Service agent, Captain Dumitrescu. Miss Olteanu, alien employee of the American Mission was bound over to trial by another court. Until such trial the Court decided that she should be placed in liberty. The other sentences ranged from twenty years to six months' imprisonment.

## INTERPRETATION OF VERDICTS

The harsh verdicts against General Aldea and his friends is interpreted as a sign that anyone who is capable of organizing a *Coup d'État* such as August 23, 1944, is considered dangerous to the Government and must be eliminated.

The verdict in the case of Elvira Olteanu is the result of constant intervention on the part of the Mission. It is far from satisfactory. It means that she has not been declared innocent or guilty of the charges and she can be arrested again on a minute's notice. Theoretically she cannot be arrested on the same charges, but she can be tried again by a different court or arrested for different trumped-up charges. It is possible that she may never be called to trial again, but she remains with the fear that she is at the mercy of the Secret Police. This formula of suspending sentence without delivering a verdict is common in political trials in Rumania. It is a face-saving device for the Government when they bring to trial an innocent person and in the end yield to pressure for this person's release.

Ionel Pop was due to be sentenced to twenty years hard labor. Through confidential sources it has been learned that at the last minute Mr. Maniu personally requested the King to intercede in his behalf. The King is reported to have said that he was impotent, but promised to speak to Princess Ileana, sister of former King Carol II. The latter called one of the career magistrates working behind the scenes for the prosecution and gave him instructions to General Atanasiu to acquit Ionel Pop. . . .

<sup>60</sup> The verdicts were rendered on November 18, 1946.

<sup>61</sup> Nephew of Constantin (Dinu) Bratianu and a leader in the National Peasant Party.

Radu Valsanescu obtained an acquittal by signing on the last day of the trial a behind the scenes declaration withdrawing his previous statement in Court about the pressure brought to bear upon him to sign a statement that Major Hall and Mr. Frank Shea, of the American Missions, had requested him to arrange contact with the Black Cloak's organization.

The sentences of life imprisonment for Steanta and Paliacu were simply part of the show. From an official source it has been learned that after a short detention they will be permitted to "escape". Again they will roam the country in the service of [the] Secret Police and produce evidence for another trial of political enemies of the Communists.

#### HOW COMMUNIST PRESS TREATED TRIAL

During the first two days of the trial the Communist press carried long front-page articles covering the trial, reviewing in particular the Bill of Indictment. As the trial progressed, the coverage became smaller and smaller relegated to inside pages and then only covered that portion of the testimony which supported the thesis of the indictment. On the final day the papers simply published the verdicts without comment.

#### CONCLUSION

In concluding this report on the sordid trial which was revolting to the core for any individual in whom still resides a mere particle of the most elementary instinct of justice of man for fellow-man, one can state that to his partial credit, General Atanasiu, over the objections of the prosecution, allowed all the sordidness to come to light. There is little doubt that over his head hung similar threats as were used to obtain false statements from the condemned officers to force him to render the previously dictated sentences, but on his conscience rests the knowledge that he allowed himself to be quailed into condemning innocent fellow-officers and civilians.

Approved by:

BURTON Y. BERRY  
*United States Representative  
in Rumania*

Prepared by:

CHARLES E. HULICK, JR.  
*Foreign Service Officer*

871.00/11-2746

*The Representative in Rumania (Berry) to the Secretary of State*

RESTRICTED  
No. 1265

BUCHAREST, November 27, 1946.  
[Received December 10, 1946.]

SIR: I have the honor to refer to Despatch No. 1245 of November 18 entitled "Prelude to Rumanian Elections"<sup>62</sup> and to report on the

<sup>62</sup> Not printed.

basis of available documentation upon the course of Rumanian elections of November 19. In view of the coverage of these elections by voluminous telegraphic reports from this Mission and the American military representation, as well as press stories written by American correspondents here for the event, this despatch merely seeks to highlight the course of the elections through the most relevant and official documentary material.

[Here follows a brief review of the difficulties encountered by the opposition parties on the eve of the Rumanian elections.]

The design of government falsification of elections appeared clear before they occurred, and the tactics were simple and unashamed. The technique consisted of three devices, (1) stuffing the ballot boxes before opposition watchers arrived at the polls or were permitted to enter, (2) by depriving of voting cards at least fifty per cent of the people eligible to vote, thus permitting multiple voting by ostensible government supporters, and (3) denying the right of opposition watchers to be present when the ballot counts were made.

The above practices were confirmed by documents received before elections. For example, a document dated November 15 put out by the Prefect in Foçsani, Putna District, took the signatures of all presidents of all voting sections to blank electoral return certificates. He then requested that these men permit the greatest freedom in voting, since the result was assured by means of falsification. Likewise, on November 18, this Mission received a written statement from a responsible source which is given in translation as enclosure No. 4,<sup>63</sup> outlining the voting procedure to be followed in stuffing the ballot boxes before allowing opposition watchers to enter the polling places.

For the information of voters, the Government published a document, widely circulated, entitled "How We Must Vote". This voting information, the only printed guidance given to the voters by a supposedly impartial Government, specifically states that the voter should place his stamp on the list for the "sun", the electoral sign of the DPB. The document ambiguously says "If the seal is applied to one side or overlaps the square, the voting is cancelled". This interesting document in translation is given as enclosure No. 5.<sup>63</sup>

In the electoral pamphlet snow-storm on election day, the DPB made every effort to mobilize propaganda media. A recent speech of the King at the Soviet Embassy was quoted on leaflets, and his toast was quoted as desiring friendship between Rumania and Russia, and his conviction "that it will become perfect and last forever". Another leaflet which literally covered the streets of Bucharest de-claimed that the people wished to live in peace and prosperity and

<sup>63</sup> Not printed.

that the vote was a weapon with which the people could win or lose everything. The only way to win was considered to be the redeeming sign of the "sun".

During the course of election day the political opposition leaders, on the basis of tactics that their representatives informed them were being employed in Bucharest, addressed representations to the head of the Electoral Bureau in Bucharest. Two such compendium documents were so addressed, and copies sent to this Mission. As these tell a story repeated universally throughout the country, the two documents are combined as enclosure No. 6.<sup>65</sup>

When the Electoral Commission began receiving reports of an opposition landslide, mainly for Maniu's National Peasants, which left the DPB, despite all pressure, in the ruck, it suspended all reports of returns at noon of November 20 and special instructions were issued to all prefectures to revise the count according to freshly issued directives. Thus, the electoral results were delayed for a period of 48 hours while the official arrangements were perfected. It was noted that the first provisional returns gave only results for the DPB, Maniu, Bratianu and Petrescu, whereas later reports began adding various groups as "independents", with several thousand votes distributed among them. The reason for this is attributed by informed Bucharest sources to the arrival of a Soviet electoral expert, who took pains to build up a show of "independent" strength in the returns, presumably to make their unpalatable taste less bitter.

On November 20, to all of the foreign correspondents in Bucharest, the Government presented a declaration at an Information Ministry reception, which asked all of the correspondents to sign to the effect that the elections were free. The document was couched in half-truths, which on close reading could really have been signed by every correspondent in Rumania, except that it significantly failed to mention the three electoral practices outlined previously, which made the elections a complete travesty. The declaration, with the names of the newspapermen signing it, is attached in translation as enclosure No. 7.<sup>65</sup>

In a further attempt to build up a case for the free elections supposedly held, the Interior Ministry issued a communiqué carried by the press dated November 22nd, which mentioned the atmosphere of peace and order which prevailed throughout the country and which attributed all disorder to the National Peasant and National Liberal Parties of Messrs. Maniu and Bratianu. This document is carried as enclosure No. 8.<sup>65</sup>

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<sup>65</sup> Not printed.

The Justice Ministry gave a communiqué, published by the press on November 23, to the effect that 6,934,983 people had voted in the elections, and that the total number of voters registered was 7,859,212. Accordingly, it proudly held that 88.99 per cent of the eligible electorate had participated in the elections of November 19th. This was the official story, and the Government was to stick to it.

There were also published the figures of percentages of the popular vote secured by the various participant parties. This document is given as enclosure No. 9.<sup>65</sup> It shows that in six prefectures the Government permitted itself not to secure a majority. In three of those districts the majority was permitted to go to the Hungarian Popular Union, which it knew would cooperate with the DPB. In two of the six districts, it shared the overwhelming majority vote with the Hungarian Popular Union, while in one district, Botoșani, it permitted the combined opposition to outvote the DPB. This, as some observers have cynically pointed out, could even be overcome at a later date by revised calculations when results were published in the *Official Gazette*.

The election results officially gave the Government over 70 percent of the votes, whereas a survey of available reports of public feeling on election day and a cross-section of the free vote information show that the Government might not have garnered ten per cent of the electorate in its favor. In any event, the Democratic Parties Bloc was credited with 84.5 per cent or 348 seats in the new Parliament, the National Peasants with 7.75 per cent or 32 seats, the Hungarian Liberals with .72 percent or 3 seats, and the Democratic Peasants of Dr. Lupu with .48 per cent or 2 seats. The distribution of electoral seats by districts as it appeared in the press is contained in enclosure No. 10.<sup>66</sup>

Following the announcement of the electoral results, the victors began quarreling over the spoils, and there were varying figures, all of which still placed the Social Democratic element within the DPB as having elected the most numerous deputies, with the Tatarescu Liberals and the Plowmen's Front virtually in a tie, closely followed by the Communists. The National Popular Party and the Dissident National Peasants were in the lower categories of the coalition. It was nevertheless true that the Communists in real numbers dominated the coalition through their control over Communists and fellow travelers camouflaged throughout the nominally elected lists of all of the other coalition parties. Nevertheless, the Socialists wished for a larger number of cabinet seats and pointedly refused

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<sup>66</sup> Not printed.



to attend a Government-sponsored victory celebration in the Palace Square, where Premier Groza and Mr. Gheorghiu-Dej were the leading speakers. On that occasion, Mr. Groza acclaimed the victory as enabling the Government forces "to hold our heads high even in the presence of those who until now have doubted our rights. Henceforth no one on the globe will be able to ignore us". Likewise, at a conference with press correspondents, Dr. Groza gave the significant final word by stating, "our obligations in connection with the Moscow Agreement are fulfilled through effecting the elections in an atmosphere of order and perfect freedom".

Respectfully yours,

For the Representative of the  
United States in Rumania

ROY M. MELBOURNE  
*Foreign Service Officer*

871.00/11-2946 : Telegram

*The Representative in Rumania (Berry) to the Secretary of State*

SECRET

BUCHAREST, November 29, 1946—1 p. m.

URGENT

[Received 2:01 p. m.]

1111. Re final paragraph mytel 1101, Nov 23. King Michael asked me to come and see him late yesterday afternoon. Present were King, Queen Mother and myself. In course of long and frank talk, in which events following *coup d'état* were reviewed in detail, King inquired:

"Do you want me to explode a bomb now like I did on Aug 20 last year? If I do that, I will be a hero to Mr. Maniu and those around him, but that means little to me as I have learned that my popularity with politicians is high only when I do exactly what they want me to do. What truly matters to me, will I be helping the Rumanian peasant and will my action help towards an international solution of our problem? It is peasant I think about first. My mother tells me that wherever she goes, in clinics, dispensaries, work rooms, the little people, sensing something is up, whisper 'whatever you do, don't let the King leave'. Now, I ask you, will I be helping these people by taking some action that will make my position untenable?"

My friends tell me there is no place for kings in the Soviet system, and this is the last clear-cut issue upon which I can make a stand. They may be right about no place for a person of my profession in the Soviet system, but I think there will be other issues upon which I can provoke a crisis. As I told you, I am not concerned with my popularity but only with my desire to do the right thing by the Rumanian people. You well know my whole inclination is towards the Anglo-American point of view."

23c.  
The King then reviewed events illustrating that circumstances have made Anglo-American efforts for Rumania ineffectual. He continued "If you can tell me now that your Govt will give me more than moral

support if I go out on a limb again I will think very seriously about doing so."

At this point I asked the King if he had seen Mr. Acheson's statement to the press about the Rumanian elections and he replied that he had read it carefully. I then read him the pertinent sections of Deptel 745, Nov. 26. He asked me to expand a bit on these statements but I said in reading the telegram I had given him all the information that I had, and therefore any interpretation he wanted to put upon it should be his rather than mine. He then continued:

"It should not come as a suggestion from me, but when your Govt asks the British and the Soviets to review the Rumanian situation, why don't you three agree to have the opening of Parliament postponed until your talks are held?"

"Under the constitution, I am not a judge of the validity of elections. I can postpone the opening of an elected parliament for 30 days, and then it opens automatically. I must appear in Parliament on the opening day and read a message from the throne. I can dissolve Parliament after it is assembled. I can't constitutionally do more.

"Tomniceanu (Liberal Minister of State) has suggested that I take an injection to provoke fever so that I cannot be present at the opening of Parliament and hence cannot be accused of sponsoring it. I am not going to do this as it seems to me a cheap evasion. If your Govt delivers a note to the Rumanian Govt before Parliament opens, I shall ask Tatarescu (Minister of Foreign Affairs) to inquire of you and the British and Soviets if you are satisfied with the Groza implementation of the Moscow agreement. If the Soviets say 'yes' and you and the British 'no', I shall insist upon Susaikov telling me so himself. If Susaikov acts as Vyshinski did in 1944, it seems to me, under the circumstances in which we in Rumania live today, I have no choice but to stay by my people and that means opening the Parliament in person. I repeat, however, that if you can say on behalf of your Govt that you are in a position to give me more than moral support, I may very well act differently."

BERRY

871.00/11-3046

*Memorandum by the Deputy Director of the Office of European Affairs (Hickerson) to Mr. Horace J. Nickels, of the Division of Southern European Affairs*

[WASHINGTON,] November 30, 1946.

MR. NICKELS: I have just come from a meeting with Mr. Acheson and Mr. Clayton.<sup>67</sup> Both of them felt on balance that we should not send the attached telegrams.<sup>68</sup> Incidentally, Balfour<sup>69</sup> of the British

<sup>67</sup> William L. Clayton, Under Secretary of State for Economic Affairs.

<sup>68</sup> The proposed telegrams to London and Moscow under reference are not printed. They outlined notes which would have been sent to the British Foreign Office and Soviet Foreign Ministry. For substance of notes, see telegram 745, November 26, to Bucharest, p. 657.

<sup>69</sup> John Balfour, British Minister.

Embassy telephoned Acheson this morning and said that the Foreign Office's views had been fully set forth to the State Department against this action but that if Dean wished to discuss it further with him, he would be available. Acheson's principal objection to this was not that it would "advertise our impotence" in Roumania, but that it would start another chain of notes between us and the USSR. He said that the Russians would doubtless reply that the election was fine and that we had no right to intervene in the internal affairs of Roumania and that this note would be couched in such offensive terms that we would feel called upon to reply and then they would reply and so on.

I told Mr. Acheson that there were about as many arguments against taking this action as in favor of it; that I regarded the step as a natural consequence of our recent press announcement<sup>70</sup> that we could not regard the election as compliance with Roumania's commitments; that this initiative might be the final action in the Roumanian chapter or useful preliminary if someone can think of effective action which the U.S. or the U.K. could take in the future. Mr. Acheson asked if I felt that we should consult the Secretary, and I replied that I did not. He decided on balance not to send the telegrams. I have informed Donald Maclean of the British Embassy by telephone.

I think that it might be useful to keep this draft telegram in the files marking it carefully "Not Sent."

JOHN HICKERSON

871.00/12-346 : Telegram

*The Representative in Rumania (Berry) to the Secretary of State*

SECRET

BUCHAREST, December 3, 1946—8 p. m.

[Received December 4—1:10 p. m.]

1124. From first hubbub of election aftermath facts have emerged. Govt was severely disillusioned by paucity of support received from what it had considered to be most trusted elements, while being rudely shocked by strength of political outcry against regime. Opposition, on other hand, was very surprised and gratified by surge of country's support in face of every conceivable Govt-inspired pressure. Strong national feeling demonstrated by elections may eliminate future Constituent Assembly election, with constitutional changes now likely to be work of existing Parliament.

Private sources, basing estimates on reliable information, assert Govt received only eight percent of votes cast, aside from Hungarian Popular Union which will work with Govt and which received about 9 percent of vote total. It should not be forgotten immense support

<sup>70</sup> Presumably, reference is to Department's press release of November 26, text of which is printed in Department of State *Bulletin*, December 8, 1946, p. 1057.

for political opposition, National Peasants alone receiving estimated 70 percent of total vote cast, was compiled despite elimination 30 to 50 percent of electorate through non-inclusion in electoral lists and withholding of voting cards. Balance was somewhat redressed by multiple votes of ostensibly staunch Govt contingents who in secrecy of voting booths [voted?] for Maniu. Most striking instance reported was that of Bucharest *gendarmerie* whose 3,000 personnel voted at headquarters after political harangue by commanding general. Actual polling results showed not single vote for DPB,<sup>71</sup> so commanding general and staff officers were obliged to rectify in light fashion this evidence of their unanimous defection.

So stunned were Rumanian Communists by true poll figures reaching Bucharest that they felt it inconceivable disaster could be concealed. Comintern group of Ana Pauker, Laszlo Luca and Bodnaras heartened their Rumanian comrades and asked for and received instructions from Moscow to falsify results at all costs on basis of predetermined policy. Although press reports have been published concerning popular vote by districts, no authoritative count has even yet been published in *Official Gazette*. Communist circles in viewing state of public mind consider unless substantial new factors arise to change picture, it will be needlessly difficult to hold subsequent election for Constituent Assembly to revise constitution as originally envisaged in Communist time schedule. Present Chamber of Deputies is expected later to shoulder that function.

BERRY

711.71/12-1646 : Telegram

*The Representative in Rumania (Berry) to the Secretary of State*

SECRET

BUCHAREST, December 16, 1946—1 p. m.

[Received 2:34 p. m.]

1148. From 3-hour general conversation with Minister of National Economy Gheorghiu-Dej and his Under Secretary Aurer, it was evident Govt is extremely disturbed over prospects of wide-spread famine this winter. The Minister said enough food exists by severe rationing to last through January. Unless adequate help arrives then starvation will be general. He said there has already been trouble in Moldavia and he anticipated growing unrest. He hinted opposition leaders are stirring up trouble and indicated he was by no means certain Govt could maintain order.

Minister again said he would like to go to US to try to negotiate purchase or loan of sufficient amount of corn to tide Rumania over

<sup>71</sup> The Bloc of Democratic Parties, composed of parties supporting the current Rumanian Government, had been organized in May 1946.

until next cereal harvest (remytel 1048, of November 10<sup>72</sup>). I suggested it might be better to postpone consideration of such trip until after signing of peace treaty. He replied that normally such was true but because of grave emergency one could not wait for normal processes.

As Dept knows, Gheorghiu-Dej is Secretary General of Rumanian Communist Party. He is unassuming acting, sincere appearing person whose education has been limited to his experience and what books he could read while in prison. He has an open mind and is impressed by material achievement. Taking long view, I am inclined to think we would benefit more than lose by his educational trip to US. I shall appreciate Dept's views.

BERRY

871.00/12-1746 : Telegram

*The Representative in Rumania (Berry) to the Secretary of State*

TOP SECRET  
URGENT

BUCHAREST, December 17, 1946—5 p. m.  
[Received December 17—2:25 p. m.]

1153. Prime Minister Groza asked me to call at his house last evening for private talk. He opened conversation saying he had been informed I was leaving Rumania soon and he wished private talk before the formal farewell. Circumstances, he said, had made me his adversary for more time than I had been his supporter; that I had delivered him some hard blows, but no foul ones, therefore I left Rumania with his respect and my successor would take over in favorable atmosphere. He concluded subject by saying we had been through much together, and he was sincerely sorry I was going. I replied I had no instruction concerning my departure but I assumed my mission was nearing completion as armistice period was ending.

Prime Minister in best form launched into 2-hour performance of now celebrated Groza act in which he touched upon most of Rumania's problems. Most significant was his discussion of economic problems.

He said in recent reallocation of Ministries,<sup>73</sup> he had maneuvered Liberals out of their traditional stronghold in Ministries of Finance

<sup>72</sup> Not printed; in this telegram Mr. Berry reported on several recent private conversations with Gheorghiu-Dej who stressed Rumania's need for foreign capital and explained Rumania's wishes to establish close economic relations with the United States. Gheorghiu-Dej also spoke of the possibility of an official delegation, possibly including himself, going to the United States to discuss a loan of grain to meet Rumania's immediate needs and to take up the general question of American capital being invested in Rumania. (711.71/11-1046)

<sup>73</sup> The newly organized Rumanian Cabinet had been announced on November 30. Groza continued as Prime Minister. The representatives of the National Liberal and National Peasant Parties, Romniceanu and Hatieganu, had resigned from the Rumanian Government following the November 19 elections.

and National Economy and had substituted Communists. He claimed Communists had required persuasion before agreeing to take over these Ministries. He explained Liberals, Peasants and even he himself could not succeed in economics at this time, where Communists might. Success required importation of large quantities of cereals. To get funds to pay for cereals it is necessary to export large quantities of petroleum. Only Rumanian Communists could persuade Moscow to relax armistice deliveries and permit exportation of sufficient oil products. His politics, therefore, had been directed toward involving prestige of Rumanian Communist Party, feeling Soviets couldn't let down local Communists without ruining Communist position in Rumania.

Prime Minister said there were Swiss and Swedish projects to finance purchase of grain in America but he favored none of these, as they would only increase cost to Rumania. Moreover, if they succeeded, deliveries would be so delayed Communists might claim America was sabotaging deliveries. His own plan was for Gheorghiu-Dej to go to Moscow at once to get relaxation of armistice deliveries so Rumania might export petroleum products to Mediterranean area. These would be sold for dollars which would be used to purchase American grain. He asked my opinion. I said we desired resumption of normal trade and in addition to his plan I thought progress might be made if Government would facilitate granting of clearances to American businessmen.

Mr. Groza affirmed his loyalty to monarchy, his respect for Mr. Maniu as great historical character and described the preoccupation of Rumanian peasant to be (1) preservation of monarchy, (2) securing food for winter, (3) avoidance of kolkhoz and (4) Rumanian resentment against Jews.

BERRY

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711.71/12-1646 : Telegram

*The Secretary of State to the Representative in Rumania (Berry)*

SECRET

WASHINGTON, December 20, 1946—4 p. m.

US URGENT

786. Concerning approach of Gheorghiu-Dej, Dept views with misgiving proposed visit US this time by him or official Rum economic mission for purposes stated urtels 1048, Nov 10<sup>74</sup> and 1148, Dec 16. Because possible repercussions from results such visit whether adverse or to some extent successful Dept reluctant give proposal indication of encouragement.

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<sup>74</sup> Not printed, but see footnote 72, p. 670.

1. Official Rum request for corn has been made through Legation here to International Emergency Food Council and question allocation will be considered by this international body of experts on basis need and supply in relation all other applications for which available shippable supply apparently will not suffice.

Malaxa and Ausnit have pressed corn question in official and commercial circles here and have received above info. We see no purpose Rum officials coming discuss corn since questions of overall needs, supply and transportation will be determinative. Matter is not one of negotiation. Rum authorities should be so informed. If any corn should be allocated Rumania subsequent proposed official visit, Groza Govt and/or Communists would claim credit. If we extend Rum authorities any hope in connection visit for this purpose and no corn should be allocated they would probably employ failure against us.

2. Suggested purpose of discussing ways to attract investment American capital in Rumania seems hardly practicable in view current treatment American interests there. You may in your discretion advise Rum officials that before expressing our views re visit Rum economic mission for this purpose we would like some indication what they are prepared to suggest of interest to American capital which for obvious reasons is skeptical. Fruitful discussion further American investments in Rumania depends on satisfactory settlement present Rum obligations re American investors. Rum officials should be informed that there can be no expectation at this time official US loans. We are not disposed discourage trip undertaken by Rumanians on own initiative provided no implication sponsorship by US Govt and provided purposes limited to negotiations with private business interests here.<sup>75</sup>

3. Dept will follow with interest developments in plan (urtel 1153, Dec 17) for Moscow trip by Gheorghiu-Dej to obtain Sov permission for exports.

BYRNES

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<sup>75</sup> According to telegram 1175, December 26, from Bucharest (711.71/12-2646), Mr. Berry apprised Gheorghiu-Dej on December 26 of the Department's views set forth in this telegram.

## UNION OF SOVIET SOCIALIST REPUBLICS

### REPORTS ON DEVELOPMENTS OF SIGNIFICANCE WITHIN THE SOVIET UNION OF CONCERN TO RELATIONS WITH THE UNITED STATES AND OTHER COUNTRIES<sup>1</sup>

861.00/1-346 : Telegram

*The Chargé in the Soviet Union (Kennan) to the Secretary of State*

RESTRICTED

Moscow, January 3, 1946—7 p. m.

[Received January 4—11 : 38 a. m.]

27. ReEmbs 25, January 3.<sup>2</sup> Although no warning of any sort had been given in press or other official publicity organ that this was to happen nomination of candidates for coming elections to Supreme Soviet began all over country yesterday evening. Again, as in 1937, nominations are being made by acclamation in ceremonial open meetings of various groups and organizations. These meetings, some of which number over 10,000 people, are being conducted in spirit of most elaborate adulation of Stalin<sup>3</sup> and other members of Politburo<sup>4</sup> and in atmosphere in which any individual objection to proposal of name of prominent candidate would be unthinkable. Although numerous press reports of individual meetings give no indication of this fact, today's *Pravda* editorial makes it clear that nominations are regarded as being made by the "bloc of Communists and non-party people". This is precisely same flimsy formula employed in 1937 and merely means that nominations are made by the party alone. Non-party masses have no form of organization which is not controlled by the party and no influence on party decisions.

Occasion of these meetings has been apparently exploited by party as opportunity for another tremendous demonstration of loyalty to Stalin and entire press is today replete with flowery resolutions designating him as nominee number one. Every one of other known members of Politburo was nominated in some district, and reports of respective meetings were prominently featured in press. (List of

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<sup>1</sup> For previous documentation on developments of significance concerning Soviet relations with other countries and especially with the United States, see *Foreign Relations*, 1945, vol. v, pp. 809, ff.

<sup>2</sup> Not printed.

<sup>3</sup> Iosif Vissarionovich Stalin, Generalissimo, Chairman of the Council of People's Commissars (after March 15, Chairman of the Council of Ministers) of the Soviet Union; Secretary General of the Communist Party.

<sup>4</sup> Political Bureau of the Central Committee of the All-Union Communist Party (Bolsheviks).



Politburo members as revealed by these press reports is same as in past, and indicates that the body now has, since Shcherbakov's death,<sup>5</sup> only the 13 known members and alternates. Names of Bulganin,<sup>6</sup> Shkiriyatov<sup>7</sup> and others appear, but not as members of Politburo.)

Since real secret of Soviet electoral system lies in methods of nomination, I am inviting Dept's attention especially to these first reports of nomination meetings which indicate that again, as in 1937, there can be no question of the nomination—or, consequently, of the election—of any candidate who is not the considered choice of the Communist Party. Once nominations have been carried out on this basis the party can safely permit the elections, which Soviet press describes daily as “the most democratic in the world”, to run their course in an atmosphere of scrupulous correctness and observance of good form. The party cannot lose.

KENNAN

861.404/1-1246

*The Chargé in the Soviet Union (Kennan) to the Secretary of State*

RESTRICTED

Moscow, January 12, 1946.

No. 2361

[Received February 1.]

SIR: I have the honor to refer to the Department's telegram 2101, October 5, 1945<sup>8</sup> concerning the departure of Father George Antonio Laberge for Moscow and to report the present status of the ministrations to the spiritual needs of the American Catholics in Moscow, as envisaged by the exchange of documents between President Roosevelt and Mr. Litvinov in 1933.<sup>9</sup>

As Department is aware, Father Braun, who came to Moscow in 1934 with the original Embassy group, and who had been in Moscow since that time without interruption, left Moscow on the Secretary of State's plane on December 27, 1945, having turned over his office to his successor, Father Laberge.

<sup>5</sup> Alexander Sergeyevich Shcherbakov, Colonel General, Chief of the Political Administration of the Red Army; alternate member of the Politburo; died on May 10, 1945.

<sup>6</sup> Nikolay Alexandrovich Bulganin, Army General, Assistant People's Commissar for Defense (after March 15, Deputy Minister of Armed Forces) of the Soviet Union.

<sup>7</sup> Matvey Fedorovich Shkiriyatov, Deputy Chairman of the Control Commission of the Communist Party.

<sup>8</sup> Same as telegram 620, October 5, 1945, to Berlin, *Foreign Relations*, 1945, vol. v, p. 1131.

<sup>9</sup> This exchange between President Roosevelt and People's Commissar for Foreign Affairs of the Soviet Union, Maxim Maximovich Litvinov, took place in Washington on November 16, 1933; see *Foreign Relations*, The Soviet Union, 1933-1939, pp. 29-33. For previous documentation on United States interest in religious conditions in the Soviet Union and the replacement of Father Leopold Braun as the American priest in Moscow, see *Foreign Relations*, 1945, vol. v, pp. 1111 ff.

As the Department is also aware, Father Braun, and now Father Laberge, have always held services in Moscow, for want of any other suitable premises, in the Catholic Church generally known as the French Church.<sup>10</sup> For this reason, they have been closely connected with the French Embassy and have been in some degree dependent on the latter for the possibility of exercising their religious office.

It has lately become apparent that the French Embassy is anxious to have the French Church staffed by a French priest. Doubtless with this in mind the French brought to Moscow an elderly Jesuit priest, Father Bourgeois, who was found to be in Estonia when the Red Army advanced into that country.<sup>11</sup> Since he is the spiritual subordinate to Father Laberge he can not be placed in charge of the Church unless the latter leaves it.

In these circumstances, Father Laberge has the strong feeling that the French Embassy would be pleased if he would leave the French Church. Just recently the French Embassy has laid claim to the apartment in which Father Laberge was living (where Father Braun formerly lived) and asked Father Laberge to leave it in order that it might be made available for Father Bourgeois. The French Ambassador<sup>12</sup> took so strong a personal interest in this matter and made so much of a prestige issue of it that it was impossible for this Embassy to do much to assist Father Laberge in this particular problem without jeopardizing its relations with the French Embassy; but I took the occasion to stress to the French Ambassador the sense of responsibility which the Embassy felt for Father Laberge's future welfare here and for seeing that everything possible is done to provide him with the facilities necessary for the carrying out of his spiritual ministrations.

All in all, however, Father Laberge feels that he can no longer regard the use of the French Church as a permanent solution for members of the American community here and he is therefore contemplating requesting the Soviet authorities to make available to him another suitable building which could be used for this purpose. The Department will recall that President Roosevelt's letter to Mr. Litvinov specifically envisaged such a contingency and provided that members of the American community should be given the opportunity and the possibility to lease a building for purposes of religious worship.

Father Laberge has consulted me about the attitude of the Embassy toward such a project. I have told him that the Embassy could take no initiative in the matter but that I would be glad to support, if

<sup>10</sup> Church of Saint-Louis-des-Français.

<sup>11</sup> See telegram 3440, October 3, 1945, from Moscow, *Foreign Relations*, 1945, vol. v, p. 1130.

<sup>12</sup> Gen. Georges Catroux.

necessary, any request he may make of the Soviet authorities which comes within the scope of the late President's letter.

Father Laberge has not yet been received by the Soviet official responsible for the affairs of the Roman Catholic Church in Russia,<sup>13</sup> but hopes to have an interview with him in the near future and eventually to advance his request through that channel.

If he is successful in obtaining a church of his own, I personally think it quite possible that the Russians may clamp down on the French Church and compel it to close. But I have warned the French of this possibility, and if it materializes, they have no one but themselves to blame.

Respectfully yours,

GEORGE F. KENNAN

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811.20200 (D)/1-2046 : Telegram

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

CONFIDENTIAL

Moscow, January 20, 1946—noon.

[Received 4:03 p. m.]

187. . . .

In evaluating need for information program directed to USSR, we begin with basic consideration that US relations with USSR are probably more important and portentous than with any other countries. There can be little question that on our side there is every effort on part of Government and public to understand USSR and maintain friendly relations with it. Available evidence suggests that same is not true of USSR. While we have no doubt that Soviet people earnestly desire to understand USA and maintain good relations with USA, policy of small group of men who rule USSR, as revealed in Soviet Govt and Communist Party propaganda, suggests that this small group of men have consistently sought to present to Soviet people a distorted and unfavorable picture of USA.

To exclusion of material favorable to USA, controlled Soviet press and radio feature strikes, unemployment and other industrial strife, racial discrimination and crime. As typical example, Soviet youth is told that 3 million American girls and women have since war been discharged from industry; that they cannot be registered as unemployed as they are considered dependents of their parents or husbands; that in some places married women are prohibited from teaching profession; that educated girls seek any kind of work, they become

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<sup>13</sup> Ivan Vasilyevich Polyansky, Chairman of the State Commission for the Affairs of Religious Cults, attached to the Council of People's Commissars of the Soviet Union.

housemaids and act as live mannequins in store windows; and that need and unemployment are driving American girls into prostitution (*Komsomol Pravda*, December 27). American press is depicted in terms of Upton Sinclair's "Brass Check" (Embassy's despatch 2188, October 11, 1945<sup>14</sup>). Kent Cooper<sup>15</sup> and other "newspaper kings" were denounced in December 1 and December 15 *New Times* for views they hold regarding freedom of press. In connection with forthcoming elections, Soviet press and radio is engaged in aggressive campaign attempting to demonstrate to Soviet people that Soviet "democracy" is superior to any other. This is done by repeating line outlined above and by exposing "evils" in political structures of other states, including USA. Example of such malicious propaganda is statement in *Trud* of January 15 that chief function of Senate is to insure governing classes against passing of laws contrary to their interests, if such laws should chance to pass House.

It is obviously in our national interest to attempt to correct this grotesque and slightly sinister conception of USA presented to Soviet people by their rulers. We know of nothing in Soviet history, theory or current practice which leads us to believe that it would be possible to reason Kremlin into presenting its people truth about USA. Only practicable alternative at this stage is vigorous and intelligent American information program designed to bring somewhat into balance picture of USA available to Soviet public.

Thus far we have concentrated on distribution of printed material to Soviet agencies and publication of illustrated magazine *America*. Soviet agencies have chosen to use an infinitesimal portion of news and background copy provided them. Illustrated magazine *America*, with influence far exceeding its limited 10,000 circulation, has been a great success. *America*, however, is primarily a cultural project. While there is no doubt that those Russians, who see it, are tremendously impressed by it as a symbol of progressive American technique and culture, it does not and cannot act as a medium for presenting American point of view on immediate national and international events. It cannot do so because it is subject to Soviet censorship. This means delay and inhibition. Some other channel must, therefore, be used for presenting Soviet people with American version of current events in our country and abroad.

Reliance on printed word, whether through news handouts, introduction of a special Russian language newspaper such as *British* have or of a Russian language news magazine, is likely to prove fundamentally unsatisfactory. Such a project could operate only on suffrage of Soviet authorities and under their constant censorship and

<sup>14</sup> Not printed.

<sup>15</sup> Executive Director of the Associated Press since 1943.

other restrictions. Radio is only medium through which USA can speak freely and directly to Soviet people.

Soviet authorities will not welcome American broadcasts in Russian language beamed to USSR. But there is nothing much they can do about such broadcasts. Soviet transmitters broadcast in English language and have done so for years. Their treatment of material regarding USA cannot be said to be unbiased. Soviet authorities are, therefore, not in position logically to protest objective American broadcasts in Russian language. Furthermore, they will think twice before stepping up criticism of USA as retaliation to our broadcasts. They well know that their people are more vulnerable to truth than ours are to slander. USSR could not win out on a radio war with USA. While USSR might attempt to jam American broadcasts it would probably be reluctant to do so because such action—or more extreme measure of calling in all short wave sets—would be an admission to its own people that it feared outside ideas and intensify public curiosity over American broadcasts.

We are satisfied that Soviet people would be an eager and receptive audience for American broadcasts in Russian. Because they have a great curiosity about outside world in general and USA in particular, they would listen avidly to fresh ideas emanating from an American broadcast in Russian language, even were Soviet authorities to frown on such reception.

Without going into detailed recommendations regarding nature of news broadcasts to USSR, we would say only one thing—USA should not criticize Soviet system, Government or personalities. Such technique would, on nationalistic and patriotic grounds, arouse resentment of Soviet listeners and would prejudice our relations with the Soviet Government.

Soviet listeners are not likely to make any great distinction regarding relative impartiality of news from private agencies as against US Govt news and private company broadcasts as against Government broadcasts. In view of Soviet criticism of American news agencies, Soviet public might even consider Government news by Government broadcasts as more impartial.

Financing of such broadcasts is of course a real consideration. If broadcasts to USSR are to be effective they must be expertly prepared and presented and must be transmitted regularly every day over several hours. They cannot be effective if undertaken incidentally and spasmodically.

Embassy's 4247, December 21 and 3924, November 21<sup>16</sup> for general recommendations concerning programs.

HARRIMAN

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<sup>16</sup> *Foreign Relations*, 1945, vol. v, pp. 930 and 919, respectively.

Moscow Post Files : 121—Harriman

*Memorandum of Conversation, by the First Secretary of Embassy  
in the Soviet Union (Page)*

SECRET

Moscow, January 20, 1946.

Present: V. M. Molotov, People's Commissar for Foreign Affairs  
Mr. Pavlov, Soviet Interpreter  
W. A. Harriman, American Ambassador  
Edward Page, Jr., First Secretary of Embassy

Subject: General Discussion Prior to the Ambassador's Departure

The Ambassador stated that the President had requested him to proceed to the United States via the Far East, where he would see General Marshall<sup>17</sup> and General MacArthur.<sup>18</sup> He would in all probability also go to Korea and then continue on to the United States where he would report on his trip and on other matters of mutual interest. He wished to inform Mr. Molotov in confidence that he would submit his resignation upon his arrival in the United States and that he understood that his resignation would be accepted.

Mr. Molotov appeared somewhat chagrined at this news and inquired as to the reasons. He added that he deeply regretted the thinning of the Moscow diplomatic ranks by the Ambassador's resignation.

The Ambassador explained that he had accepted the Ambassadorship as a wartime job. He had not had a vacation for five years and also he had been away from his country for about the same period. He wanted to get to know the United States again. He did not know what he would do in the future but that he might well obtain a government job. He did not feel he could entirely divorce himself from Soviet-American relations—he had them too much at heart.

Mr. Molotov stated that the Ambassador had had great experience in diplomacy and especially in that dealing with both the Soviet and the British. He therefore should not stand aloof from politics.

The Ambassador explained that he did not believe that he would do so. President Roosevelt had sent him to England before our entry into the war and that had thrown him intimately into the British war problems. He had worked closely with Churchill and Eden as well as Attlee and Bevin. Then the President had sent him to Moscow in 1941 with Lord Beaverbrook<sup>19</sup> and later in 1942 with Prime Minister

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<sup>17</sup> General of the Army George C. Marshall, Special Representative of the President in China, with personal rank of Ambassador.

<sup>18</sup> General of the Army Douglas MacArthur, Supreme Commander for the Allied Powers in Japan.

<sup>19</sup> For documentation regarding the Harriman-Beaverbrook Mission, see *Foreign Relations*, 1941, vol. I, pp. 825-851, *passim*.

Churchill.<sup>20</sup> Because of his past experience in Soviet-American relations it was quite likely that the President would call on him again in the future for work in this field. However, there was nothing definite at the present time. In any event he wished to go home and get to know America since American foreign policy must be based on public opinion.

Mr. Molotov stated that he wished the Ambassador all success in the future. He continued that the Ambassador had done a great deal in the cause of Soviet-American relations.

The Ambassador informed Mr. Molotov that Harry Hopkins was seriously ill and that it was unlikely that he would be able to play a part in American politics in the future.

Mr. Molotov remarked that Mr. Hopkins was a tenacious man and had great internal strength. The Soviet Government always thought well of him.

The Ambassador stated that he was anxious to have the privilege of saying goodbye to Generalissimus Stalin.

Mr. Molotov stated that the Generalissimus had asked him to explain to the Ambassador that he would be unable to see him since he was very busy in connection with the election campaign.

The Ambassador requested Mr. Molotov to convey his respects to the Generalissimus. He explained that he was leaving on Wednesday morning<sup>21</sup> and if it were possible would like to have a few minutes with the Generalissimus.

Mr. Molotov stated that he would inform the Generalissimus accordingly.

The Ambassador inquired as to how things were working out in the Far East.

Mr. Molotov replied that it appeared that common ground had been found with respect to the Far Eastern matters and that now it was only necessary to work out the details.

The Ambassador inquired whether anything had transpired in the talks with Chiang's son.<sup>22</sup>

Mr. Molotov stated that the talks were merely an exchange of information. Generalissimus Stalin had said that he had no detailed information as to the situation in China, other than that which he had read in the press and had received from the Soviet Embassy.

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<sup>20</sup> For reports concerning the Churchill-Stalin conversations in Moscow in August 1942, with Mr. Harriman in attendance, see *Foreign Relations*, 1942, vol. III, pp. 618-627, *passim*.

<sup>21</sup> January 23. Ambassador Harriman actually left on the following morning.

<sup>22</sup> Chiang Ching-kuo, Special Commissioner of Foreign Affairs for Manchuria, son of Generalissimo Chiang Kai-shek, President of the Republic of China.

Chiang had informed the Generalissimus as to what was happening there. With respect to General Marshall's mission, the Soviet and Chinese Governments regarded it with favor. Mr. Molotov continued that the Soviet Government was abiding by its agreements with China. Its main purpose was to enable China to avoid civil war and to get China to set out on the road towards democracy and unification. He explained that the Chinese troops were coming into Manchuria quite slowly. He inquired whether the United States Government was satisfied with General Marshall's reports. He added that it appeared that matters were going along satisfactorily.

The Ambassador replied that he had not received a great deal of information and that as far as he knew his Government was satisfied with General Marshall's reports. He inquired as to when Soviet troops would be withdrawn from Manchuria.

Mr. Molotov replied that they would be withdrawn in conformity with the Communiqué.<sup>23</sup> The Soviet Government would adhere to the date set forth in that Communiqué.

The Ambassador inquired as to the situation in Japan.

Mr. Molotov replied that the Soviet representatives were leaving tomorrow for Tokyo. With respect to the Far Eastern Commission he understood that it was shortly proceeding to Washington. Ambassador Gromyko<sup>24</sup> and Minister Novikov<sup>25</sup> would be the Soviet representatives on it. He also explained that he was sending Mr. Golunski to Japan as the Soviet prosecutor.

The Ambassador asked whether Mr. Vyshinski had reported on the Rumanian talks.<sup>26</sup>

Mr. Molotov said that he had done so only by telephone. He explained that Mr. Vyshinski had been ill with a stomach ailment upon his return from Sofia—he had probably been eating too much Bulgarian pepper—and had only reported that evening to him. He explained that Mr. Vyshinski was leaving in the morning for London.

The Ambassador said that speaking perfectly frankly he was not pleased with the way the Control Commission was working out in Bucharest. However, he would recommend to MacArthur that he

<sup>23</sup> Text of the communiqué of the Conference of Foreign Ministers, held in Moscow on December 16-26, 1945, is printed in telegram 4284, December 27, 1945, from Moscow, *Foreign Relations*, 1945, vol. II, p. 815.

<sup>24</sup> Andrey Andreyevich Gromyko, Ambassador of the Soviet Union to the United States.

<sup>25</sup> Nikolay Vasilyevich Novikov, Minister Counselor of Embassy, who succeeded Gromyko as Ambassador of the Soviet Union to the United States on June 3, 1946.

<sup>26</sup> Andrey Yanuaryevich Vyshinsky, Assistant People's Commissar (after March 15, Deputy Minister) for Foreign Affairs of the Soviet Union, Ambassador Harriman, and Sir Archibald Clark Kerr, Ambassador of the United Kingdom to the Soviet Union, constituted the Tripartite Commission for Rumania which had met at the beginning of January in Bucharest to discuss with Rumanian leaders the broadening of the government. For documentation, see pp. 555 ff.



treat the Soviet representatives in Japan better than the Soviets treated us in Rumania. During the entire armistice period the American representative had only been consulted on one occasion.

Mr. Molotov asked whether the Ambassador knew how often the Soviet representatives had been consulted in Italy.

The Ambassador pointed out that there was an Allied Council in Italy. He remarked that it was not good business to treat the American representatives in Bucharest the way they had been treated.

Mr. Molotov stated that the Soviet Government used the Italian example as a standard to go by in Europe. The Soviet representatives in Italy had never been consulted. However, he expressed the hope that the work of the Control Commission in Bucharest would improve.

The Ambassador remarked that the Soviet Government had asked for the Rumanian formula in Japan.

Mr. Molotov replied that in Rumania there were difficulties because of the divergencies in Russian and American policy. The Americans had opposed the Rumanian Government; the Soviets had supported it. It therefore had been difficult for the two nations to adjust their policies. However the situation was different now since both Governments supported the present Rumanian Government.

The Ambassador remarked that there were many petty annoyances which the American representatives were continually encountering in Rumania. As example he gave the difficulties they had with the entrance of planes, mail, the delays in issuing visas, etc. He expressed the hope that this condition would improve.

Mr. Molotov also said that he hoped there would be an improvement.

The Ambassador said that the Korean experience should be most interesting since it would be on a bilateral basis.

Mr. Molotov remarked that Korea would be a new sphere of American-Soviet cooperation. He believed that matters would proceed smoothly. Conferences had already started there.

The Ambassador continued that he did not wish to go over many of the details which entered into Soviet-American relations. He would leave that to the new Ambassador. However he would have liked to have left the new Ambassador with better housing conditions and not to have given him the annoying question of the Soviet wives. He asked Mr. Molotov whether he could not help in clearing up these matters.

Mr. Molotov replied that the Soviet Government was bound to assist the American Embassy in finding proper housing accommodations. It was obliged to do this. With respect to the wives he pointed out that he had helped in some instances. He remarked that one

Soviet wife had returned from London and had said she had had unfavorable experiences there.

The Ambassador said that if the Soviet Government would permit the wives married to American citizens to leave, the American Government would never put obstacles in their way if they wished to return.

Mr. Molotov stated that he would see what he could do to expedite action on these cases.

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861.014/1-2746 : Telegram

*The Chargé in the Soviet Union (Kennan) to the Secretary of State*

Moscow, January 27, 1946.

[Received January 27—8:45 a. m.]

247. Tass communiqué concerning Kurils and southern Sakhalin which was put out by Soviet radio last night is published in press for today January 27. Text is as follows:

“On January 22 the Acting Secretary of State of the USA Mr. Acheson stated at a press conference that a secret Yalta agreement of the three Allied Powers had envisaged the granting to the Soviet Union of rights of occupation of the Kuril Islands but that as far as he understood that agreement had not envisaged the final handing over the Kuril Islands to the Soviet Union. Mr. Acheson further stated that, ‘this was his opinion although perhaps he was mistaken’.<sup>27</sup>

Tass is authorized to explain that in the question of the Kuril Islands Mr. Acheson was indeed ‘mistaken’. In the Yalta Agreement of the three powers which was signed on February 11, 1945 by I. V. Stalin on behalf of the Soviet Union, by Mr. Churchill on behalf of Great Britain and by Mr. Roosevelt on behalf of the USA but [*not*] published at that time for understandable reasons it was clearly stipulated that after the victory over Japan the Kuril Islands would be turned over to the Soviet Union and also that the southern part of the island of Sakhalin and all the islands adjacent thereto should be returned to the Soviet Union.”

KENNAN

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611.4131/1-2946 : Telegram

*The Chargé in the Soviet Union (Kennan) to the Secretary of State*

SECRET

Moscow, January 29, 1946—6 p. m.

[Received January 29—2:17 p. m.]

267. In efforts to analyze basic thinking which lies behind present Soviet approach to over-all questions of international affairs, I think

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<sup>27</sup> For comment on this agreement by Secretary of State Byrnes at his news conference on January 29, 1946, see Department of State *Bulletin*, February 10, 1946, pp. 189-190. Comments made by President Truman at his news conference on January 31 are summarized *ibid.*, p. 190, and are reproduced in full in *Public Papers of the Presidents: Harry S. Truman, 1946* (Washington, Government Printing Office, 1962), pp. 102-105, *passim*.

Dept would do well to bear in mind Soviet views on future of great-power relationships as reflected in recent comments on Anglo-American economic agreement. These comments reveal two aspects of Soviet outlook which this Mission considers to be of basic importance.

First is complete Soviet confidence that US is faced with employment problem which it is basically incapable of solving and that it will attempt, albeit unsuccessfully, to solve this problem by exporting on credit, i.e. at immediate expense of US Govt, on large scale.

Second is conviction that economic struggle between US and Great Britain is bound to lead to acute political tension between those two countries.

This last conclusion, which will have far reaching and basic influence on Soviet policy, is a new note in contemporary party line, and has only recently come to the fore. Most striking evidence of it was given in recent public lecture by Professor Varga on Anglo-American economic relations. Varga is the leading party theorist on capitalist world, head of important Institute of World Economics and Politics and editor of magazine of that name, and must be regarded as a responsible mouthpiece of thought for influential Communist Party circles. In this lecture Varga referred specifically to speech made by Stalin in 1928 in which it was said that Anglo-American differences were the decisive differences on international imperialism. Admitting that these differences had "abated somewhat" during recent war, Varga said that it was "inevitable that economic differences would in future lead to more tense political relations, just as Stalin had said".

I doubt that Varga would have drawn attention to a Stalin speech from so long in the past unless this had been sanctioned and desired by high party circles. For this reason I think section referred to in Stalin's 1928 speech deserves careful attention as indication of current Soviet outlook. Summary of that section follows.

Of all differences in capitalist world, that between American and English capitalism had become the basic one. Wherever US tried to expand it found British vested positions thwarting its path. What did this basic difference mean? It meant war. "When two giants meet with each other, when there is too little room for them on the world's surface, they try to measure their strength in order to decide by war the debatable question of hegemony."

Second great difference in capitalist world was that between imperialism and colonies. This in turn meant national colonial wars and imperialist intervention in colonial countries.

Third great difference was that between capitalist world and USSR. If at one time it had been possible to speak of a "certain equilibrium, a shaky equilibrium to be sure but of more or less long duration, be-

tween the two worlds, the two antipodes," it now had to be said that this balance was coming to an end. This meant USSR was faced with possibility of foreign intervention.

In these circumstances, capitalists were trying to lull working class into false sense of security by "the current pacifism, with its League of Nations, with its preaching about peace and about outlawing of war, with its chatter about disarmament, etc." Pacifism was a means of preparing war and screening such preparation. There were crazy fools who interpreted imperialist pacifism to mean there would be no war. This was not correct. And most important of all was that Social Democrats were the principal surveyors [*purveyors?*] of imperialist pacifism in working class. Pacifism was preached by Social Democrats in order better to prepare for war and to oppress working class and Communist Parties in the rear by Fascist methods.

In consequence, following were duties of Communist Parties throughout world:

(1) Battle against Social Democracy right down the line, politically and economically;

(2) "Creation of united front of workers of advanced countries and of toiling masses of colonies in order to ward off the danger of war or, if war came, to turn imperialist war into civil war, to smash Fascism, to overthrow capitalism, to set up Soviet power, to free the colonies from slavery and to organize world wide defense of the first workers' republic in history."

This is summary of passage to which Varga called attention on January 24, 1946. I believe it might be profitably borne in mind by others than those to whom Varga's remarks were immediately addressed.

KENNAN

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740.0011 E. W./1-2946: Telegram

*The Secretary of State to the Ambassador in the United Kingdom  
(Winant)*

SECRET  
U.S. URGENT

WASHINGTON, January 29, 1946—8 p. m.

996. For Ambassador Winant from the Secretary. I wish you to inform Bevin<sup>28</sup> that because the press in the US has had some information as to the agreement reached at Yalta on the Kuril Islands and the southern half of Sakhalin I think that the agreement of February 11 with regard to Soviet participation in the war against Japan should be made public. I hope that Mr. Bevin will agree to simul-

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<sup>28</sup> Ernest Bevin, British Secretary of State for Foreign Affairs.

taneous publication on February 4 in London, Moscow and Washington. I am similarly taking the question up with Molotov.<sup>29</sup>

BYRNES

811.20200 (D)/1-3046 : Telegram

*The Chargé in the Soviet Union (Kennan) to the Secretary of State*

CONFIDENTIAL

Moscow, January 30, 1946—8 p. m.

[Received January 30 [31?]—1: 05 a. m.]

291. Magazine *America* is only toe-hold that American magazines or newspapers have in USSR. In British Commonwealth American publications have wide distribution. In Far East, Western Europe, South America, Africa and Near East, American publications appear in original and in translation and have considerable public. Aside from Tibet and possibly Afghanistan, USSR is more barren than any other region of news and information originating directly from American sources. If Soviet citizens were, like Tibetans, simply ignorant of USA, matter would not be serious. But 180 million Soviet people are fed by Soviet Govt and party propaganda a distorted and often vicious picture of USA, designed to arouse suspicion and antipathy toward USA.

Thus far *America* is about only breath of clean and fresh information about USA entering USSR. On basis of comments from varied sources, Embassy has no doubt that Russians who see *America* are enormously impressed by it. Embassy [copy?] is on file, it is most sought-after publication. Embassy is confident that if circulation restrictions imposed by Soviet Govt were lifted *America* would be most popular magazine in USSR.

Soviet sources inform Embassy that size and illustrations are most impressive feature of *America*. USSR is after all land of gargantua. Russians are impressed by size. To suggestion that size of *America* be somewhat reduced they reply "People will say, 'See the USA is now unable to afford to print so fine a magazine'". Soviet readers

<sup>29</sup> This telegram was sent separately to Moscow, *mutatis mutandis*, as No. 165. Replies were received from both the United Kingdom and the Soviet Union in favor of publishing this agreement, and the date settled upon was the anniversary of its signature on February 11, 1945. Mr. Kennan further reported in telegram 410, February 12, 1946, from Moscow, that the Moscow newspapers on that day printed the Russian text, and beneath that a facsimile of the original English text showing the signatures of Stalin, Roosevelt, and Churchill (740.00119PW/2-1246). For text of this agreement regarding entry of the Soviet Union into the War against Japan, see *Foreign Relations, The Conferences at Malta and Yalta, 1945*, p. 984. For text and background remarks released to the press on February 11, 1946, see Department of State *Bulletin*, February 24, 1946, p. 282.

would feel such reduction tended to prove contention of current flood of articles in Soviet press featuring economic dislocation in USA and prophesying decay of American capitalism. Present high quality of *America*—slick paper, excellent color reproductions and generous size—is to Soviet readers symbolic of success of American system. Embassy believes that downward revision of any of these features would represent to Soviet people an American retreat.

Embassy's Soviet contacts unanimously agree that illustrations in *America* carry more punch and are more convincing than any printed matter. As one of them said, "One good picture tells more about USA than thousands of words". For example, picture spread of an average American school, a small town, or even an average American kitchen dramatizes to Soviet readers fact that we have, contrary to everything they are told by their propaganda, a superior standard of living and culture. Pictures are more difficult to refute than text as "sheer American propaganda". And they have thus far not been subject to Soviet censorship.

*America* has not been arriving regularly on a monthly schedule. Soviet authorities originally agreed in effect to monthly issue. We should not continue to lose out on this score.

Embassy realizes that *America* is expensive project. Intake from 10,000 sold copies, we realize, is insufficient to cover cost and deficit must therefore be made up out of taxpayers' pocket. For reasons outlined at beginning of this telegram and for reasons which will be covered in subsequent message, Embassy feels that Government is justified in underwriting magazine's financial losses. Govt has invested in project and has after much effort secured an entry to small but influential public in USSR. We should not throw away this initial investment by abandoning magazine, or reduce its effectiveness by compromising on its quality. Embassy is again requesting Soviet authorities to permit increase of circulation sufficient to make *America* pay for itself.<sup>30</sup> If we receive a negative answer, we shall continue to press for increased circulation hoping that eventually *America* can become independent of Government subsidy and possibly even pay back into public treasury funds which have been advanced to finance it.

KENNAN

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<sup>30</sup> Mr. Kennan reported in telegram 304, January 31, from Moscow, that he sent a letter to Assistant People's Commissar for Foreign Affairs Solomon Abramovich Lozovsky requesting a paid circulation of 50,000 copies for the magazine. When no answer had been received, he renewed his request on February 23. (811.20200(D)/1-3146, 2-2746)

861.00/2-246 : Telegram

*The Chargé in the Soviet Union (Kennan) to the Secretary of State*

RESTRICTED

Moscow, February 2, 1946—3 p. m.

[Received February 2—11:12 a.m.]

326. Climax of Soviet election campaign arrived this morning with publication on pages 1 and 2 of all papers of appeal from Central Committee of All Union Communist Party to voters urging them to cast their ballots on February 10 for "candidates of bloc of Communists and nonparty people". General formula of this appeal is same as that of appeal issued by Central Committee before 1937 elections.<sup>31</sup>

Appeal begins with review of Communist Party policy in years preceding war. This is followed by survey of Soviet Union's new western boundaries and war gains in Far East. Victory in war is said to have been triumph of policy of Communist Party.

Remainder of appeal proclaims following objectives of party policy and urges those who support these objectives to vote for bloc: Further strengthening of might of Soviet State, continued moral-political unity of all classes Soviet people, further consolidation of friendship among Soviet peoples, reattainment in shortest possible time of pre-war industrial level, increased agricultural production and culture and prosperity for collective farmers, increased output of food and consumers' goods and rise in material well-being of Soviet people, further development of education, science and art, reconstruction of devastated regions and creation of normal conditions of life for people living in them, further strengthening of armed forces and security of Soviet State. In latter section, appeal emphasizes that victory in war did not by itself assure future security of Soviet people since "There are still reactionary forces who are striving to sow discord and hostility among peoples". Therefore, it is necessary "vigilantly to preserve conquests of Soviet people in great patriotic war, firmly to defend interests of Soviet Union", and "jointly with democratic forces of other countries to fight for strengthening of collaboration of peace-loving powers, for eradication of all roots of Fascism for averting of all aggression in future".

Appeal winds up as did 1937 appeal by urging voters, whether party members or nonparty, to vote with equal unanimity for Communist and nonparty candidates. February 10, it concludes, must be demonstration of unity of Soviet people with party of Lenin-Stalin.

KENNAN

<sup>31</sup> For comments on the elections to the first Supreme Council in 1937, see *Foreign Relations, The Soviet Union, 1933-1939*, pp. 401-404.

811.20200(D)/2-546: Telegram

*The Chargé in the Soviet Union (Kennan) to the Secretary of State*

CONFIDENTIAL

Moscow, February 5, 1946—7 p. m.  
[Received February 5—4: 56 p. m.]

351. Confidential for Benton.<sup>32</sup> Questions re broadcasting to USSR raised in Dept's 199, Feb 1.<sup>33</sup> Embassy's 315, Feb 1<sup>33</sup> which crossed Dept's 199 made recommendations on programming. If you wish further details please let us know.

Only evidence we can advance that risks of repercussions to Russian language broadcast would not be great is fact that before war German radio broadcasted to USSR without encountering Soviet interference. An American correspondent who has lived long in USSR and is intimately acquainted with Russians expresses view that Soviet authorities would not directly manifest objections to American broadcasts in Russian provided programs did not include irresponsible criticism of Soviet Govt, policies or personalities. He said that straight news statements by US Govt and moderate press comment would cause no serious repercussions. We are inclined to agree with this estimate and would add that for reasons of domestic prestige Govt would hesitate to admit concern over effects of moderate and reasonable American broadcasts. (See also paragraphs 8 and 10 of Embassy's 120[187], Jan 20).<sup>34</sup>

In this connection, it should be borne in mind that while USSR has no hesitation in attacking views of private enterprises and individuals in USA, (Hearst, Scripps Howard, Kent Cooper, Constantine Brown, Hanson Baldwin) it would probably be less quick to criticize a Govt undertaking.

Having said all this we would reiterate that Soviet authorities will not welcome American broadcasts in Russian. While best available estimate is that they will not openly react against such broadcasts, and will not go beyond usual oblique and indirect efforts to discredit general idea, we can not guarantee that there will not be stronger repercussions. If such repercussions develop, hostility of Soviet Govt and Communist Party to USA will be unmistakably revealed to all who care to read. If this is to be the case, it is altogether healthy and desirable that this attitude be revealed now rather than later.

KENNAN

<sup>32</sup> William Benton, Assistant Secretary of State for Public Affairs.

<sup>33</sup> Not printed.

<sup>34</sup> See the seventh and ninth paragraph of this telegram as printed, p. 676.



861.00/2-746 : Telegram

*The Chargé in the Soviet Union (Kennan) to the Secretary of State*

Moscow, February 7, 1946.

[Received February 7—7:40 p. m.]

370. Highlights of Molotov's<sup>35</sup> election campaign speech delivered in Moscow February 6 are summarized as follows:

We stand on eve of new elections. They will be test of relation of Soviet people to leadership of Communist Party and policy of Soviet Government. Maybe there are some people abroad who still think it would be well if some other party came to leadership of our country. But our people has its own opinion on that score. If some people abroad are displeased at similarity of Soviet people with Communist Party, we can console such people with thought that it happens not infrequently in other countries as well that Communists enjoy confidence of masses.

War was serious test of party policy and strength of Soviet system. USSR has emerged from war in role of one of most authoritative powers in world. It is now impossible to solve serious questions of international relations without participation of USSR. Comrade Stalin's participation is considered best guarantee of successful solution of complex international problems.

We were able to overcome wartime difficulties because both during and before war we followed correct path. We swept from our path saboteurs and wreckers who in final analysis became spy diversionists at service of foreign masters. It is known also that Soviet people long ago repelled inclination to direct foreign intervention in our internal affairs. Time has now come to take up tasks which were interrupted by war. Some time will be required to raise Socialist industry to prewar level but we will achieve this in couple of years. Improvement of supply of consumers goods and overcoming of housing shortage are tasks to be faced. Before war, party and Government formulated fundamental economic way of USSR as that of catching up with and overtaking most highly developed capitalist countries of Europe and USA. This work was interrupted by Germany's attack but we are now resuming it with still deeper awareness of its importance. In our country there will be no crises and unemployment such as are inherent in other countries. Through increased productivity of labor and broader and more effective application of modern techniques in all branches of economy we will solve task of overtaking most highly developed capitalist countries with

<sup>35</sup> Vyacheslav Mikhailovich Molotov, People's Commissar (after March 15, Minister) of Foreign Affairs of the Soviet Union.

degree of success required by interests of our country and interests of communism.

To solve this great task we need long period of peace and security. USSR's peace-loving policy is no transitory phenomenon but springs from basic interests and needs of our people from its desire for speediest improvement of its own material well-being. This is why Soviet people is so vigilant toward possible centers of violation of peace and international security. Thus we cannot ignore such situations as maintenance of hundreds of thousands of German troops in zone of our ally, maintenance of tens of thousands of troops of Polish Fascist General Anders<sup>36</sup> at allied expense in Italy and continued existence on Austrian territory of Russian White Guard Infantry Corps of Colonel Rogozhin. USSR has done no little to create new more effective security organization. UNO has already begun its work and we wish it success. Our participation is aimed at making this organization play key role in averting new wars and bridling any and all imperialist aggressors.

There are no militarist adventuristic groups in USSR as among dominating classes in certain other countries where dangerous talk of "third world war" is being encouraged by foul imperialists. True supporters of peace will find real and faithful ally in USSR. This does not mean that our concern for the maintenance of our Armed Forces will diminish. Our Government and Red Army leaders are doing everything to assure that our Army is second to no other Army as regards newest types of armament.

Sent Department 370; repeated Frankfurt.

[KENNAN]

811.2423/2-746 : Telegram

*The Secretary of State to the Chargé in the Soviet Union (Kennan)*

TOP SECRET

WASHINGTON, February 7, 1946—7 p. m.

U.S. URGENT

237. Top Secret for Kennan. The following replaces my No. 221, February 5, 5 p. m.<sup>37</sup> Please deliver the following to Molotov :

Plans to test effect of atomic bomb explosion on warships and vessels are under consideration by the Chiefs of Staff, but final decision has not been reached. Whenever Joint Chiefs complete their plans they will be submitted to me for submission to the President.

Legislation authorizing the use of war vessels and the expenditures for the test is pending but has not been acted upon by the Congress.

I have suggested to the President that invitations be extended to

<sup>36</sup> Lt. Gen. Władysław Anders, formerly Commander in Chief of Polish Armed Forces in 1945; in exile in the United Kingdom from 1946.

<sup>37</sup> Not printed.

the twelve governments having members on the Atomic Bomb Commission to have two observers and one press representative attend the tests if they so desire. This of course would include the Soviet Government. The United Kingdom whose scientists participated with the United States in the discovery of atomic energy may be invited to have some additional observers, but limited accommodations will necessitate limit of two observers and one press representative for other governments.

If the Congress grants the authority for the test, I will communicate with you as to the plans finally adopted. At this time no plan has been or can be adopted and no invitations can be extended.<sup>38</sup>

BYRNES

861.00/2-846 : Telegram

*The Chargé in the Soviet Union (Kennan) to the Secretary of State*

CONFIDENTIAL

Moscow, February 8, 1946—7 p. m.  
[Received February 9—9:20 p. m.]

378. Sunday February 10 day fixed for elections to new Supreme Soviet of USSR will mark crescendo of Soviet internal propaganda effort of unparalleled dimensions which has occupied an army of over 10 million people, party members and others for over 2 months.

In order that this event may appear in proper proportion following points should be borne in mind:

1. This election is for the highest government (government as distinct from party) body of Soviet Union, namely Supreme Soviet. This will be second Supreme Soviet. First was elected in 1937 and was prolonged beyond constitutional 4 year limit by circumstances of war.

2. Under present Soviet governmental system Supreme Soviet is not in any sense an active legislative body. It meets only at rare intervals to register dutiful and invariably unanimous approval of measures and programs (such as state budget) put forward at party instance by its own presidium (a permanent body) or by other agencies. It is entirely dominated by Communist Party whose supreme organs—Central Committee and Politburo—constitute real working directorate of Soviet life. Composition of Supreme Soviet therefore has little if any real meaning for Soviet political development.

3. Outcome of these elections is not in doubt due to simple fact that there is only one candidate for each position. Names of these

<sup>38</sup> The Chargé reported in telegram 413, February 12, 1946, from Moscow, that this message was delivered orally to Molotov in the evening, who "received it without comment, except to inquire when tests would probably be held." (811-2423/2-1246)

candidates have already been publicized ad nauseam to population of respective electoral districts. Theoretically nominations are supposed to be made by meetings of citizens at their places of work or by meetings of members of so-called "public organizations" by which is meant Communist Party, labor union cooperatives, youth organizations and cultural organizations. All such organizations are completely dominated by party. Actually nomination meetings took place only on party initiative and under party guidance. In every district of which we have knowledge all such nomination meetings within respective district appear to have nominated, invariably by unanimous vote, precisely the same candidate. Since prevailing local philosophy rules out hand of Divine Providence as origin of such singular uniformity of inspiration it must be attributed and is to a more earthly and familiar agency. Outwardly, however, process has been entirely constitutional. Formally speaking the only reason there is not more than 1 candidate for each position is that it did not occur to any eligible group of citizens in respective district to nominate anyone else.

4. Since Communist Party does not like to appear solely responsible for nominations and since there is no other party with which it could theoretically combine for this purpose nominations are announced as emanating from the "bloc of the Communist Party and the non-party people". This preposterous fiction is put forward with deadly seriousness and election posters unblushingly call upon population to vote for the candidates of this bloc.

5. Meaningless as composition of Supreme Soviet may be from standpoint of Soviet policy, it is important to those who belong to it. Membership is a signal honor. Composition of body as indicated by nominations already known (somewhat over half of total have been announced in central press) indicate roughly following breakdown. That party, Government and military officials who already occupy conspicuous positions of authority in Soviet apparatus of power will comprise at least 50% to 60% of total; cultural intelligentsia about 9%; technical intelligentsia (factory directors, engineers, etc.) about 7%; industrial workers who were once supposed to be backbone of the society will apparently constitute something less than 10%. This will thus be predominantly a gathering of upper professional bureaucracy of party, Government, and army in other words of people who have made successful careers through favor of present party leaders and are accustomed to look that way for all good things.

6. Since election is now the purest formality and since voter has no choice but to vote for single candidate or refrain from voting entirely it may be wondered why party propaganda machine attaches

such importance to electoral campaign and surrounds it with such unparalleled pomp and circumstance. Even in Soviet mind this question looms so large that party has had to supply an answer. Officially, election is to be a demonstration of confidence in the leadership which has carried country along since last elections in '37 and in policies followed by this leadership. For this reason herculean efforts are being made to get every last voter to polls and to register as nearly as possible a 100% vote. This is official explanation but it is not all. Among other motives are probably the following:

A. In drawing up lists of those entitled to vote party is in fact taking an informal but very thorough census of population. There is vital need of such a census after profound upheavals of war and invasion.

B. Elections provide convenient occasion for vigorous and wide scale advancement of current party line. By mobilizing this tremendous army of election officials and agitators party hopes to combat wave of weariness, discouragement and apathy which USSR shares with other war worn countries and to whip up enthusiasm for accomplishment of economic tasks of immediate future. Under present Soviet system there can be no stimulus to increased economic effort but discipline from above and enthusiasm from below and for obvious reasons regime tries to maintain at least a respectable balance between the two.

C. A marked characteristic of Soviet thought is conviction that you can eat your cake and have it too. Kremlin is determined that without relaxing one iota of its real totalitarian power it can make Soviet people go through motions of democracy with such impeccable fidelity and enthusiasm as to establish, both with them and with outside world, the thesis now put forward daily by Moscow press that Soviet system is most democratic on the earth. This is designed among other things to combat any lingering backward glances at western institutions among populace of areas recently taken under Soviet power and any similar tendencies on part of those older Soviet citizens to whom the war brought new contacts and vistas.

KENNAN

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861.00/2-1246 : Telegram

*The Chargé in the Soviet Union (Kennan) to the Secretary of State*

CONFIDENTIAL

Moscow, February 12, 1946—3 p. m.

[Received 4:58 p. m.]

408. Pre-election speeches of Stalin and his Politburo associates have re-affirmed correctness and historical necessity of earlier policies implemented by Communist Party in USSR and have set forth party line on internal program of Soviet State in years to come.

In Stalin's speech,<sup>39</sup> which was of course most authoritative of all, following main points stand out.

1. Straight Marxist interpretation of World Wars one and two as products of crises inherent in monopoly capitalism. This was coupled, however, with statement that World War two bore anti-Fascist liberating character from very outset—an interesting deviation from recently revived 1939–41 line that war was purely “imperialist” in pre-Soviet phase.

2. Contention that war proved Soviet system to be “better form of organization of society than any non-Soviet social system”.

3. Justification in light of war of previous 5-year plans and collectivization. Here he admitted significantly that at time of first 5-year plan party had not feared “to go against current”.

4. Revelation that ration system will be abolished in near future and that “special attention” will be devoted to increasing consumers goods output and lowering prices. Here he significantly omitted reference to grave housing situation and measures to improve it.

5. Statement that three or more new 5-year plans will be required to guarantee country against “all contingencies” by increasing pig-iron output to 50 million tons annually, steel to 60 million, coal to 500 million and petroleum to 60 million tons.

Although more militant and oratorical in tone, speeches of other politburo members follow along lines of Stalin's speech in substance. All argue that war proved far-seeing wisdom of party's pre-war policies, expatiate on superior democracy of Soviet system and its freedom from capitalist crises and unemployment, and advance present party program of “consolidating victory” through restoration and increase of economic might of USSR. Necessity of maintaining and improving Armed Forces unanimously emphasized on ground that forces of “Fascism and reaction” are still alive in world, in “bourgeois democracies” and elsewhere.

Most of the speeches refer to enormous “international authority” currently enjoyed by USSR but at same time give little or no indication that Soviet leaders place any serious reliance on future of inter-

<sup>39</sup> This speech, delivered in Moscow on February 9, called forth much comment within the Department of State. Among the memoranda written was one by H. Freeman Matthews, Director of the Office of European Affairs, dated February 11, which read in part: “Stalin's speech of February 9 constitutes the most important and authoritative guide to post-war Soviet policy. . . . It should be given great weight in any plans which may be under consideration for extending credits or other forms of economic assistance to the Soviet Union.” (761.00/2-1146) In his memorandum of February 12, Elbridge Durbrow, Chief of the Division of Eastern European Affairs, remarked that Stalin firmly denounced capitalism and concluded: “It is felt that in view of the clear indication of the new Soviet line we should be most diligent to counteract Soviet propaganda and political moves which in all probability will be directed primarily at dividing the British and ourselves in order to give the Soviets a freer hand to attain their own aims.” (861.00/2-1246)

national collaboration. UNO was discussed only by Molotov and Big Three coalition was referred to, in retrospective light at that, only by Stalin, Kalinin<sup>40</sup> and Zhdanov.<sup>41</sup> Kaganovich<sup>42</sup> struck openly isolationist note in his statement that "two of our most dangerous and base foes from this capitalist encirclement—Hitlerite Germany and Imperialist Japan—have been smashed" but "we must remember that our country continues to be in capitalist encirclement".

Malenkov's speech deserves special note as manifestation of an attitude of total suspicion toward motives of outside world. After urging that armed forces should be strengthened so that "friends will respect us and forbear to interrupt our great constructive work", he declares that USSR has no intention of permitting others to harvest fruits of its dear-bought victory, that all those who may think of organizing new war against Soviet Union should remember that it is already a mighty power, and that USSR does not intend "to draw other peoples' chestnuts out of fire" except for its own good.

Full translation of Stalin's speech and several of the others follow by despatch.<sup>43</sup>

KENNAN

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861.00/2-2246 : Telegram

*The Chargé in the Soviet Union (Kennan) to the Secretary of State*

SECRET

Moscow, February 22, 1946—9 p. m.

[Received February 22—3:52 p. m.]

511. Answer to Dept's 284, Feb 3 [13]<sup>44</sup> involves questions so intricate, so delicate, so strange to our form of thought, and so important to analysis of our international environment that I cannot compress answers into single brief message without yielding to what I feel would be dangerous degree of over-simplification. I hope, therefore, Dept will bear with me if I submit in answer to this question five parts, subjects of which will be roughly as follows:

- (1) Basic features of post-war Soviet outlook.
- (2) Background of this outlook.

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<sup>40</sup> Mikhail Ivanovich Kalinin, Chairman of the Presidium of the Supreme Council of the Soviet Union. He resigned on March 19, 1946, because of poor health, and died on June 3.

<sup>41</sup> Andrey Alexandrovich Zhdanov, member and a Secretary of the Politburo of the Central Committee of the Communist Party.

<sup>42</sup> Lazar Moiseyevich Kaganovich, member of the Politburo of the Central Committee of the Communist Party and Deputy Chairman of the Council of People's Commissars (after March 15, Council of Ministers).

<sup>43</sup> Despatch 2442, February 12, from Moscow, not printed.

<sup>44</sup> Not printed; in this telegram the Department informed the Chargé: "We should welcome receiving from you an interpretive analysis of what we may expect in the way of future implementation of these announced policies . . ." (861.00/2-1246). The policies referred to were those contained in the pre-election speeches of Stalin and his associates.

- (3) Its projection in practical policy on official level.
- (4) Its projection on unofficial level.
- (5) Practical deductions from standpoint of US policy.

I apologize in advance for this burdening of telegraphic channel; but questions involved are of such urgent importance, particularly in view of recent events, that our answers to them, if they deserve attention at all, seem to me to deserve it at once. There follows

*Part 1: Basic Features of Post War Soviet Outlook, as Put Forward by Official Propaganda Machine, Are as Follows:*

(a) USSR still lives in antagonistic "capitalist encirclement" with which in the long run there can be no permanent peaceful coexistence. As stated by Stalin in 1927 to a delegation of American workers:

"In course of further development of international revolution there will emerge two centers of world significance: a socialist center, drawing to itself the countries which tend toward socialism, and a capitalist center, drawing to itself the countries that incline toward capitalism. Battle between these two centers for command of world economy will decide fate of capitalism and of communism in entire world."

(b) Capitalist world is beset with internal conflicts, inherent in nature of capitalist society. These conflicts are insoluble by means of peaceful compromise. Greatest of them is that between England and US.

(c) Internal conflicts of capitalism inevitably generate wars. Wars thus generated may be of two kinds: intra-capitalist wars between two capitalist states, and wars of intervention against socialist world. Smart capitalists, vainly seeking escape from inner conflicts of capitalism, incline toward latter.

(d) Intervention against USSR, while it would be disastrous to those who undertook it, would cause renewed delay in progress of Soviet socialism and must therefore be forestalled at all costs.

(e) Conflicts between capitalist states, though likewise fraught with danger for USSR, nevertheless hold out great possibilities for advancement of socialist cause, particularly if USSR remains militarily powerful, ideologically monolithic and faithful to its present brilliant leadership.

(f) It must be borne in mind that capitalist world is not all bad. In addition to hopelessly reactionary and bourgeois elements, it includes (1) certain wholly enlightened and positive elements united in acceptable communistic parties and (2) certain other elements (now described for tactical reasons as progressive or democratic) whose reactions, aspirations and activities happen to be "objectively" favorable to interests of USSR. These last must be encouraged and utilized for Soviet purposes.



(g) Among negative elements of bourgeois-capitalist society, most dangerous of all are those whom Lenin called false friends of the people, namely moderate-socialist or social-democratic leaders (in other words, non-Communist left-wing). These are more dangerous than out-and-out reactionaries, for latter at least march under their true colors, whereas moderate left-wing leaders confuse people by employing devices of socialism to serve interests of reactionary capital.

So much for premises. To what deductions do they lead from standpoint of Soviet policy? To following:

(a) Everything must be done to advance relative strength of USSR as factor in international society. Conversely, no opportunity must be missed to reduce strength and influence, collectively as well as individually, of capitalist powers.

(b) Soviet efforts, and those of Russia's friends abroad, must be directed toward deepening and exploiting of differences and conflicts between capitalist powers. If these eventually deepen into an "imperialist" war, this war must be turned into revolutionary upheavals within the various capitalist countries.

(c) "Democratic-progressive" elements abroad are to be utilized to maximum to bring pressure to bear on capitalist governments along lines agreeable to Soviet interests.

(d) Relentless battle must be waged against socialist and social-democratic leaders abroad.

### *Part 2: Background of Outlook*

Before examining ramifications of this party line in practice there are certain aspects of it to which I wish to draw attention.

First, it does not represent natural outlook of Russian people. Latter are, by and large, friendly to outside world, eager for experience of it, eager to measure against it talents they are conscious of possessing, eager above all to live in peace and enjoy fruits of their own labor. Party line only represents thesis which official propaganda machine puts forward with great skill and persistence to a public often remarkably resistant in the stronghold of its innermost thoughts. But party line is binding for outlook and conduct of people who make up apparatus of power—party, secret police and Government—and it is exclusively with these that we have to deal.

Second, please note that premises on which this party line is based are for most part simply not true. Experience has shown that peaceful and mutually profitable coexistence of capitalist and socialist states is entirely possible. Basic internal conflicts in advanced countries are no longer primarily those arising out of capitalist ownership of means of production, but are ones arising from advanced urbanism and industrialism as such, which Russia has thus far been spared not by

socialism but only by her own backwardness. Internal rivalries of capitalism do not always generate wars; and not all wars are attributable to this cause. To speak of possibility of intervention against USSR today, after elimination of Germany and Japan and after example of recent war, is sheerest nonsense. If not provoked by forces of intolerance and subversion "capitalist" world of today is quite capable of living at peace with itself and with Russia. Finally, no sane person has reason to doubt sincerity of moderate socialist leaders in Western countries. Nor is it fair to deny success of their efforts to improve conditions for working population whenever, as in Scandinavia, they have been given chance to show what they could do.

Falseness of these premises, every one of which pre-dates recent war, was amply demonstrated by that conflict itself. Anglo-American differences did not turn out to be major differences of Western World. Capitalist countries, other than those of Axis, showed no disposition to solve their differences by joining in crusade against USSR. Instead of imperialist war turning into civil wars and revolution, USSR found itself obliged to fight side by side with capitalist powers for an avowed community of aims.

Nevertheless, all these theses, however baseless and disproven, are being boldly put forward again today. What does this indicate? It indicates that Soviet party line is not based on any objective analysis of situation beyond Russia's borders; that it has, indeed, little to do with conditions outside of Russia; that it arises mainly from basic inner-Russian necessities which existed before recent war and exist today.

At bottom of Kremlin's neurotic view of world affairs is traditional and instinctive Russian sense of insecurity. Originally, this was insecurity of a peaceful agricultural people trying to live on vast exposed plain in neighborhood of fierce nomadic peoples. To this was added, as Russia came into contact with economically advanced West, fear of more competent, more powerful, more highly organized societies in that area. But this latter type of insecurity was one which afflicted rather Russian rulers than Russian people; for Russian rulers have invariably sensed that their rule was relatively archaic in form, fragile and artificial in its psychological foundation, unable to stand comparison or contact with political systems of Western countries. For this reason they have always feared foreign penetration, feared direct contact between Western world and their own, feared what would happen if Russians learned truth about world without or if foreigners learned truth about world within. And they have learned to seek security only in patient but deadly struggle for total destruction of rival power, never in compacts and compromises with it.

It was no coincidence that Marxism, which had smouldered ineffectively for half a century in Western Europe, caught hold and blazed for first time in Russia. Only in this land which had never known a friendly neighbor or indeed any tolerant equilibrium of separate powers, either internal or international, could a doctrine thrive which viewed economic conflicts of society as insoluble by peaceful means. After establishment of Bolshevist regime, Marxist dogma, rendered even more truculent and intolerant by Lenin's interpretation, became a perfect vehicle for sense of insecurity with which Bolsheviks, even more than previous Russian rulers, were afflicted. In this dogma, with its basic altruism of purpose, they found justification for their instinctive fear of outside world, for the dictatorship without which they did not know how to rule, for cruelties they did not dare not to inflict, for sacrifices they felt bound to demand. In the name of Marxism they sacrificed every single ethical value in their methods and tactics. Today they cannot dispense with it. It is fig leaf of their moral and intellectual respectability. Without it they would stand before history, at best, as only the last of that long succession of cruel and wasteful Russian rulers who have relentlessly forced country on to ever new heights of military power in order to guarantee external security of their internally weak regimes. This is why Soviet purposes must always be solemnly clothed in trappings of Marxism, and why no one should underrate importance of dogma in Soviet affairs. Thus Soviet leaders are driven [by?] necessities of their own past and present position to put forward a dogma which [apparent omission] outside world as evil, hostile and menacing, but as bearing within itself germs of creeping disease and destined to be wracked with growing internal convulsions until it is given final *coup de grace* by rising power of socialism and yields to new and better world. This thesis provides justification for that increase of military and police power of Russian state, for that isolation of Russian population from outside world, and for that fluid and constant pressure to extend limits of Russian police power which are together the natural and instinctive urges of Russian rulers. Basically this is only the steady advance of uneasy Russian nationalism, a centuries old movement in which conceptions of offense and defense are inextricably confused. But in new guise of international Marxism, with its honeyed promises to a desperate and war torn outside world, it is more dangerous and insidious than ever before.

It should not be thought from above that Soviet party line is necessarily disingenuous and insincere on part of all those who put it forward. Many of them are too ignorant of outside world and mentally too dependent to question [apparent omission] self-hypno-

tism, and who have no difficulty making themselves believe what they find it comforting and convenient to believe. Finally we have the unsolved mystery as to who, if anyone, in this great land actually receives accurate and unbiased information about outside world. In atmosphere of oriental secretiveness and conspiracy which pervades this Government, possibilities for distorting or poisoning sources and currents of information are infinite. The very disrespect of Russians for objective truth—indeed, their disbelief in its existence—leads them to view all stated facts as instruments for furtherance of one ulterior purpose or another. There is good reason to suspect that this Government is actually a conspiracy within a conspiracy; and I for one am reluctant to believe that Stalin himself receives anything like an objective picture of outside world. Here there is ample scope for the type of subtle intrigue at which Russians are past masters. Inability of foreign governments to place their case squarely before Russian policy makers—extent to which they are delivered up in their relations with Russia to good graces of obscure and unknown advisers whom they never see and cannot influence—this to my mind is most disquieting feature of diplomacy in Moscow, and one which Western statesmen would do well to keep in mind if they would understand nature of difficulties encountered here.

*Part 3: Projection of Soviet Outlook in Practical Policy on Official Level*

We have now seen nature and background of Soviet program. What may we expect by way of its practical implementation?

Soviet policy, as Department implies in its query under reference, is conducted on two planes: (1) official plane represented by actions undertaken officially in name of Soviet Government; and (2) subterranean plane of actions undertaken by agencies for which Soviet Government does not admit responsibility.

Policy promulgated on both planes will be calculated to serve basic policies (a) to (d) outlined in part 1. Actions taken on different planes will differ considerably, but will dovetail into each other in purpose, timing and effect.

On official plane we must look for following:

(a) Internal policy devoted to increasing in every way strength and prestige of Soviet state: intensive military-industrialization; maximum development of armed forces; great displays to impress outsiders; continued secretiveness about internal matters, designed to conceal weaknesses and to keep opponents in dark.

(b) Wherever it is considered timely and promising, efforts will be made to advance official limits of Soviet power. For the moment, these efforts are restricted to certain neighboring points conceived of here

as being of immediate strategic necessity, such as Northern Iran, Turkey, possibly Bornholm. However, other points may at any time come into question, if and as concealed Soviet political power is extended to new areas. Thus a "friendly" Persian Government might be asked to grant Russia a port on Persian Gulf. Should Spain fall under Communist control, question of Soviet base at Gibraltar Strait might be activated. But such claims will appear on official level only when unofficial preparation is complete.

(c) Russians will participate officially in international organizations where they see opportunity of extending Soviet power or of inhibiting or diluting power of others. Moscow sees in UNO not the mechanism for a permanent and stable world society founded on mutual interest and aims of all nations, but an arena in which aims just mentioned can be favorably pursued. As long as UNO is considered here to serve this purpose, Soviets will remain with it. But if at any time they come to conclusion that it is serving to embarrass or frustrate their aims for power expansion and if they see better prospects for pursuit of these aims along other lines, they will not hesitate to abandon UNO. This would imply, however, that they felt themselves strong enough to split unity of other nations by their withdrawal, to render UNO ineffective as a threat to their aims or security, and to replace it with an international weapon more effective from their viewpoint. Thus Soviet attitude toward UNO will depend largely on loyalty of other nations to it, and on degree of vigor, decisiveness and cohesion with which these nations defend in UNO the peaceful and hopeful concept of international life, which that organization represents to our way of thinking. I reiterate, Moscow has no abstract devotion to UNO ideals. Its attitude to that organization will remain essentially pragmatic and tactical.

(d) Toward colonial areas and backward or dependent peoples, Soviet policy, even on official plane, will be directed toward weakening of power and influence and contacts of advanced Western nations, on theory that in so far as this policy is successful, there will be created a vacuum which will favor Communist-Soviet penetration. Soviet pressure for participation in trusteeship arrangements thus represents, in my opinion, a desire to be in a position to complicate and inhibit exertion of Western influence at such points rather than to provide major channel for exerting of Soviet power. Latter motive is not lacking, but for this Soviets prefer to rely on other channels than official trusteeship arrangements. Thus we may expect to find Soviets asking for admission everywhere to trusteeship or similar arrangements and using levers thus acquired to weaken Western influence among such peoples.

(e) Russians will strive energetically to develop Soviet representation in, and official ties with, countries in which they sense strong possibilities of opposition to Western centers of power. This applies to such widely separated points as Germany, Argentina, Middle Eastern countries, etc.

(f) In international economic matters, Soviet policy will really be dominated by pursuit of autarchy for Soviet Union and Soviet-dominated adjacent areas taken together. That, however, will be underlying policy. As far as official line is concerned, position is not yet clear. Soviet Government has shown strange reticence since termination hostilities on subject foreign trade. If large scale long term credits should be forthcoming, I believe Soviet Government may eventually again do lip service, as it did in 1930's to desirability of building up international economic exchanges in general. Otherwise I think it possible Soviet foreign trade may be restricted largely to Soviet's own security sphere, including occupied areas in Germany, and that a cold official shoulder may be turned to principle of general economic collaboration among nations.

(g) With respect to cultural collaboration, lip service will likewise be rendered to desirability of deepening cultural contacts between peoples, but this will not in practice be interpreted in any way which could weaken security position of Soviet peoples. Actual manifestations of Soviet policy in this respect will be restricted to arid channels of closely shepherded official visits and functions, with superabundance of vodka and speeches and dearth of permanent effects.

(h) Beyond this, Soviet official relations will take what might be called "correct" course with individual foreign governments, with great stress being laid on prestige of Soviet Union and its representatives and with punctilious attention to protocol, as distinct from good manners.

*Part 4: Following May Be Said as to What We May Expect by Way of Implementation of Basic Soviet Policies on Unofficial, or Subterranean Plane, i.e. on Plane for Which Soviet Government Accepts no Responsibility*

Agencies utilized for promulgation of policies on this plane are following:

1. Inner central core of Communist Parties in other countries. While many of persons who compose this category may also appear and act in unrelated public capacities, they are in reality working closely together as an underground operating directorate of world communism, a concealed Comintern<sup>45</sup> tightly coordinated and di-

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<sup>45</sup> The Third (Communist) International, founded by the Bolsheviks at Moscow in March 1919, announced as having been dissolved in May 1943; see *Foreign Relations*, 1943, vol. III, pp. 531-532, and 542-543.

rected by Moscow. It is important to remember that this inner core is actually working on underground lines, despite legality of parties with which it is associated.

2. Rank and file of Communist Parties. Note distinction is drawn between these and persons defined in paragraph 1. This distinction has become much sharper in recent years. Whereas formerly foreign Communist Parties represented a curious (and from Moscow's standpoint often inconvenient) mixture of conspiracy and legitimate activity, now the conspiratorial element has been neatly concentrated in inner circle and ordered underground, while rank and file—no longer even taken into confidence about realities of movement—are thrust forward as bona fide internal partisans of certain political tendencies within their respective countries, genuinely innocent of conspiratorial connection with foreign states. Only in certain countries where communists are numerically strong do they now regularly appear and act as a body. As a rule they are used to penetrate, and to influence or dominate, as case may be, other organizations less likely to be suspected of being tools of Soviet Government, with a view to accomplishing their purposes through [apparent omission] organizations, rather than by direct action as a separate political party.

3. A wide variety of national associations or bodies which can be dominated or influenced by such penetration. These include: labor unions, youth leagues, women's organizations, racial societies, religious societies, social organizations, cultural groups, liberal magazines, publishing houses, etc.

4. International organizations which can be similarly penetrated through influence over various national components. Labor, youth and women's organizations are prominent among them. Particular, almost vital, importance is attached in this connection to international labor movement. In this, Moscow sees possibility of sidetracking western governments in world affairs and building up international lobby capable of compelling governments to take actions favorable to Soviet interests in various countries and of paralyzing actions disagreeable to USSR.

5. Russian Orthodox Church, with its foreign branches, and through it the Eastern Orthodox Church in general.

6. Pan-Slav movement and other movements (Azerbaijan, Armenian, Turcoman, etc.) based on racial groups within Soviet Union.

7. Governments or governing groups willing to lend themselves to Soviet purposes in one degree or another, such as present Bulgarian and Yugoslav Governments, North Persian regime, Chinese Communists, etc. Not only propaganda machines but actual policies of these regimes can be placed extensively at disposal of USSR.

It may be expected that component parts of this far-flung apparatus will be utilized, in accordance with their individual suitability, as follows:

(a) To undermine general political and strategic potential of major western powers. Efforts will be made in such countries to disrupt national self confidence, to hamstring measures of national defense, to increase social and industrial unrest, to stimulate all forms of disunity. All persons with grievances, whether economic or racial, will be urged to seek redress not in mediation and compromise, but in defiant violent struggle for destruction of other elements of society. Here poor will be set against rich, black against white, young against old, newcomers against established residents, etc.

(b) On unofficial plane particularly violent efforts will be made to weaken power and influence of Western Powers of [on] colonial backward, or dependent peoples. On this level, no holds will be barred. Mistakes and weaknesses of western colonial administration will be mercilessly exposed and exploited. Liberal opinion in Western countries will be mobilized to weaken colonial policies. Resentment among dependent peoples will be stimulated. And while latter are being encouraged to seek independence of Western Powers, Soviet dominated puppet political machines will be undergoing preparation to take over domestic power in respective colonial areas when independence is achieved.

(c) Where individual governments stand in path of Soviet purposes pressure will be brought for their removal from office. This can happen where governments directly oppose Soviet foreign policy aims (Turkey, Iran), where they seal their territories off against Communist penetration (Switzerland, Portugal), or where they compete too strongly, like Labor Government in England, for moral domination among elements which it is important for Communists to dominate. (Sometimes, two of these elements are present in a single case. Then Communist opposition becomes particularly shrill and savage.[]]

(d) In foreign countries Communists will, as a rule, work toward destruction of all forms of personal independence, economic, political or moral. Their system can handle only individuals who have been brought into complete dependence on higher power. Thus, persons who are financially independent—such as individual businessmen, estate owners, successful farmers, artisans and all those who exercise local leadership or have local prestige, such as popular local clergymen or political figures, are anathema. It is not by chance that even in USSR local officials are kept constantly on move from one job to another, to prevent their taking root.



(e) Everything possible will be done to set major Western Powers against each other. Anti-British talk will be plugged among Americans, anti-American talk among British. Continentals, including Germans, will be taught to abhor both Anglo-Saxon powers. Where suspicions exist, they will be fanned; where not, ignited. No effort will be spared to discredit and combat all efforts which threaten to lead to any sort of unity or cohesion among other [apparent omission] from which Russia might be excluded. Thus, all forms of international organization not amenable to Communist penetration and control, whether it be the Catholic [apparent omission] international economic concerns, or the international fraternity of royalty and aristocracy, must expect to find themselves under fire from many, and often [apparent omission].

(f) In general, all Soviet efforts on unofficial international plane will be negative and destructive in character, designed to tear down sources of strength beyond reach of Soviet control. This is only in line with basic Soviet instinct that there can be no compromise with rival power and that constructive work can start only when Communist power is dominant. But behind all this will be applied insistent, unceasing pressure for penetration and command of key positions in administration and especially in police apparatus of foreign countries. The Soviet regime is a police regime par excellence, reared in the dim half world of Tsarist police intrigue, accustomed to think primarily in terms of police power. This should never be lost sight of in gauging Soviet motives.

*Part 5: [Practical Deductions From Standpoint of US Policy]*

> In summary, we have here a political force committed fanatically to the belief that with US there can be no permanent *modus vivendi*, that it is desirable and necessary that the internal harmony of our society be disrupted, our traditional way of life be destroyed, the international authority of our state be broken, if Soviet power is to be secure. This political force has complete power of disposition over energies of one of world's greatest peoples and resources of world's richest national territory, and is borne along by deep and powerful currents of Russian nationalism. In addition, it has an elaborate and far flung apparatus for exertion of its influence in other countries, an apparatus of amazing flexibility and versatility, managed by people whose experience and skill in underground methods are presumably without parallel in history. Finally, it is seemingly inaccessible to considerations of reality in its basic reactions. For it, the vast fund of objective fact about human society is not, as with us, the measure against which outlook is constantly being tested and re-formed, but a grab bag from which individual items are selected arbitrarily and

tendenciously to bolster an outlook already preconceived. This is admittedly not a pleasant picture. Problem of how to cope with this force in [is] undoubtedly greatest task our diplomacy has ever faced and probably greatest it will ever have to face. It should be point of departure from which our political general staff work at present juncture should proceed. It should be approached with same thoroughness and care as solution of major strategic problem in war, and if necessary, with no smaller outlay in planning effort. I cannot attempt to suggest all answers here. But I would like to record my conviction that problem is within our power to solve—and that without recourse to any general military conflict. And in support of this conviction there are certain observations of a more encouraging nature I should like to make:

(1) Soviet power, unlike that of Hitlerite Germany, is neither schematic nor adventuristic. It does not work by fixed plans. It does not take unnecessary risks. Impervious to logic of reason, and it is highly sensitive to logic of force. For this reason it can easily withdraw—and usually does—when strong resistance is encountered at any point. Thus, if the adversary has sufficient force and makes clear his readiness to use it, he rarely has to do so. If situations are properly handled there need be no prestige-engaging showdowns.

(2) Gauged against Western World as a whole, Soviets are still by far the weaker force. Thus, their success will really depend on degree of cohesion, firmness and vigor which Western World can muster. And this is factor which it is within our power to influence.

(3) Success of Soviet system, as form of internal power, is not yet finally proven. It has yet to be demonstrated that it can survive supreme test of successive transfer of power from one individual or group to another. Lenin's death was first such transfer, and its effects wracked Soviet state for 15 years. After Stalin's death or retirement will be second. But even this will not be final test. Soviet internal system will now be subjected, by virtue of recent territorial expansions, to series of additional strains which once proved severe tax on Tsardom. We here are convinced that never since termination of civil war have mass of Russian people been emotionally farther removed from doctrines of Communist Party than they are today. In Russia, party has now become a great and—for the moment—highly successful apparatus of dictatorial administration, but it has ceased to be a source of emotional inspiration. Thus, internal soundness and permanence of movement need not yet be regarded as assured.

(4) All Soviet propaganda beyond Soviet security sphere is basically negative and destructive. It should therefore be relatively easy to combat it by any intelligent and really constructive program.

For these reasons I think we may approach calmly and with good heart problem of how to deal with Russia. As to how this approach should be made, I only wish to advance, by way of conclusion, following comments:

(1) Our first step must be to apprehend, and recognize for what it is, the nature of the movement with which we are dealing. We must study it with same courage, detachment, objectivity, and same determination not to be emotionally provoked or unseated by it, with which doctor studies unruly and unreasonable individual.

(2) We must see that our public is educated to realities of Russian situation. I cannot over-emphasize importance of this. Press cannot do this alone. It must be done mainly by Government, which is necessarily more experienced and better informed on practical problems involved. In this we need not be deterred by [ugliness?] of picture. I am convinced that there would be far less hysterical anti-Sovietism in our country today if realities of this situation were better understood by our people. There is nothing as dangerous or as terrifying as the unknown. It may also be argued that to reveal more information on our difficulties with Russia would reflect unfavorably on Russian-American relations. I feel that if there is any real risk here involved, it is one which we should have courage to face, and sooner the better. But I cannot see what we would be risking. Our stake in this country, even coming on heels of tremendous demonstrations of our friendship for Russian people, is remarkably small. We have here no investments to guard, no actual trade to lose, virtually no citizens to protect, few cultural contacts to preserve. Our only stake lies in what we hope rather than what we have; and I am convinced we have better chance of realizing those hopes if our public is enlightened and if our dealings with Russians are placed entirely on realistic and matter-of-fact basis.

(3) Much depends on health and vigor of our own society. World communism is like malignant parasite which feeds only on diseased tissue. This is point at which domestic and foreign policies meet. Every courageous and incisive measure to solve internal problems of our own society, to improve self-confidence, discipline, morale and community spirit of our own people, is a diplomatic victory over Moscow worth a thousand diplomatic notes and joint communiqués. If we cannot abandon fatalism and indifference in face of deficiencies of our own society, Moscow will profit—Moscow cannot help profiting by them in its foreign policies.

(4) We must formulate and put forward for other nations a much more positive and constructive picture of sort of world we would like to see than we have put forward in past. It is not enough to urge people to develop political processes similar to our own. Many for-

eign peoples, in Europe at least, are tired and frightened by experiences of past, and are less interested in abstract freedom than in security. They are seeking guidance rather than responsibilities. We should be better able than Russians to give them this. And unless we do, Russians certainly will.

(5) Finally we must have courage and self-confidence to cling to our own methods and conceptions of human society. After all, the greatest danger that can befall us in coping with this problem of Soviet communism, is that we shall allow ourselves to become like those with whom we are coping.

KENNAN

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800.00B International Red Day/2-2546 : Airgram

*The Chargé in the Soviet Union (Kennan) to the Secretary of State*

Moscow, February 25, 1946.

[Received March 13—1:56 p. m.]

A-87. Full summary follows on Red Army Day Order issued by Stalin February 23.

Red Army greets its 28th anniversary in flower of its strength and surrounded with halo of victory. After long and grievous war it has emerged as first-class army with high moral fighting qualities and completely equipped with modern arms and tried commanders. In war with fascist invaders Red Army showed itself more than equal to its great tasks. All peoples of USSR are now convinced that they can rely on Red Army. Red Army's outstanding successes are explained first of all by fact that it is genuine people's army and defends interests of its people. Red Army's victories are further explained by fact that Communist Party educates it. Communist Party explained meaning and aims of war to Soviet fighters.

USSR has now entered new peaceful period of its economic development and its task is to advance still further, not merely consolidating economic positions already gained, which would lead to stagnation. Under present conditions Red Army's duty is to maintain vigilant protection over peaceful constructive labor of Soviet people and make frontiers of USSR impregnable to all enemies.

In peace time first task of all soldiers, officers and generals without exception is to perfect their military and political knowledge. In years of war Red Army's officers and generals mastered art of leading troops on field of battle. They must now master art of training and educating troops in peaceful circumstances. Patriotic war brought much that was new into military art and duty of Red Army is to use this precious experience not only for theoretical training but also for developing Soviet military science. Red Army must not only

keep up with military developments but must advance them still further. First class technical equipment of Red Army forms basis of its strength and this equipment must be handled skillfully and preserved carefully. Success in training troops is unthinkable without strong discipline and strict military order, maintenance of which is in first instance duty of officer cadres and in particular of senior lieutenants and sergeants who are direct and closest educators of Red Army soldiers. Soldiers and officers have great services to their credit before people but this must not lead to conceit. Duty of each Soviet warrior is to put whole of his strength and knowledge at service of Red Army.

KENNAN

811.91261/2-2746 : Telegram

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*The Chargé in the Soviet Union (Kennan) to the Secretary of State*

RESTRICTED

Moscow, February 27, 1946—5 p. m.

[Received February 27—1 : 32 p. m.]

566. AP correspondent Gilmore<sup>46</sup> tells us that correspondents were yesterday informed by Foreign Office Press Dept that it will no longer handle censorship but will devote itself to "assisting" correspondents. Correspondents will continue to be accredited by Press Dept. Beginning March 1 news despatches are to be handed in to post office at which point correspondents will lose contact with their stories.

Whole matter was presented by Press Dept to correspondents in typical atmosphere of mystery. Gilmore has learned, however, that censorship is in hands of Chief Administration of Literary and Publishing Affairs. This organization exerts internal Soviet censorship. Gilmore feels it is still too early to tell how new system will work but he has misgivings.

KENNAN

811.91261/3-446 : Telegram

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*The Chargé in the Soviet Union (Kennan) to the Secretary of State*

RESTRICTED

Moscow, March 4, 1946—7 p. m.

PRIORITY

[Received March 4—5 : 17 p. m.]

641. ReEmbs 566, Feb 27. New policy of censorship by Glavlit<sup>47</sup> which began March 1 has so far been completely unsatisfactory to correspondents in Moscow. In four cases correspondents have been informed by telephone that stories have been killed but they have no way of learning whether other stories have been killed, partly censored, or sent *in toto*.

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<sup>46</sup> Eddy Gilmore, Chief of the Moscow Bureau of the Associated Press.

<sup>47</sup> Main Administration for Literature and Publishing, an organization of the Council of Ministers of the Soviet Union.

Correspondents are not certain whether they are receiving all incoming telegrams or whether their service messages to their offices are getting through. In one case Glavlit informed correspondent it had killed a service message in which he requested that his byline be removed because he could no longer be responsible for what was sent under his name.

Thus far no one at Glavlit has consented to discuss technique of new censorship with any correspondent. Glavlit secretaries have told correspondents to apply to Press Dept FonOff for all info but Press Dept replies that it knows nothing about new censorship. It may be that this is birth pains of new censorship but correspondents desire that their home offices be informed of present situation in Moscow.

KENNAN

811.91261/3-646: Telegram

*The Chargé in the Soviet Union (Kennan) to the Secretary of State*

RESTRICTED

Moscow, March 6, 1946—5 p. m.

[Received 5:10 p. m.]

684. I am worried about situation of American correspondents here described in my 641, March 4, which has assumed genuinely unpleasant aspects.

A check now made by AP correspondent with his central office indicates that on March 5 out of 24 telegrams delivered to Soviet Post Office for submission to Censorship Bureau, only 10 reached their destination. He has no way of ascertaining in what shape these were finally despatched. . . .

In general, however, it is clear to me that it is highly unsatisfactory and risky, if not quite unacceptable, that American correspondents should be filing copy in these precarious circumstances, particularly at a moment when so much harm could be done by distorted or mutilated texts. I wish therefore to recommend that Department consult at once with editors and principals of correspondents now functioning in Moscow, particularly AP, UP, *New York Times*, *Time-Life*, CBS, NBC, and MBS with a view to ascertaining whether they wish to continue to have their correspondents file copy in these circumstances. I must reiterate that present system, if not modified, gives Soviet censors possibility of completely distorting sense of any story filed by an American correspondent in this city without knowledge of either correspondent himself or of his home office.

KENNAN

741.61/3-1146: Telegram

*The Chargé in the Soviet Union (Kennan) to the Secretary of State*CONFIDENTIAL  
U.S. URGENTMoscow, March 11, 1946—noon.  
[Received 9:18 p.m.]

751. As press has doubtless reported, this morning's Sov press - prints: (a) large portions of Churchill's speech <sup>48</sup> (we have not yet had time to check entire speech with original); (b) front page *Pravda* editorial on subject of Churchill's speech (essence of this editorial is that Churchill's speech calls for unity of Western Democracies under hegemony of Anglo-American military alliance, that this union would be directed against USSR, that its realization would signify breakdown of coalition and UNO, but that it is condemned to utter failure); and (c) excerpts from President's press conference of March 8 <sup>49</sup> in which President disassociated himself from Churchill's speech, denied probability of new Big Three meeting, expressed skepticism that Sov Union "would follow a unilateral policy of action" and stated that he would not permit a breakdown of UNO.

This sudden burst of publicity about Churchill's speech deserves careful attention. Following points strike us on first impression:

(1) This method of procedure was chosen after Kremlin had carefully waited to see reaction to Churchill's speech in US and England and indicates Moscow considers echo to Churchill's statements to have been so weak that it is worthwhile to throw Sov influence into scales of international public reaction. Had Churchill's speech found greater support in English and American public opinion and Govt circles, Moscow would doubtless have taken a much more serious view of it and drawn other conclusions as to treatment.

(2) This method of approach indicates Moscow is relieved about general situation, as reflected in public reaction to Churchill's speech and considers there is still excellent possibility that Western Democracies will not succeed in organizing any effective common front on military level against Sov bloc.

(3) It is worth noting that Sov public has still not been given any inkling of knowledge that there has been any international difference of opinion over maintenance of Sov forces in Iran. Indeed, in passage quoted from President's press conference, they have received the first hint that any questions at all have arisen on international level which might lead to serious tension in UNO. I question whether wide publicity now being given Churchill's controversy does not indicate that Moscow views early denouement of Iranian situation as probably unavoidable and is trying to prepare ground with Sov public by showing that while there are indeed persons abroad who are taking a strong line against USSR, they do not command majority support, and that

<sup>48</sup>The "Iron Curtain" speech delivered at Westminster College in Fulton, Missouri, on March 5, 1946.

<sup>49</sup>See *Public Papers of the Presidents of the United States: Harry S. Truman, 1946* (Washington, Government Printing Office, 1962), pp. 144-148.

there is generally great disunity and difference of opinion on these questions in Anglo-Saxon world.

(4) Despite the above, we are somewhat amazed at freedom with which *Pravda* has published, and then cited again editorially, some of Churchill's strongest and most effectively phrased statements. Against background of *Pravda's* own barren and doctrinaire language Churchill's eloquent phrases can hardly fail to strike a sympathetic note, if only by their poetry, in a nation second to none of its admiration for the beauty of speech.

KENNAN

360C.1121/3-1246 : Telegram

*The Chargé in the Soviet Union (Kennan) to the Secretary of State*

CONFIDENTIAL

Moscow, March 12, 1946—noon.

[Received 2:08 p. m.]

771. Difficulties encountered by our Mission in Poland with respect to arrests of individuals who are claimants to American citizenship parallel completely difficulties which have been encountered here ever since resumption of relations in 1933,<sup>50</sup> and they constitute in my opinion very clear evidence, if any is needed, as to who controls Polish security organs. Fact that security organs appear to be in position to influence Foreign Office and even to prevent latter from conduction correspondence in inconvenient cases, likewise has familiar ring. For this reason a word as to this Mission's experiences may be of interest.

We have generally found Soviet authorities unhelpful, uncommunicative and discourteous in cases involving dual nationality. They obviously consider that they are under no obligation to give any information to our Mission in such cases or to pay any consideration to fact that individual has American citizenship and connections. This attitude has been so consistently maintained that we have given up hope of obtaining any satisfaction in cases where there is any strong evidence of Soviet citizenship on part of individuals concerned and in order to minimize number of rebuffs received from Soviet authorities we generally restrict our efforts in protection of individual interests to cases where there has never been any question or claim of Soviet citizenship. We have impression that in many cases arrests are made simply because of existence of such American connections either out of curiosity on part of police with respect to possible foreign espionage connections, or more likely, out of a desire on part of zealous police officials to produce evidence of such connections, whether or not

<sup>50</sup> For earlier documentation on efforts to assist Soviet spouses of American citizens and detained American citizens to leave the Soviet Union, see *Foreign Relations*, 1945, vol. v, pp. 1148 ff.



they did in fact exist. Victims are then held incommunicado for long periods of time while police authorities cast about for such evidence and also for proof that USSR has some claim on person's citizenship in order to be able to establish dual nationality and thus make it possible to remove individual from protection or even curiosity of Foreign Mission. In these cases Foreign Office quite evidently acting under orders of secret police, stubbornly refuses to reply to communications of Foreign Mission pending establishment of Soviet citizenship. (This also applies to cases where arrests have not been made, as for example the Czechel case.) Never in my recollection have Foreign Office officials conceived [*consented?*] to discuss individual questions of citizenship evidence with representatives of Embassy in friendly and frank manner. When police decide they are in position to claim that individual in question is Soviet citizen, this is usually communicated to Embassy in written statement to effect that individual acquired Soviet citizenship at such and such time and place. Impossibility of interviewing subject or checking on details means that Embassy has no choice as a rule but to accept such statement.

Plainly as was indicated in Embassy's despatch 2257, November 15, 1945,<sup>51</sup> this leaves no adequate protection for persons in borderline cases. It may even be said with respect to American citizens in general in Soviet Union that they enjoy here no protection by right and that treatment they receive results from good grace of Soviet authorities rather than from respect for international engagement. Our only understanding with Soviet Govt about treatment of citizens arises from Litvinov agreements of 1933<sup>52</sup> and Soviet police authorities, as far as we can see, have never permitted these agreements to influence their policies or actions.

As Dept is aware from despatch referred to above, I consider this situation unsatisfactory and feel that publicity should be given to uncooperative attitude of Soviet authorities. In particular, I think it should be brought home to American public at suitable time and in suitable manner, that our Government is severely handicapped in its ability to extend protection to any persons of whom it might possibly be claimed by Soviet authorities that they are Soviet citizens.

Sent Dept as 771, repeated Warsaw as 23.

KENNAN

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<sup>51</sup> Not printed.

<sup>52</sup> For the letters exchanged on this subject on November 16, 1933, between President Roosevelt and Maxim Maximovich Litvinov, then the People's Commissar for Foreign Affairs of the Soviet Union, see *Foreign Relations, The Soviet Union, 1933-1939*, pp. 33-34.

811.91261/3-646 : Telegram

*The Secretary of State to the Chargé in the Soviet Union (Kennan)*CONFIDENTIAL  
US URGENT

WASHINGTON, March 13, 1946—8 p. m.

459. We have discussed change of censorship procedure with Washington Bureau Press Chiefs of organizations, mentioned in your 684, March 6. They are greatly concerned as is Dept at implications. They feel that as protection to themselves and public that new system must be publicized that readers may know they can place no confidence in what they read from Moscow, as blind censorship permits correspondent only to file dispatch without any assurance that it will ever reach US, or that it will not be completely different and possibly the opposite of information correspondent intended to transmit.

Press Bureau Chiefs who called at Dept here informed that Dept wishes to do everything it possibly can to be of assistance and that you are being instructed, and you are here instructed, to take this matter up orally with highest Soviet official you can reach and inform him that while US Govt is absolutely opposed to political censorship or any censorship in time of peace and hopes it will eventually be abolished everywhere, it realizes it is prerogative of a sovereign Govt. This Govt feels very strongly, however, that when censorship is used it should be exercised to minimum and not maximum extent and inconvenience correspondents as little as possible. We are sure it can function much better when correspondent has opportunity to discuss deletions with censor and is permitted to withdraw his dispatch if he feels deletions change its tenor. It makes the censorship more tolerable and creates less friction.

American publishers have sent correspondents they thought well qualified to capital of a friendly Govt for purpose of reporting news. They are glad that Russian correspondents are able to reside in US and report their observations without any censorship whatever. They feel there should be reciprocity by Soviet Govt. This Govt thoroughly agrees with them and in addition believes that in long run it is in interest of good relations to have as much freedom as possible for our respective peoples to receive objective reports of news events in friendly countries through their own experienced correspondents.

At our request Bureau Chiefs are not publicizing blind censorship for few days in hope that your representations may be effective in securing at least return to system which prevailed before transfer of censorship function to Post Office.

BYRNES

741.61/3-1446: Telegram

*The Chargé in the Soviet Union (Kennan) to the Secretary of State*

SECRET

Moscow, March 14, 1946—4 p. m.

URGENT

[Received 6:20 p. m.]

809. Significance of Stalin's interview<sup>53</sup> on Churchill's speech is naturally subject of most intense interest among foreign observers here today. Following points strike our attention.

(1) Interview is not an attempt to deal in any serious or objective way with Churchill's statements, but a polemic, obviously drawn up for home consumption, in which Churchill's remarks (which were basically defensive in character) are misinterpreted to Soviet public as evidence of strong sentiment in West for new "intervention" against Soviet Union.

(2) Taken together with *Pravda* editorial and Tarle's article,<sup>54</sup> this interview represents most violent Soviet reaction I can recall to any foreign statement.

(3) Above would indicate that Kremlin had tactical reasons of high importance and urgency for seizing this speech and presenting it to Soviet public, not for what it was, but for what Kremlin wished it to appear.

(4) Churchill's speech was made at moment when Soviet leaders have committed themselves to an aggressive course of action in Iran, character of which has been correctly spotted, analyzed and brought before world opinion by our Government and British Government. In other words, their play has been called. Lightly as they may take possibilities for direct and immediate UNO sanctions against USSR in Iranian affair, they know that policy they are following in Iran must, if further pursued, have deep and unfortunate repercussions on great power relations and collaboration. These repercussions will be so great that they cannot be concealed from Soviet people. This will be source of concern and disappointment to large elements in this country, including possibly influential ones. If Soviet public got impression that such a turn of events had been provoked by arrogant and unnecessary policies of Soviet regime itself, this might lead to widespread and inconvenient discontent. To obviate this, Soviet public is now being taught, with help of Churchill's speech, that important elements in England and America have serious aggressive plans against USSR. In light of such interpretation, subsequent Soviet

<sup>53</sup> A translation of Stalin's interview with a *Pravda* correspondent published on March 14 had been sent to the Department in telegram 808, March 14, 1946, from Moscow, not printed.

<sup>54</sup> The editorial had appeared in *Pravda* on March 11, and a 3-column editorial article by the historian Evgeny (Eugene) Viktorovich Tarle was printed in *Izvestiya* for March 12, 1946.

actions in Iran can be portrayed, when time comes, as general measure of security on part of a Russia hemmed in by threatening aggressors, and any subsequent censure of Soviet Union in UNO can be held up to Soviet public as another step in that process of encirclement of USSR which, as Soviet public is being taught to believe, is heralded by Churchill's speech.

(5) In summary, therefore, we are inclined to view Soviet reaction to Churchill's speech as closely related to situation in Iran and to feel that Stalin has seized Churchill's speech and exploited it, in a distorted interpretation, as an aid in preparing Soviet public psychologically for coming events.

KENNAN

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861.00/3-1646 : Telegram

*The Chargé in the Soviet Union (Kennan) to the Secretary of State*

Moscow, March 16, 1946.

[Received March 17—8: 50 p. m.]

837. Yesterday's decree of Supreme Soviet<sup>55</sup> transforming Councils of People's Commissars of USSR, union republics and autonomous republics into Councils of Ministers, corresponding People's Commissariats into Ministries and corresponding Commissars into Ministers was presented by Shvernik<sup>56</sup> on following grounds:

Old nomenclature arose in first period of Soviet state which was associated with radical destruction of old state machine and with establishment of new Soviet forms of state life. This was period of setting up of Soviet state when forms of administration were yet unstable and had only begun to develop. However, organs of state administration have not remained unchanged. Forms and functions of state organs have altered in course of development of Soviet state. Old nomenclature no longer reflects with sufficient distinctness the range of competence and responsibility which constitution of USSR gives to central organs and to persons who head various branches of state administration. Names of Commissariat and Commissar are applied not only to central organs of state administration of USSR, union and autonomous republics and their heads but also to certain local organs

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<sup>55</sup> The Embassy in Moscow was advised officially of the changes made by this decree in a circular note of March 20; and the Secretary of State was informed of these changes by the Embassy of the Soviet Union in Washington in a similar note on March 23.

<sup>56</sup> Nikolay Mikhailovich Shvernik, a candidate member of the Politburo of the Central Committee of the Communist Party, and First Assistant Chairman of the Presidium of the Supreme Council of the Soviet Union, becoming Chairman upon the retirement of Kalinin on March 19; see telegram 876, March 20, noon, from Moscow, p. 719.

and their officials. Thus this terminology obliterates distinction between heads of central organs of administration and officials of local institutions and introduces excessive complications into concept of competence, functions and responsibilities of various organs of state administration. All this shows necessity of transforming central organs of state administration of USSR, union and autonomous republics and renaming offices of those persons who head them, applying to them terminology generally accepted in govt practice.

[KENNAN]

811.91261/3-1946 : Telegram

*The Chargé in the Soviet Union (Kennan) to the Secretary of State*

CONFIDENTIAL

Moscow, March 19, 1946—6 p. m.

[Received March 19—4: 29 p. m.]

870. ReDeptel 459, March 13. Spoke today with Vyshinski about censorship procedure. After I had stated views set forth in Dept's message Vyshinski replied by referring to our recognition that censorship was a prerogative of a sovereign govt and said that Soviet Government had to be judge of its own necessities and could not take advice from any other govt on the policies it should follow in this respect. I stated that I had not come to give advice but only to make plain views of my Govt and to express hope that Soviet Govt, after due deliberation, would itself find it advisable to abolish this blind censorship and establish more tolerable system. Vyshinski then launched into a restatement of Soviet views on censorship as we have heard them on numbers of occasions in the past. Knowing from experience the futility of attempting to argue things out with Vyshinski on reasonable and factual basis, once he is basing himself on what he understands as his Govt's position, I did not pursue this argument but merely said that I thought we had enough troubles these days without adding superfluous ones and that I very much hoped that the very near future would see some change.

Since Vyshinski at one point admitted that there might be deficiencies in the present system, and since he promised to raise this question with his Govt in pursuance to our conversation, I think there is reasonable chance that Soviet Govt may take some action to modify present system. In order to spare obvious oversensitiveness about "advice" from other governments, I merely stated to Vyshinski in parting that I hope some change would be introduced and that I would be hearing about it from correspondents here. Thus I do not expect any direct reply from Vyshinski. I think that our editors and publishers should give matter perhaps another 10 days before concluding Soviet

Govt does not intend to modify procedure. I would be glad to learn reaction of Dept and of publishers to this suggestion.

If no improvement has set in within 10 days then question might well be examined of what further measures might be taken. I am told that Germans many years ago once broke similar attempt on part of Soviet authorities to enforce blind censorship by threatening that all German agencies and papers would receive their news about Russia exclusively from German FonOff until Russians desisted from this procedure. Another possibility that might be worth examining would be that correspondents here be instructed to remain in Moscow but not to file, or to file as little as possible, until further notice. I do not think this would be pleasing to Russians. On other hand, I do not think they would wish to take initiative in expelling correspondents as a body. They might therefore prefer to make concessions.

KENNAN

861.00/3-2046: Telegram

*The Chargé in the Soviet Union (Kennan) to the Secretary of State*

CONFIDENTIAL

Moscow, March 20, 1946—noon.

[Received 12:31 p. m.]

876. Personally attended last night's final session of Supreme Soviet at which new Govt and Presidium of USSR were elected.

It was interesting commentary on Soviet system that Kalinin, oldest and most venerable member of Politburo, who had functioned for some two decades in what was nominally highest position in Soviet state, was dropped from this position without single speech of tribute and without any highlighting of his past services and achievements. While proposal for his retirement from position as President of Supreme Soviet was read off and dutifully approved, he sat as usual among his colleagues of Politburo and nothing in his behavior or expression even indicated that he was aware that his name was under discussion. He was not asked to make any remarks or even to stand for an ovation and Stalin remained during entire procedure engrossed in some papers he was examining and did not even join in perfunctory applause with which audience greeted first mention of Kalinin's name.

It should not be thought that Kalinin's failure to react to proceeding was due to senility or ill health. Although he has recently suffered from spells of ill health, he remains a wiry and active old man with a brisk nervous energy, and he spent a good deal of time at these recent Supreme Soviet sessions in animated conversation with Politburo colleagues who, incidentally, yielded nothing to the other delegates in their manifestations of boredom with the spiritless and mechanical proceedings.

Routine and ungrateful manner of Kalinin's retirement merely reflects fact that Soviet system permits no rival constellations in the firmament where Stalin's light appears. It does not even have room for the mellow aura of an elderly retired statesman, and Dept will note that during period of Stalin's ascendancy no Soviet figure has ever retired in honor and dignity except by process of discreet and timely death. Some people might cite Litvinov as example to contrary; but if the humble seat which he occupied among servile ranks of Deputies at this Supreme Soviet session be compared with photo officially publicized 10 years ago of him crossing Kremlin courtyard in company with Molotov and Stalin, it will be clear that his present status also bears with it no genuine recognition for past service.<sup>57</sup> In this country fame and popular affection, like automobiles and country homes, are the temporary prerequisites of office and are transferred no less rapidly than seal and title when office is relinquished.

This last session of Supreme Soviet was probably most stereotyped and formalistic of any such meeting Moscow has seen. That is saying a good deal. In contrast to prewar Supreme Soviet meetings there was not even any pretense of spontaneous sentiment or action on part of Deputies. No proposal advanced to either chamber from beginning to end was ever questioned or failed to find unanimous support. Despite unflinching query of chairman as to whether anyone dissented or wished to refrain from voting, no one ever dissented or refrained. Session was marked by no single speech by any of prominent leaders, except report on 5-year plan by Voznesenski,<sup>58</sup> last and least of Politburo alternates.

Behind this state of affairs lies a continued total concealment of Soviet internal life and a strange reticence of Soviet leaders even toward their own people. We will see whether there will not soon be a party congress and whether Soviet leaders will not find it possible before that relatively esoteric and authoritative audience to be more communicative about their plans and thoughts. If not, one must indeed wonder whether they are not preoccupied with plans too delicate to be revealed and are not waiting changes which would alter radically whatever they might have to say to their people at this time.

KENNAN

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<sup>57</sup> Litvinov had been the People's Commissar for Foreign Affairs of the Soviet Union from 1930 until May 3, 1939, and Ambassador to the United States, 1941-1943. After his recall he had served as an Assistant Commissar (from March 15, 1946, a Deputy Minister) for Foreign Affairs until his retirement on August 24, 1946; see telegram 3306, August 25, 1946, from Moscow, p. 776.

<sup>58</sup> Nikolay Alexeyevich Voznesensky, Chairman (President) of Gosplan, the State Planning Commission.

761.00/3-2046 : Telegram

*The Chargé in the Soviet Union (Kennan) to the Secretary of State*

SECRET

Moscow, March 20, 1946—2 p. m.

[Received 4: 59 p. m.]

878. In recent days we have noted a number of statements made either editorially in American papers or individually by prominent Americans reflecting the view that Soviet "suspicions" could be assuaged if we on our part would make greater effort, by means of direct contact, persuasion or assurances, to convince Russians of good faith of our aims and policies.

I have in mind particularly numerous calls for a new three-power meeting, *Philadelphia Record's* proposal that US give "assurances" to assuage Russia's fears, Lippman's<sup>59</sup> appeal for closer "diplomatic contact" and, above all, Henry Wallace's<sup>60</sup> expressed belief (if BBC has quoted him correctly) that there is something our Government could and should do to persuade Stalin that we are not trying to form an anti-Soviet bloc. (We note many similar statements in British press.)

I am sending this message in order to tell Department of the concern and alarm with which we view line of thought behind these statements. Belief that Soviet "suspicions" are of such a nature that they could be altered or assuaged by personal contacts, rational arguments or official assurances, reflects a serious misunderstanding about Soviet realities and constitutes, in our opinion, the most insidious and dangerous single error which Americans can make in their thinking about this country.

If we are to get any long-term clarity of thought and policy on Russian matters we must recognize this very simple and basic fact: official Soviet thesis that outside world is hostile and menacing to Soviet peoples is not a conclusion at which Soviet leaders have reluctantly arrived after honest and objective appraisal of facts available to them but an *a priori* tactical position deliberately taken and hotly advanced by dominant elements in Soviet political system for impelling selfish reasons of a domestic political nature. (Please see again in this connection part II of my 511, February 22.) A hostile international environment is the breath of life for prevailing internal system in this country. Without it there would be no justification for that tremendous and crushing bureaucracy of party, police and army which now lives off the labor and idealism of Russian people. Thus we are faced here with a tremendous vested interest dedicated to proposition that Russia is a country walking a dangerous path among implacable

<sup>59</sup> Walter Lippmann, journalist, writer of a special column appearing in several newspapers.

<sup>60</sup> Henry A. Wallace, Secretary of Commerce.



enemies. Disappearance of Germany and Japan (which were the only real dangers) from Soviet horizon left this vested interest no choice but to build up US and United Kingdom to fill this gap. This process began even before termination of hostilities and has been assiduously and unscrupulously pursued ever since. Whether or not it has been successful with people as a whole, we are not sure. Although they are now, since publication of Stalin's interview, highly alarmed, we are not sure they are convinced of Anglo-American wickedness. But that this agitation has created a psychosis which permeates and determines behavior of entire Soviet ruling caste is clear.

We do not know where this effort has its origin. We do not know whether Stalin himself is an author or victim of it. Perhaps he is a little of both. But we think there is strong evidence that he does not by any means always receive objective and helpful information about international situation. And as far as we can see, the entire apparatus of diplomacy and propaganda under him works not on basis of any objective analysis of world situation but squarely on basis of the pre-conceived party line which we see reflected in official propaganda.

I would be last person to deny that useful things have been accomplished in past and can be accomplished in future by direct contact with Stalin, especially where such contact makes it possible to correct his conceptions in matters of fact. But it would be fair neither to past nor to future Ambassadors to expect too much along this line. The cards are stacked against us. An Ambassador can, as a rule, see Stalin only relatively rarely, and even then he has to overcome a heavy handicap of skepticism and suspicion. Meanwhile Stalin is presumably constantly at disposal of a set of inside advisers of whom we know little or nothing. As far as I am aware, there is no limit to extent to which these people can fill his mind with misinformation and misinterpretations about us and our policies, and all this without our knowledge. Isolation of foreigners and (this is important to note) of high Soviet figures as well, both from each other and from rank and file of Soviet population, makes it practically impossible for foreign representatives to trace and combat the flow of deliberate misinformation and misinterpretation to which their countries are victims. Let no one think this system is fortuitous or merely traditional. Here again, we have a vested interest vitally concerned, for excellent reasons, that things should be this way, that free contact should not take place, that foreign representatives should be kept in dark and that high Soviet figures should remain generally dependent on persons whose views

are unknown, whose activities unseen, whose influences unchallengeable because they cannot be detected.

To all this there should be added fact that suspicion is basic in Soviet Government. It affects everything and everyone. It is not confined to us. Foreign Communists in Moscow are subjected to isolation and supervision more extreme, if anything, than those surrounding foreign diplomats. They enjoy no more than we do any individual confidence on part of Kremlin. Even Soviet internal figures move in a world of elaborate security checks and balances based on lack of confidence in their individual integrity. Moscow does not believe in such things as good will or individual human virtue.

When confidence is unknown even at home, how can it logically be sought by outsiders? Some of us here have tried to conceive the measures our country would have to take if it really wished to pursue, at all costs, goal of disarming Soviet suspicions. We have come to conclusion that nothing short of complete disarmament, delivery of our air and naval forces to Russia and resigning of powers of government to American Communists would even dent this problem; and even then we believe—and this is not facetious—that Moscow would smell a trap and would continue to harbor most baleful misgivings.

We are thus up against fact that suspicion in one degree or another, is an integral part of Soviet system, and will not yield entirely to any form of rational persuasion or assurance. It determines diplomatic climate in which, for better or for worse, our relations with Russia are going to have to grow. To this climate, and not to wishful preconceptions, we must adjust our diplomacy.

In these circumstances I think there can be no more dangerous tendency in American public opinion than one which places on our Government an obligation to accomplish the impossible by gestures of good will and conciliation toward a political entity constitutionally incapable of being conciliated. On other hand, there is no tendency more agreeable to purposes of Moscow diplomacy. Kremlin has no reason to discourage a delusion so useful to its purposes; and we may expect Moscow propaganda apparatus to cultivate it assiduously.

For these reasons, I wish to register the earnest hope that we will find means to bring about a better understanding on this particular point, particularly among people who bear public responsibility and influence public opinion in our country.

Sent Department 878; repeated London as 150.

KENNAN

811.32/6-1146

*Memorandum by the Chief of the Division of Eastern European Affairs (Durbrow)*<sup>61</sup>

[WASHINGTON,] March 22, 1946.

The question of obtaining permission from the Soviet Government for the departure from the Soviet Union of Soviet spouses of American citizens has been a source of annoyance and trouble for the Embassy since practically its establishment. As the result of the Embassy's representations, over the course of the years after prolonged delay in each case, the Soviet authorities have permitted Soviet spouses, numbering approximately thirty to fifty, to depart from the Soviet Union. There is always a current backlog awaiting Soviet permission to depart and American visas.

The Department and the Embassy are constantly subjected to strong political pressure with respect to this subject. Members of Congress and their Secretaries, and the families of the American citizens concerned, continually call personally at the Department, write letters and enlist the assistance of the public press in connection with these cases. The Department is under heavy pressure at the present time particularly in the cases of Mrs. Kemp Tolley, Mrs. Byron Uskievich and Mrs. Louis Maurice Hirschfield.<sup>62</sup> The first two women are wives of American Naval Officers and the last is the wife of a clerk in the Embassy. The case of Mrs. Eva Epstein Grove is an example of the interest exerted in this question by members of Congress. Last February [1945?] at the instance of Mr. Sol Bloom,<sup>63</sup> Mr. Stettinius<sup>64</sup> discussed her case with Molotov and succeeded in obtaining permission for her departure.

Last December Mr. Byrnes, while in Moscow, personally discussed the entire question of Soviet spouses with Molotov,<sup>65</sup> but up to the present time no action has been taken by the Soviet authorities on the ten to fifteen outstanding cases.

It is suggested that you might care to give this question priority on the list of matters to be discussed with Mr. Molotov, stressing the

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<sup>61</sup> This memorandum was directed to Lt. Gen. Walter Bedell Smith, appointed Ambassador to the Soviet Union. The Government of the Soviet Union, by letter of February 4, 1946, had agreed to receive General Smith as the American Ambassador.

<sup>62</sup> See *Foreign Relations*, 1945, vol. v, pp. 1148 ff.

<sup>63</sup> Member of the House of Representatives from New York.

<sup>64</sup> Edward R. Stettinius, Jr., Secretary of State from December 1, 1944, until June 27, 1945.

<sup>65</sup> While in Moscow attending the Foreign Ministers' Conference December 16-26, 1945, Mr. Byrnes discussed the question of Soviet spouses with Mr. Molotov, and confirmed this conversation in a letter of December 24, 1945. Telegram 2201, July 17, 1946, from Moscow, reported that no reply to this letter had yet been received (861.111/7-1746).

humanitarian aspect of the separation of families and the potentialities which this minor question has as a promoter of bad feeling and misunderstanding on the part of American citizens towards the Soviet Government.<sup>68</sup>

It has long been the Department's policy not to have on the staff of the Embassy in Moscow officers or clerks married to Soviet spouses. These marriages immediately reduce the usefulness of the personnel concerned since they have to be taken off confidential work and consequently throw a heavy burden on the remaining Embassy personnel. American personnel are informed of this policy upon their arrival in Moscow, as well as of the difficulties which will be entailed in the event they contract marriage with Soviet citizens in obtaining permission from the Soviet Government for their spouses to leave the country.

However, because of possible repercussions which might be detrimental to the Soviet spouses, the Department has permitted the American personnel concerned to remain on the Embassy staff until their spouses have obtained permission to depart.

ELBRIDGE DUSBROW

861.001/3-2346 : Telegram

*The Chargé in the Soviet Union (Kennan) to the Secretary of State*

Moscow, March 23, 1946.

[Received March 23—12: 30 p. m.]

920. All papers March 23 publish on front page following questions of AP correspondent Gilmore and answers from Stalin :

(1) Of what importance do you attribute to UNO as a means of preserving international peace?

*Answer:* I attribute great importance to UNO since it is serious instrument for preservation of peace and international security. Strength of this international organization consists in fact that it is based on principle of equal rights of states and not on principle of domination [of some] over others. If it can preserve in future the principle of equal rights, then undoubtedly it will play great positive role in cause of maintenance of universal peace and security.

(2) What in your opinion has evoked present fear of war felt by many persons in many countries?

*Answer:* I am convinced that neither nations nor their armies are striving for a new war, they want peace and are striving for maintenance of peace. This means that "present fear of war" is not evoked on their part. I think that "present fear of war" is evoked by actions of certain political groups engaged in propaganda of new war and sowing in this manner seeds of discord and uncertainty.

<sup>68</sup> Ambassador Smith reported in telegram 1846, June 15, 2 p. m., from Moscow, that he had taken up the question of exit visas for Soviet wives of American citizens with Deputy Minister for Foreign Affairs Vyshinsky in person on May 23, and had confirmed the conversation in writing on May 29 (861.111/6-1546).

(3) What should governments of freedom-loving countries do at present time for preservation of peace and calm throughout world?

*Answer:* It is necessary for public and ruling circles of states to organize wide-scale counter-propaganda against propagandizers of new war and for maintenance of peace, that no activity of propagandizers of new war remain without required rebuff on part of public and press, in order in this manner to expose in good time the inciters of war and not to give them opportunity to abuse freedom of speech against interests of peace.

Sent Department 920 repeated London 160, Paris 72, Chungking 43, and Frankfurt.

[KENNAN]

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861.20211/3-2746

*Memorandum of Conversation, by the Chief of the Division of Eastern European Affairs (Durbrow)*

[WASHINGTON,] March 27, 1946.

Mr. Garanin, Second Secretary of the Soviet Embassy, called at his request and stated that he had been authorized by Mr. Novikov, the Minister Counselor of the Embassy, to request that the Soviet Embassy be officially informed of the motives and reasons for the arrest of Lieutenant Nicolai Gregorovich Redin.<sup>67</sup>

Mr. Garanin stated that he wished this information on the basis of a State Department release on this subject. I explained that the release of [on] the arrest of Lieutenant Redin had not been made by the State Department but by the Federal Bureau of Investigation, which is the competent authority in such matters. I told Mr. Garanin that I would take this matter up with the appropriate American officials in order to obtain a reply to his request.

In this connection it is pertinent to point out that while the Soviet Government has not lived up to the commitment, it is provided in letters exchanged between the President and Mr. Litvinov dated November 13 [16], 1933, in part, as follows:

"Each of the Contracting Parties undertakes to adopt the necessary measures to inform the consul of the other Party as soon as possible

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<sup>67</sup> Nikolay Grigoryevich Redin, a Lieutenant in the Navy of the Soviet Union, had entered the United States on July 26, 1942, through San Francisco. He had come to serve with the Government Purchasing Commission of the Soviet Union in the United States. He had become the chief of the Routing and Liaison Section of this Commission in Seattle, Washington, and at this time was in temporary charge of the entire Commission there. The Federal Bureau of Investigation of the Department of Justice had for some time been observing his activities in seeking documents relating to United States naval vessels under construction on the Pacific coast, and blue prints of United States radar and fire control apparatus, in return for which he had made cash payments. At 5:55 p. m., on March 26, 1946, in Portland, Oregon, Redin was arrested.

whenever a national of the country which he represents is arrested in his district . . .

“The Consul shall be notified either by a communication from the person arrested or by the authorities themselves direct. Such communications shall be made within a period not exceeding seven times twenty-four hours, and in large towns, including capitals of districts, within a period not exceeding three times twenty-four hours.”

The exchange of letters also provides that consular representatives may visit the nationals of their country under arrest. Copies of these letters are attached.<sup>68</sup>

In view of these provisions it is believed that we should give official notification to the Soviet Embassy regarding the arrest of Lieutenant Redin and, if it is thought advisable, inform the Soviet Consul General in San Francisco, in whose district it is believed the arrest took place. Since the Embassy has asked for the reasons for the arrest, it is also believed that at least a summary explanation on this point should be given.

I promised Mr. Garanin that I would endeavor to obtain official notification regarding the arrest, as he had requested.

ELBRIDGE DUSBROW

861.20211/3-2746

*The Secretary of State to the Chargé of the Soviet Union (Novikov)*

The Secretary of State presents his compliments to the Chargé d’Affaires ad interim of the Union of Soviet Socialist Republics and informs him that in compliance with an exchange of letters between the President of the United States and the Soviet Ambassador [*Commissar for Foreign Affairs*] on November 16, 1933 relative to the legal protection of nationals of the United States and the Soviet Union Lieutenant Nicolai Gregorovich Redin, a Soviet national, on March 26, 1946 was placed under arrest at Portland, Oregon by the appropriate American authorities.

Lieutenant Redin was arrested on a complaint filed at Seattle, Washington on March 26, 1946, charging him with violation of the Espionage Statutes, Title 50, Section 31A, United States Code.

In compliance with the provisions of the above mentioned exchange of letters the appropriate American authorities are informing the Soviet Consul General, San Francisco, California, of the arrest of Lieutenant Redin.

WASHINGTON, March 28, 1946.

<sup>68</sup> For texts of letters exchanged between President Roosevelt and Maxim Maximovich Litvinov, People’s Commissar for Foreign Affairs of the Soviet Union, dated November 16, 1933, see *Foreign Relations, The Soviet Union, 1933-1939*, pp. 33-34.

811.91261/3-3046: Telegram

*The Appointed Ambassador to the Soviet Union (Smith)*<sup>69</sup> to the  
*Secretary of State*

RESTRICTED

Moscow, March 30, 1946—2 p. m.

[Received March 30—9:42 a. m.]

998. ReEmbtel 870, March 19. Experience correspondents in Moscow during past 2 days would seem to indicate a slight relaxation in censorship procedure. Correspondents have been called by telephone from Censorship Bureau and told either that their stories have been cancelled or that certain changes have been made in the text.

British Chargé<sup>70</sup> saw Vyshinski yesterday on question of press censorship and Vyshinski admitted that new procedure had not been satisfactory. He indicated that correspondents would in the future be able to see copies of their censored despatches before they were actually sent. We have therefore informed correspondents that they should request to see copies of despatches and to inform us in the course of next week whether in fact they will be able to check on censored despatches before sending.

We do not view indications of relaxation in censorship as final and believe that before informing home offices of correspondents in Washington, results of next week's experience should be awaited.

SMITH

611.6131/3-1346

*The Minister Counselor of Embassy in the Soviet Union (Kennan)*  
*to Mr. John N. Hazard of the Division of Commercial Policy*

SECRET

Moscow, April 3, 1946.

DEAR JOHN: I was very glad to have your letter of March 13 and appreciated your sending me the documents relating to the draft Treaty of Friendship, Commerce and Navigation with the U.S.S.R.<sup>71</sup>

I have read the draft treaty and much of the other material with as much care as a very hectic period here will permit. I see that a great deal of work and of careful thought went into them and that the persons who worked on this made a genuine and loyal effort to combine our traditional treaty procedures with the peculiar situation existing in the U.S.S.R.

Nevertheless, I have to tell you (and I hope you will forgive my frankness) that I consider it quite useless to attempt to negotiate an

<sup>69</sup> Gen. Walter Bedell Smith had arrived in Moscow March 28 and assumed charge of the Embassy. He presented his credentials on April 3.

<sup>70</sup> Frank Kenyon Roberts, Acting Counselor with local rank of Minister Plenipotentiary.

<sup>71</sup> None printed.

agreement of this nature with the Russians and I am afraid that the entire approach to it in Washington must have rested on an imperfect understanding of Russian realities as we know them today.

I have no time to go into details about this treaty, but I could adduce the following points in support of what I have just said.

*a.* Russia is not a "Rechtsstaat". The relationships between its citizens and the State are governed only in minor degree by legal norms and rights. Of far greater importance is the sheer administrative will of the executive authority, even in minor matters.

*b.* If this is true with respect to relationships between Soviet citizens and the State, it is far more true with respect to residence and activities of foreigners in Russia. Questions involving residence and activities of foreigners rest, I should say, 100% on the arbitrary will of the administrative authorities. There is no Soviet law which is worth the paper it is written on in so far as it bears on foreigners in the Soviet Union. Such laws as may refer to them, or as might be interpreted to affect them, are freely disregarded by the authorities when it suits their purpose. There is every evidence that questions concerning foreigners in the U.S.S.R. lie exclusively within the administrative competence of the Ministries of Internal Affairs and State Security. I have never observed that the authorities of these agencies have permitted their actions toward foreigners to be influenced in the slightest degree by any provisions of Soviet internal legislation or of treaty. I do not believe that they have any intention of letting their actions be so influenced in the future. I doubt whether the Soviet Government would today be willing to sign any engagement of this nature which it did not feel would leave its authorities in reality complete freedom of action.

*c.* Much of the work done by your committee<sup>72</sup> was apparently based on a study of engagements entered into by the Soviet Government long ago, at a time when it considered itself extensively dependent on the outside world, when it was interested in foreign concessions, and when it had need of foreign specialists on a large scale. As you will note, very few engagements of this sort have been undertaken since 1933, especially since the purges. All in all, I think treaties such as the German one of 1925 represented a phase of Soviet diplomacy which has passed into history.

*d.* Similarly, such of the internal legislation referred to in the reports of the committee meetings is very distinctly dated and has passed out of practical significance by virtue of the events of the last years.

*e.* The parts of the draft treaty dealing with residence of American "commercial representatives" in Russia appear to me to indicate an unrealistically optimistic conception of the extent to which Soviet Government contemplates permitting foreigners to reside in the Soviet Union in coming years. I do not believe that the Soviet authorities have any intention of permitting anything more than a handful of private Americans to live in this country for years to come.

*f.* These same passages also seem to me to indicate a certain underestimation of the Russian talents and possibilities for evasion of

<sup>72</sup> The U.S.S.R. Committee of the Department of State.



treaty provisions in such cases. As you must recall from your long residence here, there is apparently no end to the resources of the authorities in discouraging residence in the Soviet Union when this suits their purpose. He whose residence here is not entirely welcome to the authorities can find it mysteriously impossible to get housing or food cards or transportation or any number of other amenities of life. Furthermore, the efficacy of his activities can always be reduced to nil by the circumstance that no Soviet citizen will dare to deal with him either officially or personally. Yet for most of these obstacles it is almost impossible to hold a central Soviet authority responsible.

*g.* With the exception of the provisions concerning commercial representatives, I see no other provisions in the whole document which even seem to offer any important potential benefits to the United States. Almost all of them, on the other hand, would give to the Russians a legal basis for claiming as a treaty right many privileges in the United States which they now enjoy simply by custom and by the good will of our Government. In these circumstances, I question the desirability of concluding a treaty engagement on these points. We would be in a much better position vis-à-vis the Russians if we had it in our power to extend or withdraw these privileges at will, depending on treatment we are getting here.

*h.* The commercial and tariff provisions amount, as far as I can see, to most favored nation treatment. The only conceivable benefit that this could bring to us would be in the case of personal parcels sent to Americans in the Soviet Union. We have at present not more than one or two dozen Americans in Russia who could conceivably profit by such a benefit. Even if this number were to be increased a hundredfold, the practical significance would be negligible. And there has never been any question, as far as I know, of the Soviet authorities discriminating between countries in the duties levied on personal parcels of this sort. If they want to favor someone, they have dozens of ways of doing it besides discriminating in the duty he pays on parcels. Finally, this point is usually covered by private contract. Thus I can not regard this as a serious factor. I can see strong arguments for the extension by our Government to the U.S.S.R. of most favored nation customs treatment, as a matter of general policy. But if we wish to do this, then let us do it as a unilateral act, recognizing frankly that Russia with its trade monopoly has no equivalent concessions to offer. If (in the absence of a treaty) this takes legislation, let the State Department suggest to Congress the legislation that would be appropriate. Whatever legislation is passed should give the executive branch of our Government wide leeway to withdraw the concessions if Russian commercial policy toward United States were not regarded as satisfactory in Washington.

*i.* Our draft treaty is long, legalistic, obscure in wording, unadapted to Soviet institutions and conceptions. It would take the Russians weeks to translate it, months to study it and years to understand it. They would have real difficulty clearing it through the top people in their Government, due to the fact that those people are busy and practical and do not like to react to any but simply stated and clear proposals. In my experience it is useless and sometimes worse than useless to put to the Russians long and intricately worded proposals,

particularly on matters not of highest political importance. Even if they can be brought to sign such documents at all, they have little respect for them and no serious intention of executing them. Their minds simply do not work that way.

*j.* This agreement touches on very few of the points which are really important to us. We would like to get straight such things as the following:

1. Functions and rights of American official establishments in the Soviet Union;
2. Treatment of American official personnel in the U.S.S.R. and facilities granted to them for their life and work;
3. Numerical limitations of official representatives in both countries;
4. Reciprocal arrangements for granting or refusal of visa applications within a given time;
5. Arrangements for definition and treatment of dual nationals;
6. Claims of American citizens against the Soviet Government;
7. Aviation questions;
8. Status of Amtorg;<sup>73</sup>
9. Informational and propaganda activities of the two Governments;
10. Facilities for press reporting, et cetera.

*k.* If we are to propose any treaty to Soviet authorities ( I am skeptical of the value of treaties with the Russians in general), then I would suggest that it be a brief and simply-worded one going right to the heart of each of the problems which are really of importance to us here. The treaty which has been drafted in Washington seems to me to have been drafted with the idea rather of helping the Soviets to get legal guarantee for privileges in our country than of helping us to overcome some of the crushing difficulties which we have been facing here in recent months and years.

I am sorry to take so negative an attitude toward a document which embodies so much careful work. But the realities of Moscow are rarely pleasant these days. And I am afraid this is one of them.

With all good wishes [etc.]

GEORGE KENNAN

P.S. Since drafting this I have discussed it with the Ambassador and the result has been the telegram which you will undoubtedly have seen saying that we are going to comment in detail on the treaty at a later date.<sup>74</sup> We will make these comments as detailed and constructive as we can, but I am afraid it can not change my deep personal conviction that the United States has nothing to gain from the negotiation of such an instrument with the Soviet Government. GFK

<sup>73</sup> The Amtorg Trading Corporation, official purchasing and sales agency in the United States of the Soviet Union, New York, N.Y.

<sup>74</sup> Telegram 1041, April 4, 1946, from Moscow, not printed; see telegram 1894, June 15, from Moscow, p. 762.

711.61/4-546: Telegram

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

TOP SECRET

Moscow, April 5, 1946—6 p. m.

PRIORITY

[Received 6:38 p. m.]

1053. I had an interview with Generalissimo Stalin at 9 o'clock last night. Because I thought that the conversation might become stormy I went alone. Mr. Molotov was with Stalin.

The conference lasted a little over 2 hours, and opened on a very restrained note. The interpreter read President Truman's letter<sup>75</sup> after which I stated that when I left the United States the most important question in the minds of the American people was "What does the Soviet Union want, and how far is Russia going to go?" While the United States could appreciate Soviet desires for security and participation in exploiting the world's raw materials, and consequently did not strongly criticize what seemed to be some of the Soviet objectives, the methods used by the Soviet Union caused grave apprehension, and gave the general impression in America that the Soviet Government did not mean what it said. Neither the American people nor the American Government could take seriously the possibility of aggressive action against the Soviet Union by any nation or group of nations in the world today. We felt certain that no possible combination of powers could threaten the Soviet Union without the active support of the United States, and our entire history precluded the possibility that we would ever lend support to aggressive action. If further proof were wanted, it could be found in the speed with which we were demobilizing our vast military strength.

The United States is willing and anxious to meet the Soviet Union half way because we are convinced that if our two nations understand and cooperate with each other the peace of the world is assured. Indeed, we felt that we had already gone more than half way. We appreciate and admire the strength of the Soviet Union, but at the same time we are fully conscious of our own strength.

The United States entered the United Nations organization with the full support of its people and with a complete sense of the responsibility we assumed for the peace of the world. We believe profoundly that only by the sincere observance of the principles and

<sup>75</sup> Text of this letter has not been found in the Department files, but it is known to have contained an invitation to Stalin to visit the United States. See the final paragraph of the present telegram; and see also Walter Bedell Smith, *Moscow Mission, 1946-1949* (London, 1950), pp. 15, 35, and 38. President Truman was himself questioned about this invitation at his news conference of May 31, 1946; see *Public Papers of the Presidents of the United States: Harry S. Truman, 1946* (Washington, Government Printing Office, 1962), pp. 281-283 *passim*.

obligations of the United Nations Charter on the part of all members is there any hope for a stable and peaceful world. Events which have taken place in the Near East, in Asia, and later in the early sessions of the present Security Council meeting had caused doubts in the minds of the American people that the Soviet Union really intended fully to support the United Nations as an agency for insuring world peace to the extent that the United States intended to support it, although by the end of the war we had been assured that unqualified support would be forthcoming from the USSR. These apprehensions had been somewhat allayed by the Generalissimo Stalin's statement to the Associated Press, but more was needed.

The President had asked me to say that both he and Secretary Byrnes had always believed that when the Generalissimo made a statement or a commitment he meant to keep it, and the American people hoped that events would confirm that belief, but it would be misinterpreting the character of the United States to assume that because we are basically peaceful and deeply interested in world security, we are either divided, weak or unwilling to face our responsibilities. If the people of the United States were ever to become convinced that we are faced with a wave of progressive aggression on the part of any powerful nation or group of nations, we would react exactly as we have in the past.

The fact is that we are faced in America, as is the USSR, with the responsibility of making important long-range decisions on our future military policy, and these decisions will depend to a large extent on what our people believe to be the policies of the Soviet Union. If each of our two nations is convinced of the other's sincerity in supporting the principles of the United Nations Charter, then these policies can be settled without difficulty in the way we most earnestly desire. On the other hand, if both nations remain apprehensive and suspicious of each other, we may both find ourselves embarked upon an expensive policy of rearmament and the maintenance of large military establishments which we wish to avoid.

Generalissimo Stalin replied at length and in great detail, and his remarks included counter-charges directed against our own actions and policies. The sequence and length of his argument made it obvious that the United States' comments had been anticipated.

He discussed the Iranian question, beginning with a history of Soviet-Iranian relations from the time of the Treaty of Versailles as known to the Department. He stated quite frankly that Qavam's predecessor<sup>76</sup> was definitely unfriendly to Russia and that pressure

<sup>76</sup> Ibrahim Hakimi was the predecessor of Ahmad Qavam as Prime Minister of Iran.

had been exerted for his removal and for the appointment of a successor who was not unfriendly. He cited similar instances from British and American international relations.

He then spoke at length of the obstacles placed in the way of Soviet efforts to obtain oil concessions, particularly by Great Britain and later by the United States and commented somewhat bitterly on the fact that the delay asked by Russia in considering the Iranian question in the Security Council had been opposed by the US, saying that if such a request had been made by the US in similar circumstances the Soviet Union would willingly and gladly have conceded it. Now, however, an agreement had been reached with the Iranian Government, the Soviet Union was committed to the complete withdrawal of its troops by May 5th, and this commitment would be met. He remarked that he had made known to President Truman and to Secretary Byrnes the reasons why he felt unable to meet the previous withdrawal date, and had encountered no objection at that time.

He then discussed the general question of Soviet adherence to the United Nations Charter, which he reaffirmed, but deplored the fact that the American press and American statesmen had given an entirely incorrect idea of Russia's objectives. The USSR had no intentions of taking over the Balkan nations, nor would this be an easy matter as the Balkan nations were determined to maintain their national integrity.

He spoke very strongly about Mr. Churchill's speech in Fulton which he interpreted as an unfriendly act and an unwarranted attack on himself and the USSR which, if it had been directed against the United States, would never have been permitted in Russia. He implied that this speech and many other occurrences could indicate nothing but a definite alignment of Great Britain and the United States against the USSR. With regard to the Far East, he said that twice the withdrawal of Soviet troops had been delayed at the request of the Chinese Government which later complained, remarking contemptuously: "That is just like such people."

He then said that Russia was anxious to reduce her military establishment, and, apparently under the impression that I had intended to propose some such thing, said that the Soviet Government would be very willing to discuss with the US a mutual reduction of armaments.

In reply I said that with regard to Iran there was no slightest idea on the part of the US of denying to USSR an equal opportunity with others to exploit natural resources, and we would, in fact, give moral support to such equal opportunity, but we deplored the approach to a concession under threat of armed force when it seemed entirely possible for the Soviet Union to have kept her commitment on the

agreed date of withdrawal of her troops from Iran and still have obtained the oil concessions they desired. The Generalissimo said that on previous occasions when their attempt to obtain concessions for Iranian oil had been blocked by Great Britain he had not noticed that the US had supported Russia's just requests. I replied that I recalled no instance where the matter had been brought officially to the attention of the US, or that we had ever been in a position to express opinion. This, he said, was correct; that the US had not actually been in a position to express an opinion or to give moral support to the USSR at the time.

With regard to the Soviet Union's security aspirations, I said again that the people of the US could not take seriously the idea that any combination of powers now constituted a threat to the USSR. On the contrary, we had noted the fate of Latvia, Lithuania, Esthonia, the present situation in the Balkan States and in the Near East, and we asked ourselves if this were only the beginning; that it must be said that we were beginning to believe that the Soviet idea of a friendly government and our own was very different. It seemed to us that what the USSR meant by a friendly government was a government which was under the complete control of Moscow, and not one which was capable of self-determination.

I then asked directly why the Generalissimo thought that any power or powers seemed a threat to the USSR. To this he replied: "Churchill—He tried to instigate war against Russia, and persuaded the US to join him in armed occupation of part of our territory in 1919, and lately he has been at it again."

"Russia," he said, "as the events of the past few years have proved, is not stupid, and we can recognize our friends from our potential enemies."

I replied that we ourselves must plead stupidity since it was impossible for us to imagine a threat to Russia, particularly in the direction of the Baku oil fields, or any serious attempt at aggression without the support of the United States, which would never be given to aggression.

I then asked him categorically if he really believed that the US and Great Britain were united in an alliance to thwart Russia. He replied that he did so believe. I said that this was certainly not the case; that, while the US had many ties with Britain, including common language and many common interests, we were interested primarily in world security and justice; that this interest and responsibility extended to small nations as well as large; and that while recent events had caused the US Delegation to vote with Britain, it was because we felt that justice required us to do so. On the other hand, there was no

nation in the world with whom we were more interested in arriving at a basis of understanding than with Russia, as we felt that the future of the world for a long time to come lay in the hands of our two nations.

With regard to his statement that Russia did not intend to go much further, I asked if this implied active expansion at the expense of Turkey. He stated that he had assured President Truman that the Soviet Union had no intention of attacking Turkey, nor did this intention exist. On the other hand, the Soviet Union was conscious of the danger to Russia which existed in foreign control of the Straits which Turkey, with a government unfriendly to Russia, was too weak to protect. Consequently, the Soviets demanded a base in the Dardanelles. I replied that it would seem that this was a matter which could and should be handled by the United Nations, the agency set up to provide such security, and that by so doing Soviet security might be safeguarded without aggression toward Turkey. He then said that the USSR could possibly agree that as an alternative the Security Council of the United Nations might be able to undertake this responsibility.

By this time the atmosphere had become distinctly more cordial, and Stalin's remarks, interspersed with complimentary references to the accomplishments of the American Army and various American Generals, became very much more personal in tone. Since I felt that the position of the US had been made quite clear, and the conference had already lasted more than 2 hours, I concluded by restating our desires for a closer relationship and mutual understanding with the Government of the USSR which we considered essential for world peace. Marshal Stalin replied: "Prosper your efforts. I will help you. I am at your disposal at any time." He then re-affirmed his desire for peace and adherence to the principles of the United Nations going to some length in discussing the differences in our political ideologies, which were nevertheless not incompatible, and stated that we "should not be alarmed or apprehensive because of differences of opinion and arguments which occur in families and even between brothers because with patience and good will these differences would be reconciled." He hoped in the future that they might be reconciled before coming formally on the floor of the United Nations Conference, since that resulted in embarrassment to one side or the other.

Speaking of the President's invitation to visit the United States, he said he would like much to be able to accept. However, he said: "Age has taken its toll. My doctors tell me that I must not travel, and I am kept on a strict diet. I will write to the President, thank him, and explain the reasons why I cannot now accept."

SMITH

861.20211/4-646

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

[WASHINGTON,] April 6, 1946.

Participants: Soviet Chargé d'Affaires, Mr. Nikolai V. Novikov;  
Under Secretary, Mr. Acheson;  
Mr. Durbrow of EE.

The Soviet Chargé called at his request. He said that he disturbed me on a Saturday afternoon only because of the serious character of the matter which he had to discuss. It related, he said, to the arrest of Lieutenant Redin. Under instructions from his Government, he was handing me an *aide-mémoire* which he wished to read. (At this point in the discussion, Mr. Durbrow joined us.) Mr. Novikov then read the attached *aide-mémoire*.<sup>77</sup>

He then stated that, in view of the friendly relations existing between our Governments, his Government was at a loss to understand why it was not informed of the alleged charges against Lieutenant Redin before his arrest. We drew his attention to the letter of November 16, 1933, addressed by Mr. Litvinov to President Roosevelt. Mr. Novikov had with him other letters of the same date which did not refer to the notice to be given by either Government to the Consul of the other Government upon the arrest of a citizen, and he was inclined to believe that no such agreement had been reached. Mr. Durbrow then produced a printed pamphlet containing the letters exchanged upon United States recognition of the Soviet Union. Mr. Novikov, after reading the document, was inclined to believe that the letter stated that a consular convention would be entered into with these provisions, rather than that the provisions were actually in effect. We pointed out to him the contrary statement contained in the letter of November 16.

Mr. Novikov then stated that we had up to this point been discussing the legal situation. He was concerned with the political situation arising from the relations of friendly governments. He stated that his Government believed that the charges against Lieutenant Redin were wholly unfounded in fact and that this action grew out of the agitation of persons unfriendly to the Soviet Government. Mr. Acheson stated to him that this was neither the fact nor of course would the Government of the United States lend itself to such action. It was explained to Mr. Novikov that under our legal system the Department of Justice was in charge of enforcing the criminal laws of the United States. It was for the determination of the Department of Justice whether or not an arrest should be made. The Department of

<sup>77</sup> The original Russian text is also filed under 861.20211/4-646.



State had no authority in this matter. Once the arrest was made, it was required under our laws that a preliminary hearing be held at which a judicial determination would be made as to whether the person arrested should be held for further proceedings or discharged. We understood that such a preliminary hearing would be held on Tuesday of the coming week. If that hearing resulted in the determination that the case warranted further judicial investigation, such investigation would proceed ultimately before a judge and jury. The Department of State had no authority whatever to direct the determination of the proceedings or the discharge of the person arrested.

Mr. Novikov said that such an answer to his *aide-mémoire* would be regarded as most unsatisfactory by his Government. Mr. Acheson stated that what he had said in the course of the conversation with Mr. Novikov should not be regarded as the formal answer to the *aide-mémoire*, which of course would be answered in writing. However, it was Mr. Acheson's present belief that the answer required by our laws would be along the lines suggested. Mr. Novikov reiterated that such an answer would be unsatisfactory.

Mr. Durbrow stated that he would do his best on this afternoon and on Monday morning to ascertain from the Department of Justice the nature of the proceeding which he thought would be held on Tuesday and to inform Mr. Novikov thereof.

DEAN ACHESON

[Attachment-Translation]

*The Embassy of the Soviet Union to the Department of State*

AIDE-MÉMOIRE

The Embassy of the Union of Soviet Socialist Republics is of the opinion that there were no foundations for the arrest of the Soviet national, Lieutenant Nikolai Grigorievitch Redin, in Portland, by the American authorities and that it was the result of provocative actions on the part of elements hostile to the Soviet Union.

If the American authorities had any facts supposedly compromising Redin it would have been proper to inform the official representatives of the Soviet Government to this effect before undertaking any repressive measures concerning Redin. However, the Embassy is confident that there are not and cannot be such facts concerning Redin.

The Embassy expects that the Department of State will take immediate measures to end the case which has been improperly and unjustly brought against Redin and that the Embassy will be informed of these measures at the earliest possible time.

WASHINGTON, April 6, 1946.

861.001/4-646

*The Minister for Foreign Affairs of the Soviet Union (Molotov) to  
the American Ambassador in the Soviet Union (Smith)*

[Translation]

Moscow, April 6, 1946.

ESTEEMED MR. AMBASSADOR: I am sending for your information the following text of the answer of Generalissimo I. V. Stalin to the letter of President Truman handed by you to I. V. Stalin on April 4.

"Moscow, April 6, 1946.

DEAR MR. PRESIDENT: I had a conversation with your Ambassador General Smith who presented your letter to me. General Smith is known to us as one of the outstanding representatives of the American Army and you may have no doubt that he will be shown cooperation in his new post in Moscow.

In the conversation I expressed my opinions in regard to those questions which he touched upon in accordance with your instructions. I may only add that in the Soviet Union the significance of the United Nations Organization is fully understood as is also the undesirability of using such an organization for any unilateral aims such as took place in the past in relation to the League of Nations.

I thank you for your invitation transmitted to me to visit the United States. Unfortunately the doctors oppose my long journeys and I am obliged to take this into account.

With sincere esteem, I. Stalin"

Ambassador N. V. Novikov<sup>78</sup> has been instructed to transmit the above answer of Generalissimo I. V. Stalin to the addressee.

I beg you, Mr. Ambassador, to accept the assurances of my highest esteem.

V. M. MOLOTOV

861.20211/4-946

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*The Department of State to the Embassy of the Soviet Union*

## AIDE-MÉMOIRE

With reference to the conversation between the Under Secretary of State and the Chargé d'Affaires of the Soviet Embassy on April 6, 1946 relative to the case of the arrest of Lieutenant Nikolai Grigorievitch Redin, the Under Secretary of State has discussed this matter with the United States Department of Justice, the competent American authorities in such cases. The Attorney General<sup>79</sup> was requested

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<sup>78</sup> Nikolay Vasilyevich Novikov, Minister Counselor of Embassy in Washington, who succeeded Andrey Andreyevich Gromyko as Ambassador of the Soviet Union, did not present his letters of credence to President Truman until June 3, 1946.

<sup>79</sup> Tom Clark.

to make available as soon as possible further particulars regarding the charges against Lieutenant Redin. A copy of the preliminary information received from the Attorney General is attached.

It is understood that the case is to be presented to the Grand Jury at Seattle, Washington and if an indictment is returned by the Grand Jury, a copy will be made available to the Soviet Embassy.

As the Under Secretary stated on April 6, the Department of State under United States juridical procedure is not in a position to intervene in such matters which fall solely within the competence of the Department of Justice.

The Chargé d'Affaires can be assured that Lieutenant Redin will be accorded the full protection provided under American law and if the evidence against him convinces the Grand Jury that a trial is necessary in this case, the trial will be just and fair.<sup>80</sup>

WASHINGTON, April 9, 1946.

[Annex]

PRELIMINARY INFORMATION RECEIVED FROM THE ATTORNEY GENERAL  
OF THE UNITED STATES RELATIVE TO THE CHARGES MADE AGAINST  
LIEUTENANT NIKOLAI GREGOROVICH REDIN

Redin is charged with specific violations of Title 50, USC., Sections 31a, 31b, and 34. This statute is concerned with espionage. Specifically, Redin is charged with having obtained information of restricted and confidential nature relating to the construction, equipment and performance of a United States Naval Destroyer Tender, the USS *Yellowstone*. In addition, Redin is charged with having attempted to induce another individual to obtain for him additional information of a confidential nature relating to the same ship, and to have conspired with persons unknown to furnish classified information relative to the national defense to the Union of the Soviet Socialist Republics. The obtaining or attempting to obtain the foregoing information by Redin was accomplished with the intent and reason to believe that the information was to be used to the injury of the United States and to the advantage of a foreign nation; to wit, the Union of the Soviet Socialist Republics.

These charges were brought against Redin as a result of an investigation, and this Department is of the opinion that the evidence which has been brought to our attention is sufficiently strong for prosecution, or this Department would not have instituted it.

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<sup>80</sup> A brief statement about this case was issued by the Department on April 9; for text, see Department of State *Bulletin*, April 21, 1946, p. 682.

861.20211/4-1046: Telegram

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

SECRET

Moscow, April 10, 1946—1 p. m.

[Received April 10—8:09 a. m.]

1119. BBC this morning reported that Dept has had exchange of correspondence with Soviet Govt concerning Soviet naval officer who was recently arrested by US authorities for espionage. I wish to request that I be completely informed currently of any matter of this sort having to do with activities and treatment of Soviet official personnel in US.<sup>81</sup> Dept will understand that in instances of this sort Soviet retaliation is always a possibility and we here should be aware in particular of details of any case which may bring counter action against American personnel in USSR.

SMITH

861.20211/4-1046

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*The Secretary of State to the Chargé of the Soviet Union (Novikov)*

The Secretary of State presents his compliments to the Chargé d'Affaires ad interim of the Union of Soviet Socialist Republics and refers to the *Aide-Mémoire* of April 9, 1946 regarding the case of Lieutenant Nikolai Grigorievitch Redin, stating that a copy of any indictment returned by the Grand Jury would be made available to the Embassy.

There is quoted below a statement by the Department of Justice to this Department describing the five counts contained in the true bill of indictment returned by the Federal Grand Jury, Western District of Washington, Seattle, Washington, on April 9, 1946:

"Count 1 charged that on December 22, 1945, Redin obtained a document containing classified general specifications of machinery and armament of the destroyer tender USS *Yellowstone*.

"Count 2 charged that on February 2, 1946, Redin obtained a document containing classified information pertaining to engine room and auxiliary machinery of the destroyer tender USS *Yellowstone*.

"Count 3 charged that on February 11, 1946, Redin obtained a document containing information on dock and sea trials of the main propulsion unit of the destroyer tender USS *Yellowstone*.

"Count 4 charged that on January 5, 1946, Redin attempted to obtain documents relating to the steering system of the destroyer tender USS *Yellowstone* and documents relating to the auxiliary

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<sup>81</sup> Telegram 665, April 10, 1946, to Moscow, contained a summary of the developments in this case between April 6 and 9. (861.20211/4-1046)

machinery and to the radar and gun fire control mechanism of the destroyer tender USS *Yellowstone*.

"Count 5 charges conspiracy to violate the Espionage Act as follows: Nicolai Gregorovich Redin and person or persons unknown to the Grand Jury, beginning on or about the first day of April, 1944, and continuing until the twenty-sixth day of March, 1946, with intent and reason to believe that the information was to be used to the injury of the United States and to the advantage of a foreign nation; to wit, the USSR, conspired among themselves in the Northern Division of the Western District of Washington and other places to communicate, deliver and transmit to a foreign government; to wit, the USSR, and to representatives, officers, legations, employees, subjects and citizens thereof, classified documents, writings, sketches, blue prints, plans, notes and information relating to the national defense and, pursuant to this conspiracy, Nicolai Gregorovich Redin committed the following overt acts; thereafter listing the four overt acts enumerated in Counts 1 through 4."<sup>82</sup>

WASHINGTON, April 11, 1946.

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811.91261/4-1146 : Telegram

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

RESTRICTED

Moscow, April 11, 1946—7 p. m.

[Received 9:51 p. m.]

1146. Experiences of newspaper correspondents in Moscow over past 12 days has shown that relaxation of censorship procedure as reported in Embassy's 998, March 30 has become definitely established. Not only are correspondents called by telephone from Censorship Bureau when stories are either killed *in toto* or censored in part but they may request to see copy of censored despatch before it is telegraphed.

The one remaining difference which now exists between procedure followed today and procedure followed when despatches were censored by Press Department Foreign Office is that now correspondent has no means of communication with censor and thus no opportunity to discuss or plead with him on changes made. Correspondents have requested to Foreign Office in writing that they be permitted to communicate with censors but so far no answer has been received.

It is suggested Department may wish to inform home offices in Washington of correspondents about present procedure as explained above.<sup>83</sup>

SMITH

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<sup>82</sup> The Embassy in the Soviet Union was informed of the counts of the indictment in telegram 695, April 15, 1946, to Moscow (861.20211/4-1546).

<sup>83</sup> For the remarks made on this subject of "blind censorship" by a spokesman of the Department of State, released to the press on April 17, see Department of State *Bulletin*, April 28, 1946, p. 731.

Moscow Embassy Files : 800.1—Stalin

*The American Ambassador in the Soviet Union (Smith) to the  
Minister for Foreign Affairs of the Soviet Union (Molotov)*

No. 157

Moscow, April 12, 1946.

DEAR MR. MOLOTOV: I have received for transmission the following message from President Truman to Generalissimo Stalin:

“Referring to your message of April 6th, it is particularly pleasing to receive your personal statement of the Soviet Union’s understanding of the importance of the United Nations Organization.

“Your statement is in full agreement with the attitude of the United States Government and people who are devoted to the preservation of world peace.

“May I express to you my personal regret that the condition of your health does not at the present time permit of your making long journeys, and my sincere hope for a complete recovery in the early future.<sup>84</sup>

“With expressions of personal regards.”

I will be grateful if you will be good enough to see that this message is delivered to the Generalissimo.

Sincerely yours,

[File copy not signed]

Moscow Embassy Files : 125—Consulates and Consulates General

*The American Ambassador in the Soviet Union (Smith) to the Deputy  
Minister for Foreign Affairs of the Soviet Union (Vyshinsky)*

No. 171

Moscow, April 19, 1946.

MY DEAR MR. VYSHINSKI: Since the task of issuing immigration visas and conducting pertinent correspondence was assigned to this Mission in 1941, the visa work of our Consular Section has increased to the point where it cannot be handled expeditiously with the limited personnel imposed on us by the difficulties of the housing situation. These difficulties are thoroughly understood by the Mission, and we appreciate the action that the Soviet Government is taking to relieve our situation. Nevertheless, the fact remains that we have been so over-burdened with correspondence from the United States in con-

<sup>84</sup> The President’s message was originally sent to the Embassy through military channels on April 9, 1946. The President was advised by Ambassador Smith in telegram 1131, April 10, from Moscow, that a change in wording at the close of the third paragraph seemed desirable to forestall any possible offense to Stalin. This suggestion was approved in telegram 672, April 11, to Moscow. The change came following the words “early future” where a period was substituted, and the remainder of the sentence, which had continued “that will restore your one time capacity for efforts of any magnitude that were indicated as helpful to our common cause”, was dropped. This modified version was then sent to Molotov in note No. 157 on April 12, and Molotov replied to Ambassador Smith on the same day that this message had been sent on to Stalin.

nection with the consular visa service that we are unable to handle the volume of work.

There are two possible solutions. One that has been proposed to me is to center the issuance of immigration visas, as distinct from temporary visitor's visas, at some point outside of the Soviet Union, as was done prior to 1941. While this would relieve the Mission of work, I dislike it very much because it would impose an additional burden on one of the missions outside the Soviet Union, and because it involves the implication that this Mission is unable to handle a function which is properly its responsibility.

Another possible solution, which I much prefer, is to centralize this work in the Soviet Union, but outside of Moscow at some location where the housing situation is less acute than it is in the capital. Leningrad has been suggested because with the resumption of maritime communications with the United States there will be need for the performance of other consular services there. Odessa is a possible alternative. However, it is not essential that either Leningrad or Odessa be the location selected, although the former is preferable from our point of view. It is far more important, if this work is to be carried on within the Soviet Union, that it be centralized at a point which presents the fewest difficulties to the Soviet Government, with reasonable convenience to the public.

In looking over files of correspondence, I note that last September this Mission proposed the establishment of a Consulate at Leningrad.<sup>85</sup> I have in mind in this connection the fact that we now have only one Consulate in the Soviet Union (at Vladivostok) and this a very small one, whereas the Soviet Government has three very large and active consulates in the United States. My personal opinion, which I am sure represents the view of my Government, is that consular facilities should be established by our respective governments to meet such actual needs as may exist for the performance of consular services. It is clear, however, that this principle must be recognized by both sides if it is to be observed at all.

I am presenting this matter for your personal consideration because we are actually being very hard pressed, and I am extremely anxious to find a solution which will relieve me of the embarrassment of having to confess that this Mission is unable to perform certain categories of the consular work which are properly within its responsibility.

Accordingly, I reiterate our previous proposal for the establishment

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<sup>85</sup> See telegram 3360, September 24, 1945, 3 p. m., from Moscow, *Foreign Relations*, 1945, vol. v, p. 1167. For documentation about the desirability of establishing consulates, and the difficulties being encountered by the American Consulate General at Vladivostok, see *ibid.*, pp. 1160 ff.

of an American Consulate at Leningrad. If, for any reason, this location is not acceptable to the Soviet Government, I would be grateful for suggestions for another location.

Sincerely,

W. B. SMITH

560.AL/4-2346

*The Ambassador in the Soviet Union (Smith) to the Secretary of State*<sup>86</sup>

SECRET

Moscow, April 23, 1946.

No. 51

[Received May 7.]

The Ambassador has the honor to refer to the Department's secret instruction no. 969 of January 17<sup>87</sup> transmitting documents prepared for inter-Departmental use concerning items for consideration in connection with possible concessions in a trade agreement with the Soviet Union.

In this instruction, the Department invited the Mission's comments and suggestions on the documents in question and listed the following specific points in this connection:

- (1) Is it likely that the U.S.S.R. will not be interested in tariff reductions or bindings on some of the items to be listed?
- (2) Are there any other items for which the U.S.S.R. might desire tariff concessions from the United States?
- (3) Are there any other forms which might be used to obtain a *quid pro quo* from the U.S.S.R. in return for tariff reductions?

1. The answer to the first of these questions is as follows: In general we do not believe that the Soviet Union is much interested in American tariff rates. Not only have a large portion of its exports to the United States always been duty free, but its entire relationship to foreign tariffs is different from that of capitalist countries. From the Soviet standpoint, exports to other countries are not desirable. They represent a sacrifice to the Soviet State. Their purpose, in the case of exports to the advanced western nations, is only to bring in foreign exchange. Wherever tariff duties can be passed on to the consumer (in other words, wherever Soviet goods dominate the market), the Soviet Government is not interested in them. Their interest arises only in cases in which they are forced to take a lower compensation in foreign exchange than would have been the case had there been no duties or had the duties been lower. Just what such price differences could conceivably amount to in case of trade with America, the Department will be able to calculate. According to our estimate, however, they could not amount to more than a few hundred thousand

<sup>86</sup> This despatch was drafted by George F. Kennan, Counselor of Embassy.

<sup>87</sup> Not printed.



dollars in the very utmost. Compared to questions of credit, this is an item of almost negligible significance. The amount of credit we propose to give to Russia merely in connection with the sale of surplus property alone would probably compensate for all Russia might suffer financially over several decades from American tariff duties. In these circumstances Soviet interest in our tariff rates is naturally minor, compared to their interest in credits.

The answer to the Department's first question can thus be broken down as follows:

*a.* With respect to a number of the items listed for tariff reductions or bindings, these items are now deficit in the U.S.S.R. and the Russians will have only a remote interest in them.

*b.* With respect to other items, the Russians will not be interested, because the duty can be passed on to the consumer.

*c.* With respect to the remaining items, the Russians will have a financial interest, but this interest will be so insignificant that it is not likely to play any appreciable part in Soviet policies on international economic matters.

2. In answer to the second of the Department's questions, this Mission knows of no other items for which the U.S.S.R. is likely to desire tariff concessions from the United States at present.

3. The third of the Department's questions raises again the problem of what *quid pro quo* the Soviet Union could give for tariff concessions on our part. The Embassy has now given careful thought to this question and wishes to advance the following views:

*a.* We reject the global purchase commitment as a satisfactory approach to this question. It is against the policy of the Soviet Government to publish either its foreign trade plans or the statistics of the actual trade conducted. To accept a global purchase commitment would be in effect to publish the main outlines of the annual import plan. We do not believe that in reality the Russians would ever engage themselves internationally to any import program which they had not already decided unilaterally to carry out. Furthermore, in the absence of adequate Soviet statistics, it would be a major job for a research institute to ascertain from the statistics of other countries to what extent such a commitment had actually been carried out. All in all, we consider the global purchase commitment impractical, unlikely to find Soviet agreement, and unlikely to bring about any appreciable increase in the volume or stability of Russian import trade.

*b.* We do not believe that there is any alternative *quid pro quo* which Russia could offer in the form of a treaty obligation which would be satisfactory as a means of fitting Russia into an international lowering of trade barriers. It can not be emphasized too often that the Soviet system is not a system of law as we know it. Public affairs in the Soviet Union are not conducted on the basis of binding norms laid down for given periods in the form of laws or regulations. Soviet authority is 98 per cent administrative, and the central power in Mos-

cow insists on retaining effective freedom of administrative action in all matters of any importance to the State. The Soviet leaders will never consent to have their administrative freedom of action limited by any effective provisions of law or treaty. Just as their power over the individual is unlimited and subject to no restraints of law or usage, so in all other matters, including economic, they always assure to themselves freedom to treat every individual question, if they like, on its merits according to the political exigencies of the moment. It is the experience of this Mission that the Soviet Government is profoundly reluctant to accept any treaty obligations which could possibly bind it to act in hypothetical questions in ways which might run contrary to the interests of the Soviet State. In other words, they will generally obligate themselves to do only those things which they know they would otherwise have done anyway in their own interests; and even these obligations they will undertake only when they can see substantial concessions to be gained thereby. For these reasons, we do not feel that there are any concessions which the Soviet Government could and would make by way of treaty obligations which could essentially alter existing Soviet practice in a way which would be beneficial to other countries. This judgment finds support in the entire history of the foreign economic relations of the Soviet State. We could point to no instance in which general obligations assumed by the Soviet Government with respect to the treatment of the goods or nationals of foreign countries have ever been of appreciable value to the foreign nation concerned.

*c.* Since the character of Russia's activities in the field of foreign trade is going to be determined in any case on day by day administrative actions of the Soviet authorities, the motives of which will never be discussed with foreign countries, it is our belief that each country must remain the judge of the degree to which Soviet trade practices meet its requirements in the line of international economic collaboration. We would therefore recommend that the question of tariff concessions to the Soviet Union be left as a question to be settled individually between the U.S.S.R. and each of the countries with which Russia may conduct trade.

*d.* In the case of the United States we feel that the following procedure should be adopted. If, as we assume to be the case, the Trade Agreements Act does not permit us to extend our minimum tariff concessions to the Soviet Union except in pursuance to treaty obligations, then we should recognize frankly that the Act as it stands does not fit the case of a country which has a complete government monopoly of foreign trade. We should then initiate legislation which would give the executive branch of our Government the authority to extend or withhold tariff concessions (within the limits of the Trade Agreements Act) at its own discretion in the case of countries having a complete governmental monopoly of foreign trade—such concessions to be granted or withheld in accordance with the degree of helpfulness and willingness to collaborate which we meet at the hands of the country in question. Such legislation would enable us to make the initial gesture of extending our lowest tariff concessions to the Soviet Union, and we feel that this *should* be done. It would also enable us to withdraw these concessions in the event that Soviet trade practices

might not, in our opinion, justify their retention or that Russia should decline to cooperate with an international trade organization. It would leave our Government the judge of whether or not Soviet collaboration in international economic matters was satisfactory and would obviate all wrangling with the Russians over the question of whether treaty provisions had been fulfilled.

*e.* We wish to reiterate, however, that this is a matter of small importance to the Russians; and it is by no means certain that any action on our part either in the granting or withholding of tariff concessions would have any appreciable influence on Russian economic policies. The main points in our trade with Russia are Russian need for our products, our willingness to grant credit and our willingness to accept gold as a medium of exchange. Of these, the first two are of far the greater importance.

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811.20200(D)/4-2446 : Telegram

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

RESTRICTED

Moscow, April 24, 1946—11 a. m.

PRIORITY

[Received April 24—8:39 a. m.]

1312. For Benton from Smith. Lozovski informed me by letter dated April 23 that Central Organization for Delivery of Newspapers and Magazines throughout USSR (Soyuzpechat) will undertake distribution of 50,000 copies of illustrated magazine *America* beginning June 1 this year. Hope this news, which means *America* can operate without loss, will persuade Congress to permit continuance of magazine.<sup>88</sup>

SMITH

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711.00/4-2846 : Telegram

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

TOP SECRET

Moscow, April 28, 1946—noon.

[Received April 28—11:06 a. m.]

1378. ReDeptel 766, April 25.<sup>89</sup> There has been absolutely no Soviet reaction to report of Secretary's Committee on International Control

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<sup>88</sup> A Department of State press release of August 30, 1946, announced the permission for this increase in circulation at 10 rubles a copy; Department of State *Bulletin*, September 15, 1946, pp. 513-514. The Committee on Appropriations of the House of Representatives had temporarily favored discontinuance of the magazine because of its limited distribution and cost of publication.

<sup>89</sup> Not printed; in this telegram, the Department asked for the Embassy's comments on the reaction in the Soviet Union to the "Report on the International Control of Atomic Energy" prepared by a Board of Consultants for the Secretary of State's Committee on Atomic Energy (800.2423/4-2546). This report was issued on March 16. For excerpts, see Department of State *Bulletin*, April 7, 1946, pp. 553-560. The complete text of the report was printed as Department of State publication No. 2498.

of Atomic Energy. Not only has report not been published or described to public here but no mention has even been made publicly as far as we are aware, of its existence. It can be known therefore only to a very small circle. In addition, it must be remembered that Soviet officials and citizens rarely dare to mention subject of atomic energy in conversation with foreigners. If report is criticized in *Daily Worker* that is fairly good indication of Soviet disapproval.

That report should be viewed with disapproval here is only to be expected for Russians will not greet with enthusiasm any proposed solution that does not :

- (a) Provide for turning over to Soviet Govt full technical data available in other countries on production of atomic explosives, and
- (b) Leave Soviet Govt complete freedom to do what it wishes with this information without rendering account to outside world or submitting to any form of observation, supervision or control.

This is not to exclude possibility that Soviets would reluctantly accept a more moderate and reasonable solution if they were faced with impelling considerations of national interest. It is hard for us, however, to see what these considerations might be. They know that our system of govt will not permit us to use our temporary ascendancy in atomic power as a means of pressure to force them to accept a reasonable system of international long term control. They have been provided already with considerable information on this subject and are probably confident that they can safely await the moment when they will by their own efforts have acquired atomic weapons. In our opinion, therefore, they will hold out strongly for the objectives outlined in (a) and (b) above and will be inclined for tactical reasons to frown initially on any solution which falls short of realization of those objectives.

As for suggested discussions between scientists we are aware of strong conviction among American scientists that such discussions provide the real solution to the problem and we doubt that any amount of argument or persuasion will convince them that the approach is not a promising one. If our Govt feels it necessary to defer to pressure from this group and the section of public opinion which supports it, a proposal to the Soviet Govt for such discussions might be desirable in the interest of clarification. Such a proposal should of course come from the US Govt and not from the scientists direct. It remains, however, the deep conviction of this Mission that it is quixotic to suppose that any Soviet scientist who might be designated by Kremlin to take part in such discussions would have anything in nature of freedom of expression or could wield any influence except as technical consultant on ultimate Soviet policy. This Govt has its scientists like everything else, well in hand.

I must point out one additional element of danger in the line of action suggested in the preceding paragraph. Our own scientists would probably approach a joint conference in an attitude of high-minded altruism admirable in itself but a handicap in dealing with their Soviet opposite numbers, some of whom would certainly not be similarly minded. Accordingly it seems very possible that the result would be to provide the Soviet delegation with more information than our Govt would willingly give at this time, unless the most careful safeguards were maintained.

SMITH

861.00/5-246 : Telegram

*The Chargé in the Soviet Union (Smith)*<sup>90</sup> to the Secretary of State

Moscow, May 2, 1946.

[Received May 2—11:50 a. m.]

1401. Soviet press May 1st publishes Stalin's Order of Day as Minister of Armed Forces.

After briefly reviewing Red Army achievements in conquest of Germany and Japan during great patriotic war, order states that Soviet Union now marches in vanguard of struggle for peace and security, that peoples which Soviet Union liberated from Fascist yoke received opportunity to build state life on democratic footing and now enjoy fraternal Soviet aid and that world has had opportunity to convince itself not only of Soviet might but of just nature of its policy based on recognition of equality of all peoples and on respect for their freedom and independence. Referring then to Five-Year Plan as opening new prospects for further growth of Soviet productive forces which Soviet people led by Communist Party may be relied on to spare neither strength nor labor "to fulfill and over-fulfill", it states, "While promoting peaceful Socialist construction, we must not forget for moment machinations of international reaction which is hatching plans for new war. It is necessary to remember injunctions of great Lenin that in going over to peaceful labor, we must constantly be on alert and guard like apple of our eye armed forces and defense power of our country". It concludes that fulfillment of this honorable task is possible only if level of military efficiency of members of Red Army, Navy and Air Force is raised still higher.

Sent Department as 1401; repeated Paris 126, London 227 and Frankfurt.

[SMITH]

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<sup>90</sup> Horace H. Smith, First Secretary of Embassy and Consul at Moscow, was Chargé at this time.

811.2423/5-446: Circular telegram

*The Acting Secretary of State to Certain Diplomatic Representatives*<sup>91</sup>

RESTRICTED  
U.S. PRIORITY

WASHINGTON, May 4, 1946—8 a. m.

By authority President, you are requested deliver following FonOff, restoring words omitted telegraphic brevity:

“My Government being aware interest which your country, as nation having membership United Nations Atomic Energy Commission, has in development and future significance atomic bomb, cordially extends invitation your government designate two observers witness atomic bomb tests (Operation CROSSROADS) which will be conducted July and August Bikini Atoll, Marshalls Group, subject to prior approval by United States Congress of the expending of Naval ships for this purpose. Test in its entirety is undertaking United States Government and not a combined or international operation.

Believing press should be represented at tests, my Government wishes to invite designation by your government one member of press of your country attend as an additional observer.

Observers will be transported scene tests aboard US naval vessel leaving San Francisco June 12. Information of general interest prospective observers will be found attached memorandum.

My Government hopes that your Government will find it possible accept this invitation. If so I should appreciate being informed your earliest convenience names two governmental observers and one press observer, together with information regarding mode of travel to US, date and port of arrival, and indication whether reservations desired on special train leaving Washington for San Francisco June 8.”<sup>92</sup>

[Here follows memorandum giving detailed administrative arrangements providing for the transportation of the observers and the newspaper reporters to the scene of the tests, and for their accommodations there.]

Announcement concerning issuance invitations will be made here at 7:00 P. M. Eastern Standard Time, Tuesday, May 7. Simultaneously informative notes will be delivered respective Missions Washington. To avoid any possibility premature announcement abroad, please deliver note containing foregoing text as near possible or feasible to Washington release hour. Caution should be exercised

<sup>91</sup> The representatives to the countries mentioned in the last paragraph of this telegram.

<sup>92</sup> Ambassador Smith stated in telegram 1734, June 3, 1946, from Moscow, that Deputy Minister for Foreign Affairs Vyshinsky in a letter of June 1 indicated that the Soviet Government had named Dmitry Vladimirovich Skobeltsyn and Semen Petrovich Alexandrov to act as official observers at the atom bomb test. Both were experts already attached to the Atomic Energy Commission of the United Nations. Designated as press observer was Abram Mendelejevich Khokhlov, representative of the newspaper *Red Fleet*. All desired places on the special train leaving Washington on June 8. (811.2423/6-346)

of course ensure delivery invitation prior to arrival press despatches from Washington. Meanwhile matter should be kept in confidence.

Air mail instruction<sup>93</sup> follows with detailed pamphlet covering all phases Operation CROSSROADS and full text of waiver. Also agreements which press observers will be obliged sign before boarding naval vessel. Detailed data will be available on arrival in US if not received before departure of observers.

All States members United Nations Atomic Energy Commission being invited name observers. Commission composed members Security Council plus Canada as follows: Australia, Brazil, Canada, China, Egypt, France, Mexico, Netherlands, Poland, Union of Soviet Socialist Republics, United Kingdom, United States.

ACHESON

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[Two atom bomb tests were carried out on July 1 and July 25. For preliminary published reports concerning the tests, see Department of State *Bulletin*, July 21, 1946, pages 115-117, and *ibid.*, August 11, 1946, pages 272-275, respectively. The indefinite postponement of a third test was announced on September 6; see *ibid.*, September 15, 1946, page 508. Reports appearing in the Soviet press evaluating the results of the Bikini atomic bomb tests tended to convey the impression that the results were a disappointment in showing the destructive power of the bombs.]

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Moscow Embassy Files : 690—Surplus Property

*Memorandum of Conversation, by Mr. Richard H. Davis, Second Secretary of Embassy and Vice Consul in the Soviet Union*

[Moscow,] May 20, 1946.

Present: Mr. Mikoyan, Minister of Foreign Trade  
 General Semichastnov, Deputy Minister of Foreign Trade  
 Soviet translator  
 American Ambassador  
 R. H. Davis, Secretary of Embassy

Subject: Exchange of Surplus Property to the Value of Ten to Twelve Million Dollars for Lease of Land and Construction of Embassy Buildings in Moscow.

At the Ambassador's request Mr. Mikoyan received him at seven p.m. to discuss the project whereby 10 to 12 million dollars worth of surplus property items would be turned over to the Soviet Govt. in exchange for the lease of land and the construction of buildings for

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<sup>93</sup> Circular instruction of May 8, not printed.

an Embassy in Moscow.<sup>94</sup> The Ambassador began the conversation by stating he had come to do some buying and selling with Mr. Mikoyan today and explained that he had talked with Mr. Vyshinski in Paris about the project, which he then explained in its essence. The Ambassador stated that he understood that the negotiations between the USA and the USSR for a \$100,000,000 surplus property loan were about completed and the agreement about to be signed in Washington. While the proposition for the exchange of 10 to 12 million dollars worth of surplus property for land and buildings for an Embassy in Moscow had not been finally agreed to by the Soviet Govt., the Ambassador believed it had been favorably received.

Since the Ambassador had a personal interest in this project, while he was in Paris he went to see Mr. Virden, Foreign Liquidation Commissioner, and obtained the latest lists of the surplus property items now available. Not long ago a Soviet general heading a small group had come to Paris with a list of items, mainly heavy trucks and road building equipment, which the Soviet Govt. was desirous of acquiring. But as these items had not yet been declared surplus and since the Soviet commission had no authority to negotiate for other items, no sale had taken place.

In the meantime, other govts. and individuals are buying these surplus items and at the present time the Ambassador understood an agent of the French Govt. was in Washington negotiating for the sale in bulk of all American surplus property in France.

The Ambassador stated that he was anxious to have the Soviet authorities go over the lists of surplus items currently available, which he had brought with him from Paris, before they were disposed of to other purchasers. These lists should be of great interest to Mr. Mikoyan, and many of the items would undoubtedly be of use to the Soviet Govt. in carrying out its new Five-Year Plan. The Ambassador had this request to make: (1) that Mr. Mikoyan have these lists examined and have picked out items which would be useful to the Soviet Govt. to the value of 10 to 12 million dollars, which could then be wrapped up, so to speak, in a bundle and reserved for the Soviet Govt, and (2) that Mr. Mikoyan indicate any other items over and above the value of 10 or 12 million dollars which the Soviet Government would be interested in purchasing, and the Ambassador would request Mr. Virden in Paris to reserve them as long as possible for the Soviet account.

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<sup>94</sup> With regard to earlier inability to reach an agreement for construction of an Embassy building in Moscow, see *Foreign Relations, The Soviet Union, 1933-1939*, index entries under "American Embassy in Moscow," p. 1017.



Mr. Mikoyan stated that he could not say anything in regard to the project for the construction of an Embassy since that did not fall within his competence. However, he was interested in surplus properties.

The Ambassador understood that the Embassy construction project did not come within Mr. Mikoyan's jurisdiction and explained that in talking with Mr. Vyshinski in Paris about this plan, Mr. Vyshinski had told the Ambassador that when he returned to Moscow he should "please take those property lists to Mr. Mikoyan and do not bring them to me".

Mr. Mikoyan expressed his thanks for the lists which he thought would be useful and inquired whether they referred only to equipment in Europe. The Ambassador confirmed this.

Mr. Mikoyan stated that the lists would be examined and that as soon as the \$100,000,000 agreement had been signed the Soviet Govt would draw up a list of surplus property items of interest to it and would send a commission to Paris. This question would be handled by Mr. Mikoyan's deputy, General Semichastnov.

The Ambassador requested that regardless of final signature on the \$100,000,000 agreement Mr. Mikoyan pick out now 10 to 12 million dollars worth of property which could then be held in reserve for the Soviet Union pending the final conclusion of the agreement.<sup>95</sup>

Mr. Mikoyan again repeated that he was not currently informed about the project for construction of a new Embassy, but he promised that the lists would be studied and the results communicated to the Ambassador.

The Ambassador concluded by explaining that his personal interest in this project was to find a place to live.

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361.11/11-1445

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

CONFIDENTIAL

WASHINGTON, May 23, 1946—6 p. m.

957. Your despatch 2257, Nov 14, 1945<sup>96</sup> concerning treatment of American nationals in Soviet Union and urtel 771, March 12 on same subject. If you approve you are authorized at the earliest appropriate opportunity to take up matters discussed in two communications as well as matters hereinafter discussed with the Soviet Foreign Minister personally accompanying your oral statement with an

<sup>95</sup> For documentation concerning negotiations for the sale of surplus property in 1946 to the Soviet Union and their lack of eventual success, see pp. 819-832, *passim*.

<sup>96</sup> Not printed.

*aide-mémoire* which should be couched in such terms as to be suitable for publication if desirable.

I. Long accumulation of unsolved cases has resulted in embarrassment to Dept in its communication with persons in US interested in American nationals in Soviet Union. Dept desires that discussions with Foreign Minister be on a plane of utmost frankness.

Some plan must be set up under which Dept's representatives in Soviet Union may communicate with Soviet officials about American nationals and receive prompt and adequate replies regardless of fact that some such nationals may also possess Soviet or other foreign nationality. One of the essentials of friendly and stable international intercourse is that the representative of one country may communicate freely with the representative of another country and receive a prompt and frank reply. Another essential is that a national of one country should have untrammelled right of calling upon diplomatic or consular officer of country of which he is a national for assistance in case of need.

Soviet authorities have since resumption of diplomatic relations molested and in numerous instances arrested American nationals who have called at the Embassy, some of whom have disappeared and Embassy has been unable to ascertain their whereabouts or fate. Other nationals have been fearful of calling at the Embassy. As has been pointed out whenever Soviet authorities could possibly consider on any technical grounds that individual concerning whom Embassy made inquiry was Soviet citizen under Soviet law they have done so and declined furnish Embassy with any information concerning him.

When US and Soviet Union resumed diplomatic relations in 1933 it was publicly stated by President and Litvinoff that the two governments had decided to establish normal diplomatic relations.<sup>97</sup> Certainly the arrest of American nationals who call at Embassy and intimidation of others to prevent their calling at Embassy is abnormal and contrary to one of the express purposes of resuming diplomatic relations. In his letter of Nov. 16, 1933 Litvinoff informed President Soviet Government is prepared to grant to nationals of US rights with reference to legal protection which shall not be less favorable than those enjoyed in Soviet Union by nationals of nation most favored in this respect. Specifically, the Soviet Government obligated itself to notify American Consuls promptly regarding arrests of American nationals and of their transfer from one place of detention to another, and also to grant without delay requests to visit them. This under-

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<sup>97</sup> For documentation on the recognition by the United States of the Soviet Union on November 16, 1933, see *Foreign Relations, The Soviet Union, 1933-1939*, pp. 1 ff.

taking on part of Soviet Union appears to have been almost totally ignored. Dept considers the undertaking includes all nationals of US and does not exclude nationals who may also have Soviet or other foreign nationality. It deems it highly unsatisfactory for Embassy to be advised in response to an inquiry regarding an American national that such national has been naturalized as a citizen of the Soviet Union or is considered to have been a Russian or Soviet citizen since birth or was naturalized in US without consent Soviet authorities and hence is deemed to be Soviet citizen only and that Embassy could have no valid interest in the individual. Dept considers its representatives entitled to communicate in person or in writing with any such person on the basis of his American nationality.

Dept is aware many American nationals after having been admitted to Soviet Union have suddenly been advised they must leave country on very short notice or apply for Soviet citizenship. Dept considers this exceedingly arbitrary. When confronted with such alternatives it may be individual concerned could not make arrangements to obtain funds for travel or settle affairs within period designated in consequence of which he is in fact not given an alternative but is obliged by circumstances amounting to duress to become naturalized. Other methods, such as withholding work and food cards, have been resorted to to require American nationals to apply for Soviet citizenship. Dept considers its representatives should be permitted to communicate with these nationals to determine whether duress was involved in their naturalization and should not be prevented from doing so with mere assertion that the nationals have acquired Soviet citizenship.

II. Department desires an early settlement of all outstanding cases affecting American citizens on which the Embassy has previously approached the Soviet Government with unsatisfactory results and considers that written agreement should be sought on the following points:

Prompt access should be given officers US Govt to all persons asserting claim to American nationality without prior attempt on part of Soviet authorities to determine for themselves whether claim is justified.

Prompt extension of permission to American nationals to travel to Embassy for purpose establishing American nationality.

Prompt extension to American nationals of permission to leave Soviet territory after they have been appropriately documented as American nationals in all cases in which no valid reason for their detention is or can be adduced by the Soviet Government.

Reasonable facilities to American nationals in form of assistance for transportation, necessary local documentation, et cetera and food and

ration cards while awaiting transportation after they are documented and have been issued permission to leave Soviet Union.

Equal status for American nationals for passage on passenger vessels operating under Soviet flag.

Permission for officers of US Govt to travel to territory under the control of USSR, particularly in territory west of western boundary of USSR in 1939, more especially to the City Lwow, where numbers of American nationals are known to be living in order to render them appropriate documentation and assistance.

Reasonable extension of privilege of exit permits to alien wives and children of American nationals.

Undertaking to receive and to act promptly upon inquiries of US Govt regarding whereabouts and welfare of American nationals and of their immediate relatives.

III. It should be stressed that the matter is urgent because there are in Soviet Union number of Americans who will lose American nationality under Sects. 404 and 407 of Nationality Act of 1940 unless they depart from Union before Oct 14, next. Undoubtedly there are others who will come within scope of Sect. 401(a) and thus lose American nationality unless they take up residence in US before attaining age of twenty three years. Failure to remedy this situation fully to satisfaction of this Government will require Dept at a very early date to seek from Congress an extension of present legislation in so far as law affects persons detained against their wishes in Soviet Union.

IV. When these matters are taken up with Soviet Foreign Minister it should be made clear Dept desires satisfactory solution in the near future. For your confidential information situation is such Govt considers it unfair to keep information concerning attitude of Soviet authorities in nationality matters from people of US and particularly their representatives in Congress. It would no longer be justified in withholding from American public fact that since resumption of diplomatic relations Dept's representatives in Soviet Union have met only with evasion, procrastination and every sort of expedient to remove passport, protection, and nationality cases from area of international discussions even to point of unwillingness to correspond in a courteous and helpful manner in these matters.

Dept is considering the disclosure of facts of this situation to American public as soon as *aide-mémoire* has been presented. If you approve, please forward text of *aide-mémoire* timed for public release on date of your representations to the Foreign Minister.

Your views are requested as to appropriate timing of publicity on this matter, particularly on the desirability of such publicity before Soviet Govt has been given time to give its reply.

BYRNES

761.00/5-3146 : Telegram

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

SECRET

Moscow, May 31, 1946—10 a. m.

[Received May 31—7:16 a. m.]

1700. Views of British Foreign Office official expressed to Harriman<sup>98</sup> (Dept's information circular airgram May 10).<sup>99</sup>

We agree that Soviet satellite regimes are not likely to wither away. We do not minimize powerful domestic resentment against and opposition to these regimes, particularly in Poland, but we do wish to emphasize that in our opinion USSR is determined to continue domination over these states and is prepared to go to almost any lengths and employ almost any measures to achieve this end. Composition of satellite regimes may change but their essential subservience to USSR must, as far as Soviet intentions are concerned, continue.

We concur that USSR has not set any definite limits to its objectives in Europe and that only limitation on its activities are the opposition it encounters and the extent of its own capacities.

If foregoing is true then we are about to be driven into position—if we are not already there—where facts of situation compel us to view Europe not as a whole, but as divided essentially into two zones: a defensive one in the east where at best we can hope only to moderate Soviet dispensation, and a second zone in the west which has still not been brought under Soviet domination and in which there is still opportunity for USA and UK to nourish and support growth of healthy society reasonably immune and resistant to totalitarian virus.

SMITH

741.61/6-146 : Telegram

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

TOP SECRET

Moscow, June 1, 1946—11 a. m.

PRIORITY

[Received June 1—9:30 a. m.]

1711. Personal for Secretary Byrnes and Matthews. Yesterday the British Ambassador<sup>1</sup> showed me a transcript of his talk with Stalin. Most of the discussion centered on the Paris Conference.<sup>2</sup> Stalin implied again that Soviet good intentions were nullified by an Anglo-American bloc. He commented that the French also seemed to

<sup>98</sup> W. Averell Harriman was Ambassador in the United Kingdom, April-October, 1946.

<sup>99</sup> Not printed.

<sup>1</sup> Sir Maurice Drummond Peterson.

<sup>2</sup> Council of Foreign Ministers, Second Session, First Part, at Paris between April 25 and May 16, 1946. For documentation, see vol. II, pp. 88 ff.

regard the Soviet Union as an enemy. To this Peterson replied that his own impression was that if the Soviet representatives had been absent from the Paris Conference the three other powers would have been able to reach an agreement. Stalin said that on the contrary, had they been absent the three Western Powers would have quarrelled among themselves. He concluded with a remark to the effect that if it became necessary for the Soviet Union to withdraw from the Council of Foreign Ministers it would be demonstrated that this condition, *id est*, failure to agree on the part of the Western Powers, would prevail.

Stalin deprecated to a certain extent press and publicity attacks against Great Britain, but said the British had brought this on themselves by their unreasoning opposition to the Soviet Union. He also mentioned again Churchill's speech at Fulton, Missouri, but he did not criticize or attack the US in any way. In this respect his attitude was very different than at the time of my conversation with him when many of his remarks were devoted to attacks against the British.

Peterson attempted to point out to Stalin that Bevin should not be regarded as fundamentally anti-Soviet. Bevin, he said, shared many of the social aspirations endorsed by USSR. Stalin dismissed these explanations with statement that personalities had nothing to do with Soviet attitude. USSR considered that there were in UK and USA certain forces historically hostile to USSR and that no matter who occupied position now held by Bevin, that person would be an implement wielded by those forces. This interpretation is entirely consistent with Soviet theory and highlights the inutility of approaching USSR on matters of policy in terms of personalities.

With regard to Soviet Mediterranean ambitions Peterson assured Stalin that Britain would welcome Soviet naval visits to Mediterranean either through Straits or Gibraltar. With his typical facility for reducing a problem to simplest elements Stalin asked what good it would do for Red Navy to sail into Mediterranean if it had no place to go.

Molotov was present throughout conversation but did not open his mouth.

SMITH

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361.11/6-346 : Telegram

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

SECRET

Moscow, June 3, 1946—6 p. m.

[Received June 3—3:27 p. m.]

1738. Dept's 957, May 23. Representations to Soviet Govt regarding citizenship and protection cases.

We have examined Dept's proposed representations against what we have in way of evidence to back up our case. We conclude that we are not in a position to present a water tight case. This being so, we think we should not approach Soviet Govt as recommended by Dept. To do so at this time would be to invite embarrassing legalistic rebuttal, at which Soviet Govt is most adept.

Reason for our conclusion is that (1) some of cases reported in Embassy's despatch 2257, Nov 14<sup>3</sup> have been satisfactorily closed, (2) we have heretofore not exhausted all of our local remedies, thus leaving loopholes in our case, and (3) we do not now have overall statistical picture of citizenship and protection operations of Consul section, which statistics we consider essential to a complete presentation of our case. Latter two defects result from Consular section being stepchild of Embassy—continually understaffed for past several years.

Having said foregoing, we do not propose that Dept's recommendation be dropped for good. We believe that fundamentally we have ample and just reason to protest Soviet treatment of Consular matters. We propose that during the next 3 months, or as long as process takes, we can (1) go through back files, amounting to some 2,000 cases and find out just where we stand with FonOff regarding them; (2) present all protection cases, including ones of doubtful citizenship (which has heretofore not been done) to FonOff; (3) follow up all cases persistently.

As this process develops we should begin to get a clearer picture of what sort of case we have. And when that picture is well defined, perhaps 3 months hence, then we shall have a definite basis on which to decide whether we are in a position to make representations, and make them stick.

[The final two paragraphs, dealing with administrative affairs and personnel allocations in the Consular Section of the Embassy in Moscow, are here omitted.]

SMITH

811.2423/6-746: Telegram

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

CONFIDENTIAL

Moscow, June 7, 1946—noon.  
[Received June 7—9:01 a. m.]

1786. *Agitator's Notebook*, guide for mass agitation work of Moscow party organization contains in issue No. 15 released May 31, article entitled: "Atomic Energy and Prospects for Its Use."

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<sup>3</sup> Not printed.

Article minimizes military value of atomic bomb, stating that atomic energy did not play special role in war and that destruction wrought by it in Japan could have been achieved more cheaply by other means. Atomic bombs, it declares, can only be produced in small quantities and are still not applicable against big armies in battle order or against well-dispersed industry. Nor can military effects of bomb replace those which were produced and still are produced by other forms of military techniques.

Nevertheless, concludes article, mastery of atomic energy is matter of exceptional importance. Planned economy USSR has enormous possibilities for successful work in this mastery.

*Comment*

It is doubtful if above line really represents opinion of Soviet leaders on military potentialities of atomic energy. More likely this position will be taken, until such time as the USSR is in full possession of atomic weapons, to reassure public that Russia's mass armies remain invincible.

However, possibility cannot be excluded that Soviet military thought conservatively believes that no single new weapon possessed abroad can offset Soviet military organization and material developed during World War II.

SMITH

761.00/6-1546 : Telegram

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

SECRET

Moscow, June 15, 1946—3 p. m.  
[Received June 16—1:52 a. m.]

1890. Development of Soviet policy in Asia appears to be shaping up on different pattern from Soviet policy in Europe. USSR mediated in Sinkiang between Government and rebels, and conduct of Soviet officials there appears to have been designed to avoid giving open cause for criticism of USSR. Trend with regard to Iran seems to be in similar direction. And now with announcement of Soviet-Afghan agreement on frontier questions,<sup>4</sup> which for years have caused Afghan anxiety, USSR appears to have taken another step in direction of "correct" relationship with its Asiatic neighbors. These disarming symptoms, in contrast to Soviet truculence in Europe, do not by any means indicate that USSR has abandoned predatory aims in Asia. They simply represent different tactical approach.

<sup>4</sup> For texts of the Agreement on Boundary Questions, with Protocol and exchanges of notes, signed at Moscow June 13, 1946, which settled several long-standing disputes, see United Nations Treaty Series, vol. xxxi, pp. 147-167.



They suggest that Soviet policy, calculating that time and the forces of decay and regeneration in Asia are on Soviet side, are relying heavily on: (1) Ingratiation with Asiatic masses; (2) holding USSR up as contrast to "imperialist" USA and UK; (3) intrigue and covert political manipulation of native fifth column. These tactics are more dangerous than more obvious ones employed in Europe and will bear close attention and reporting.

Department please repeat to Paris as Moscow's 183, to Tehran as 112 and Nanking as 83.

SMITH

711.612/6-1546: Telegram

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

RESTRICTED

Moscow, June 15, 1946—6 p. m.

[Received 6:54 p. m.]

1894. Embs 1041, April 4.<sup>5</sup> After careful study of US-USSR draft treaty Embassy concludes that little is to be gained by making detailed point by point comment. Our reasons for saying so are:

(1) Kennan's letter of April 3 to Hazard covers comment which we would offer;

(2) Kennan has apparently been discussing treaty with Dept (Dept's 1037, January [June] 7<sup>5</sup>) and subject has now presumably developed well beyond stage it was when we offered to provide comment;

(3) Kennan is better qualified than any officer here to offer constructive criticism of draft.

We shall, however, be glad to comment on new developments if their substance is transmitted to us and we undertake to give such comment promptly.

We apologize for delay in dispatch of this message.

SMITH

361.1121/6-1846: Airgram

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

Moscow, June 18, 1946.

[Received July 2—9:52 a. m.]

A-313. Reference Department's airgrams A-122, March 20, 1946 and A-175, May 7, 1946<sup>6</sup> regarding Mr. Isaiah Oggins, an American citizen imprisoned by the Soviet authorities several years ago.<sup>7</sup>

<sup>5</sup> Not printed.

<sup>6</sup> Neither printed.

<sup>7</sup> For the origin of this case, see *Foreign Relations*, 1942, vol. III, pp. 765-771 *passim*.

The Embassy addressed a note to the Soviet Ministry of Foreign Affairs on March 30, 1946 on this subject but has thus far received no reply. A new note covering the points in the latter reference airgram is being sent today, and the Embassy will inform the Department as soon as it receives a reply.<sup>8</sup>

SMITH

861.00/6-2146 : Telegram

*The Ambassador in the Soviet Union (Smith) to the Secretary of State*<sup>9</sup>

TOP SECRET  
PRIORITY

Moscow, June 21, 1946—7 p. m.  
[Received June 21—3:24 p. m.]

1964. London please pouch immediately to Paris for Secretary.

Columbia Broadcasting correspondent Hotelet interviewed Litvinov June 18 in latter's office. As Litvinov was very outspoken, Hotelet has not used material from interview. He has reported it to us for Dept's and our information and requests that its substance be conveyed to Murrow of CBS for his background information only. Report follows and should obviously be handled with great discretion.<sup>10</sup>

Discussing international situation, Litvinov said outlook was bad and it seemed to him differences between East and West have gone too far to be reconciled. Asked cause of this he said that as far as he was concerned root cause was ideological conception prevailing here of inevitability of conflict between Communist and capitalist worlds. It seemed to him that there had once been chance that two worlds would be able to exist side by side but that was obvious no longer case. There has now been return in USSR to outmoded concept of geographical security.<sup>11</sup>

In discussing principles being explored now to find basis of cooperation, Litvinov said basis of cooperation must be agreement among

<sup>8</sup> Mrs. Oggins was informed by letter on July 22 of these latest inquiries made by the Embassy at Moscow concerning her husband. There were no further developments to report during 1946.

<sup>9</sup> The Secretary of State was in Paris attending the Second Session, Second Part, of the Council of Foreign Ministers. This telegram was sent to the Department as 1964 and repeated to London as 290. A copy was teletyped to Paris for the Secretary on June 21.

<sup>10</sup> This interview was not disclosed at the time. Litvinov died on December 31, 1951. Thereafter Richard C. Hotelet prepared five articles about this interview which were published in the *Washington Post* during January of 1952 as follows: January 21, p. 1; January 22, p. B-11; January 23, p. 13; January 24, p. 13; and January 25, p. 21.

<sup>11</sup> Ambassador Smith had already reported in telegram 1632, May 24, 2 p. m., from Moscow, that in a private conversation on the previous day Litvinov had remarked that "toward the end of the War and directly afterwards I had hoped for real international cooperation, but wrong decisions have been made and of the two paths which might have been taken, the wrong one has been chosen. I now feel that the best that can be hoped for is a prolonged armed truce". (761.00/5-2446)

great powers. Obviously Haiti or Denmark could not threaten world peace and it is not unreasonable for USSR to be suspicious of any forum in which she would constantly be outvoted. Hottelet asked how this present chasm could be bridged. Litvinov answered, I won't say until they call on me and they certainly will not call on me.<sup>12</sup> Hottelet asked him if he was sure he would not be called upon and he replied, I am positive. He said I am an observer and I am glad to be out of it. His whole attitude in this part of conversation was one of passive resignation. Hottelet asked what chances would be of postponing any conflict between East and West long enough to allow new and younger men to grow up and take over. His answer was, what difference does it make if the young men are educated intensively in precise spirit of the old.

Hottelet asked if he had heard of Baruch's suggestion<sup>13</sup> to turn atomic secrets over to International Control Board and said that this seemed to him to be a most dramatic crystallization of world's current dilemma, and asked what would USSR do—whether she would accept international control or refuse it. Litvinov reflected for a moment and said there was a vast difference between subscribing to principle of international control and actually subjecting oneself to rigid inspection. Hottelet asked him specifically whether USSR was likely to go whole way. He said he thought USSR was unlikely to submit to inspection. Hottelet asked him if suspicion which seems to be large motivating force in Soviet policy would be mitigated if West were suddenly to give in and grant all Russian demands, like Trieste, Italian colonies, et cetera—whether that would lead to easing of situation. He said it would lead to West being faced after period of time with next series of demands.

Discussing question of mutual suspicion, topic of genuine security versus imperialist aggression was dwelt on. Litvinov said Hitler probably genuinely felt that his demands were justified, that he wanted *Lebensraum*. Hitler was probably genuinely convinced that his actions were preventive and forced on him by external circumstance. Advantages that accrue to any totalitarian govt through its possibility of ignoring its public opinion were discussed. Litvinov volunteered that there was nothing one could do inside a totalitarian state to change it. He said that Italian and German people did not revolt even in face of most dreadful punishment. In 1792 French

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<sup>12</sup> Earlier in telegram 1024, April 2, 1946, from Moscow, the Ambassador had confirmed the belief that "as far as we are aware there has been no alteration in his real position, which is one of semi-retirement." (861.00/4-246)

<sup>13</sup> Bernard M. Baruch, the representative of the United States to the United Nations Atomic Energy Commission, at the opening session in New York on June 14, 1946, gave an address on "Proposals for an International Atomic Development Authority." For text, see Department of State *Bulletin*, June 23, 1946, p. 1057.

people could storm arsenals, grab muskets and make revolution, but today people would need artillery, tanks, radio stations, printing presses, all of which are held tightly in the hands of any totalitarian state. That is why it would be terribly difficult, for instance, to dislodge Franco. Even for a palace revolution one would need support of army and police.

Switching back to atomic bomb, Hottel asked whether since gas was outlawed and not used during World War II, what he thought chances were of atomic bomb not being used in event of another war. Litvinov said that depends on attitude of people who have an atomic bomb. If one side thinks it can bring about quick victory by use of atomic bombs then temptation will be great. If evenly matched and if one side feels that its immense area and manpower, resources and dispersed industry safeguard it to large extent, it will not be too loath to use it. This would be especially true where public opinion has no weight, where state leadership has completely conditioned public mind. Hottel asked why present leaders who are after all astute and capable men cling to a patently outworn idea that a river or mountain range or 1,000 kilometers of ground would provide security. Litvinov answered, because they are conservative in their thinking and still follow old lines.

Germany was discussed. It was Litvinov's opinion that it would obviously be broken up into two parts. Since all Allies professed to want unified Germany Hottel asked would it not somehow be possible to find single solution. Litvinov answered each side wants unified Germany under its control. It was his opinion that of all single problems in world today, Germany was greatest problem.

At end of conversation Litvinov underscored that he was a private citizen speaking his own individual ideas.

Extent of this statement to a newly arrived correspondent is simply amazing to us.

Sent Dept 1964, repeated London 290 for Ambassador.

SMITH

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501.BC Atomic/6-2246: Telegram

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

RESTRICTED

Moscow, June 22, 1946—9 a. m.

[Received 10:42 a. m.]

1966. Emb 1939, June 19.<sup>14</sup> Although no reference to contents Baruch report has yet been made, Soviet press June 21 carries New

<sup>14</sup> Not printed.

York Tass dispatch reporting that at June 19 meeting UN Atomic Energy Commission Australian, Canadian, British, Chinese, Brazilian and Mexican representatives announced approval by their respective govts of US proposals advanced by Baruch, and that Gromyko presented Soviet proposal for international agreement which would "ban production and utilization of atomic weapons and provide for destruction of existing stores of atomic weapons".<sup>15</sup> Bulk Gromyko's speech is then quoted.<sup>16</sup>

[SMITH]

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501.BC Atomic/6-2646 : Telegram

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

TOP SECRET

Moscow, June 26, 1946—1 p. m.

[Received June 26—10:20 a.m.]

2013. Viewed from this Embassy, Gromyko's atomic control proposal is thoroughly disingenuous proposition which tends to (1) seize for USSR moral leadership on atomic question and (2) obscure the basic issue, which is inspection. I do not think USSR should be permitted to grasp the initiative on so critical an issue. I question whether attempt at logical refutation of Gromyko proposal will suffice. I suggest consideration of our boldly recapturing moral ascendancy and reemphasizing basic issue of inspection by stating that we are prepared to discuss regulation and control of all weapons of war—not only atomic bomb—provided such discussions should lead to creation of effective international machinery under UNO for unhampered inspection of military establishments and means of production provided we can make such a proposal in all sincerity.<sup>17</sup> If USSR accepts, well and good—we shall have attained the millenium. If USSR equivocates or refuses, then Soviet pretensions will have been exposed for what they are worth. The one vital factor which we are

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<sup>15</sup> For documentation in regard to the United Nations Atomic Energy Commission activities, see vol. I.

<sup>16</sup> For text of the proposals made by Andrey Andreyevich Gromyko, the representative of the Soviet Union at the United Nations, see *New York Times*, June 20, 1946, p. 4.

<sup>17</sup> In a memorandum dated June 27, 1946, Llewellyn E. Thompson, Chief of the Division of Eastern European Affairs, stated: "Ambassador Smith's view as reported in his telegram 2013, June 27, that basic issue in the atomic control question is that of inspection is certainly correct. If his proposal that we state we are prepared to discuss regulation and control of all weapons of war would in fact recapture moral ascendancy for us and re-emphasize the basic issue of inspection, then it might be worth trying. I feel obliged to point out, however, that such a move might have the opposite effect and obscure the issue." (501.BC-Atomic/6-2746)

unable to evaluate here is the effect of such a proposal on US public opinion in its relation to our own plans for defense and security.

Department please repeat to Paris for Secretary as Moscow's 220.

SMITH

861.00/7-1546

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

SECRET

Moscow, July 15, 1946.

No. 234

[Received July 26.]

SIR: I have the honor to report that items which have appeared recently in the Soviet press indicate increasing sternness toward elements considered unreliable for the tasks assigned to the Soviet people by the leaders of the Communist Party. This impression has been strengthened by personal observations of members of the Embassy staff, which are reported herein.

The editorials in both of the May issues of *Bolshevik*, the chief theoretical journal of the Communist Party, emphasized the necessity for a struggle against "capitalist survivals" and the "influence of hostile ideology" among the Soviet people. *Bolshevik*, No. 10, for May, called for struggle against "penetration of alien influences among the youth."

This campaign has now been carried into *Pravda*, the Party newspaper. *Pravda* for July 7, in a front page editorial on the publication of Stalin's works, stated that to fulfill the gigantic tasks facing the Soviet Union it was necessary to intensify the struggle with the "survivals and the influences of hostile ideology." The most menacing note yet struck was the statement in *Pravda*, for July 11, that the weakening of self-criticism in Party organizations leads to weakening of "Party vigilance" and facilitates the "activity of anti-State elements." This statement was contained in an item criticizing the work of the Altai Krai Party organizations.

In practice, such a campaign tends to cause intensification of measures, both within and outside the Party, designed to remove the carriers of ideological contamination. The regime's political disinfecting agency of course is the political police. Several instances of tightening of police controls have come to the Embassy's attention within the past month.

Several Soviet citizens who have, or have had, contacts with members of the Embassy, have recently been shadowed by plain-clothes men and then called in for questioning by officers of the Ministry of State Security. In one of these cases, the person questioned was grilled regarding the attitude of an American acquaintance toward

the Soviet regime. The persons called in have been warned that disclosure of this fact would be severely punished.

[Certain instances of what was rumored to have happened to individuals who had had association with Western influences are here omitted.]

It is rumored that as result of disagreement with high Soviet official, Zhukov asked to be relieved and reassigned where he could be of use. Three messages from Assistant Naval Attaché in Odessa appear to establish fact that Zhukov is in Odessa or will shortly arrive there to command Odessa Military District.<sup>18</sup>

Respectfully yours,

W. B. SMITH

862.20211/7-1846 : Telegram

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

WASHINGTON, July 18, 1946.

1312. Sov. Navy Lieut. Nicolai Redin acquitted July 17 by US Federal Court jury on espionage and conspiracy charges. Further info re trial and newspaper reports will be forwarded Emb.<sup>19</sup>

BYRNES

711.61/7-2346 : Telegram

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

CONFIDENTIAL

Moscow, July 23, 1946—6 p. m.

[Received July 23—4 p. m.]

2258. During past 2 months Soviet propaganda offensive against USA has been stepped up while that against Britain has diminished.<sup>20</sup>

Anti-American campaign in Soviet press has sought to convince Soviet and world publics that USA has deserted Roosevelt heritage and is rapidly succumbing to militarist, imperialist and expansionist tendencies incompatible with international peace and security. This constitutes radical departure from previous line of editorial restraint

<sup>18</sup> Marshal Georgy Konstantinovich Zhukov was suddenly demoted in June 1946 from being Deputy Minister of Armed Forces and Commander in Chief of Ground Forces to Commander of the Odessa Military District.

<sup>19</sup> Further information and newspaper clippings were enclosed in instruction 1296, July 26, 1946, to Moscow, not printed. Redin's trial was held in Seattle before Federal District Judge Lloyd Black. On July 17, the jury acquitted Redin on all charges. According to newspaper reports he expressed his thanks for a fair trial.

<sup>20</sup> A letter from Ambassador Smith to the Secretary of State on July 18 enclosed a memorandum of the previous day, which stated in part: "Soviet propaganda is at the present time attacking the United States with an unremitting ferocity which not only equals but in certain respects exceeds the severity of its previous campaign against the British." (711.00/7-1846)

toward US policy coupled with continuous violent attacks on "British imperialism". Shift is illustrated by scholarly handsprings of historian Tarle. In March he argued that USSR and USA have tradition of "unvarying political friendship" grounded in common basic interests. In June he voiced Soviet defiance of "pax Americana" and alleged Nazi pattern in US Govt labor policies.

Meanwhile, Soviet press has tended to tone down, though not to suspend, campaign against Britain. British policy in Middle East, Mediterranean, Indonesia and Spain is intermittently criticized, but "British imperialism" no longer looms up in Soviet propaganda as major menace in international political arena. This reorientation is strikingly reflected in *Pravda* article July 4 which cites statement of British trade unionist Selph that "worsening of Anglo-Soviet relations seriously disturbs me. Labor Govt is supporting reactionary policy of collaborating with imperialist America." Selph, concludes *Pravda*, supported resolution of trade union conference that "Existing foreign policy difficulties, particularly with respect to USSR, will be overcome with aid of collaboration."

Both these trends are necessarily a result of specific directives handed down by party propaganda authorities. We have had evidence of this in informal statements made to member of Embassy staff by a Soviet expert on foreign high education who was recently compelled by internal censorship authorities to delete favorable sections from an article on American higher education but subsequently cautioned by same organ to go easy in criticising British education. Also worthy of note is informal conversation at July 4 Spaso<sup>21</sup> reception in which Soviet journalist who is personally quite friendly toward Americans told an American and Britisher in significant jest that he would "rather be in bloc" with latter than with former.

Finally, as perhaps another gesture toward Britain, Soviet Govt has without hesitation accepted Admiral Frazer's<sup>22</sup> suggestion that he visit USSR. He arrives Leningrad this week on carrier *Triumph* with destroyer escort.

We feel it would be an error to deduce from foregoing evidence that USSR has made a basic change in strategy. We believe rather that change is tactical one tentatively being tried out. Fundamental strategy remains same—to split Anglo-American alignment.

Explanation for shift probably lies in one or all of complex of reasons: (1) change of tactics because first experiment failed to achieve strategic end, (2) reaction of a hypersensitive *amour-propre* to toughened and more alert American policy, (3) an effort to cause

<sup>21</sup> Spaso House was the residence of the American Ambassador in Moscow.

<sup>22</sup> Adm. Bruce Fraser, Baron of North Cape, Commander in Chief of the Eastern and Pacific Fleets, 1944–1946.



anxiety in certain groups in USA who feel that a firm policy toward USSR may lead to serious consequences, and (4) a possible feeling that economic unrest and dissension in USA may now be more susceptible of exploitation than it formerly was.

SMITH

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861.00/6-2846

*Memorandum by the Assistant Chief of the Division of Eastern European Affairs (Stevens)*<sup>23</sup>

[WASHINGTON,] July 26, 1946.

The address by Oleshchuko which is reported in the attached despatch from the Embassy at Moscow is one of the most significant pronouncements on Soviet policy which has recently come to the attention of the Division.<sup>24</sup> It throws a great deal of light on the present Soviet attitude toward the United States and clarifies in considerable measure the underlying reasons for the vituperative press campaign against the United States which has now been going on for over two months. Oleshchuko's thesis is that notwithstanding the victorious conclusion of the war the struggle against Fascism is continuing. He states that "Fascism is a manifestation of capitalist society in its imperialistic phase" and thereby associates it with all non-democratic (i.e. non-communist) states. Fascism is supported by "reactionary" forces in capitalistic countries. Both the United States and Great Britain are supporting Fascism in the hope of using it to fight democracy and the Soviet Union. The United States is much the greater menace since it emerged from the war as the strongest of capitalist countries. Fascism can be defeated only by striking heavy blows against the reaction which nourishes it and uses it as a weapon. The reactionary forces of the world are now larger than the Fascist forces and the next step is accordingly to weaken reaction.

Oleshchuko admits that the communist parties in the United States and Great Britain at present have little influence. He states, however, that democracy (i.e. communism) is on the upsurge and has become so strong that all plans of reaction against democracy have failed.

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<sup>23</sup> This memorandum was directed to Llewellyn E. Thompson, Chief of the Division of Eastern European Affairs, and to John D. Hickerson, Deputy Director of the Office of European Affairs.

<sup>24</sup> A lecture entitled "The Struggle of the Democratic Forces for the Final Defeat of Fascism" had been given in the Dom Soyuzov on June 7, 1946, by Fedor Nesterovich Oleshchuk, assistant head of the Chief Administration for Propaganda and Agitation under the Central Committee of the Communist Party. The address was first reported in telegram 1974, June 22, 1946, 6 p. m., from Moscow, with the remark that this speech contained "perhaps most outspoken Soviet public attack on USA and UK since German attack on USSR". (861.00/6-2246) The lecture was summarized in dispatch 191, June 28, 1946, from Moscow. (861.00/6-2846).

The strength of world democracy is based on the existence of the Soviet Union which Oleshchuko places squarely in the camp opposed to the United States and Britain in the struggle against reaction. The role of the Soviet Union is three fold: 1. not to oppose the development of democracy (communism) while the Western Powers are doing everything possible to hinder its development; 2. to support "popular national liberation movements" everywhere and to extend active aid to democratic movements in countries on the border of the Soviet Union and elsewhere. In this connection Oleshchuko points out that the Soviet Union has furnished arms to Poland and the inference is clear that it is likewise prepared to arm "national liberation movements" elsewhere; 3. to support democratic movements at international conferences.

In conclusion Oleshchuko points out that the Soviet Union has emerged from the war as the greatest power in the world.

This lecture was delivered before a small audience of about forty persons. The size of the audience, however, is no indication of the importance of this pronouncement. Public lectures in the Soviet Union are given for the benefit of party propagandists and agitators to provide amplification and background to propaganda themes which are played in the press. Our experience has been that these lectures frequently forecast new political moves by the Soviet Government or the emergence of new propaganda lines and that they are considerably more enlightening regarding the real objectives and motivation of Soviet policy than the most stereotyped material appearing in the press.

The conclusion to be drawn from this lecture, and which is amply supported by other evidence which has become available in the past few months, is that the United States is now regarded as the chief center of world reaction and as such will be regarded by the Soviet Government and held up to the Soviet people as the principal potential enemy of the Soviet Union.

FRANCIS B. STEVENS

125.677/7-2946 : Telegram

*The Acting Secretary of State to the Chargé in the Soviet Union  
(Durbrow)*

SECRET

WASHINGTON, July 29, 1946—7 p. m.

1377. Navy advises Nav Attaché in Moscow has been informed that Sov Command requests branch offices of Asst Nav Attaché Archangel, Odessa and Vladivostok be closed and personnel withdrawn soon as possible. Dept has had under consideration request from WSA supported by Navy and Comc that permanent consulate be established at Odessa.

Unless you perceive objection, request concurrence SovGov in immediate opening Am Consulate Odessa. Dept has in mind relatively small office of perhaps two career officers and small clerical staff. It is suggested that at same time you press for favorable reply this Govs proposal to open consulate in Leningrad.

In event FonOff should assert that opening of consulate in Odessa is matter for Ukrainian Gov you may point out that three branch offices of Nav Attaché as well as consulate in Vlad were established in agreement with central Gov and have conducted their business with its reps rather than with Govs of various Constituent Republics. Dept desires if possible however avoid raising of this issue.

You may point out that UNRRA shpts are being made to Odessa in both WSA and commercially operated Am vessels and that in addition to normal desire to establish consulate at this important post Dept considers it essential that Amrep be stationed there to render services for these vessels and their crews.

For your info Dept does not feel it can continue to allow SovGov to maintain three consulates in this country in event that this reasonable request is refused.

ACHESON

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861.00/8-246 : Telegram

*The Chargé in the Soviet Union (Durbrow) to the Secretary of State*

Moscow, August 2, 1946.

[Received August 2—4:05 p. m.]

3076. Announcement of Military Collegium of Supreme Court of USSR published August 2 press follows in translation.

Recently Military Collegium of Supreme Court of USSR examined case against A. A. Vlasov, V. F. Malyshkin, G. H. Zhilenkov, F. I. Trukhin, D. E. Zakutny, I. A. Blagoveschensky, M. A. Meandrov, V. I. Maltsev, S. K. Bunyachenko, G. A. Zverov, V. C. Korbukov and N. S. Shatov for treason to fatherland and for carrying out as agents of German intelligence active espionage-diversionary and terroristic activity against Soviet Union, i.e., for crimes specified in Articles 58-1 "B", 58-8, 58-10 and 58-11 of Criminal Code of USSR. All the accused confessed their guilt under charges brought against them. In accordance with point 1 of edict of Presidium of Supreme Soviet of USSR of April 1943,<sup>25</sup> Military Collegium of Supreme Court sentenced accused Vlasov, Malshkin, Zhilenkov, Trukhin, Zakutny, Blagoveschensky, Meandrov, Maltsev, Bunyachenko, Zverov, Korbukov and Shatov to death penalty by hanging. Sentence has been carried out.

DURBROW

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<sup>25</sup> For discussion about the ukaz of April 19, 1943, making possible the use of the death penalty, see *Foreign Relations*, 1943, vol. III, p. 849, footnote 70.

740.00118 E. W./8-246 : Telegram

*The Chargé in the Soviet Union (Durbrow) to the Secretary of State*

SECRET

Moscow, August 2, 1946—4 p. m.  
[Received August 2—10: 50 a. m.]

3077. Deptel 1402, August 1.<sup>26</sup> Letter sent Dekanozov<sup>27</sup> advising that Naval Observer's offices Vladivostok Archangel are being closed. Request also made for immediate opening Consulate Odessa and that Naval Attaché there be permitted carry on his functions as US Maritime Shipping representative until Consulate is opened. Letter points out need for representative handle UNRRA ships.<sup>28</sup>

I did not bring up question of Leningrad for following reasons:

1. Ambassador in letter April 19 asked for Consulate Leningrad or, as alternative, Odessa.
2. Two requests for Leningrad are already before Soviet authorities and if not granted we can use threat of closing Soviet Consulates in order to obtain Leningrad later.
3. Since question Odessa is most pressing matter, I felt it advisable to concentrate our immediate effort on its solution.

Dept repeat to Paris for Ambassador Smith<sup>29</sup> as Moscow's 278.

DURBROW

711.41/8-1446 : Telegram

*The Chargé in the Soviet Union (Durbrow) to the Secretary of State*

CONFIDENTIAL

Moscow, August 14, 1946—6 p. m.  
[Received August 15—2: 50 p. m.]

3196. Attention of Dept is especially invited to important articles on USA and Britain summarized in Embtel 3194 and 3195, August 14.<sup>30</sup> These articles sum up and develop further elaborate anti-American and anti-British ideology which Soviet propagand machine has been assiduously constructing in postwar period.

Sergeeva's article attempts to reconcile doctrine of Anglo-Saxon bloc

<sup>26</sup> Not printed.

<sup>27</sup> Vladimir Georgiyevich Dekanozov, Deputy Minister for Foreign Affairs of the Soviet Union.

<sup>28</sup> Text of letter transmitted to Department in telegram 3063, August 1, from Moscow, not printed. (740.00118 E.W./8-146). Telegram 3213, August 15, from Moscow, transmitted the text of Dekanozov's reply in which he stated that the Soviet Government agreed that the American Assistant Naval Attaché could remain in Odessa to fulfill his functions until completion of the movement of UNRRA cargoes through that port (840.50 UNRRA/8-1546).

<sup>29</sup> Ambassador Smith was in Paris to assist the Secretary of State at the Peace Conference, held July 29—October 15, 1946.

<sup>30</sup> Neither printed; the first telegram summarized an editorial appearing in the current issue of the magazine *Bolshevik* entitled "Dangerous Tendencies in International Politics", and the second telegram reported upon an article in the *New Times* magazine for August 1 by Nataliya Sergeevna Sergeeva. "On Question of Anglo-American Relations." (861.9111/8-1446; 711.41/8-1446)

with Stalinist thesis concerning inevitability of Anglo-American rivalry springing from conflicts of imperialist interests. Author's frank assertion that "bloc" exists despite all devisive factors may reflect abandonment by Soviet-governing circles of previous expectations that Anglo-American differences would be sufficiently strong and far-reaching to enable Soviets profitably to play off Americans against British or vice versa.

*Bolshevik* editorial is most comprehensive, violent and hostile polemic against Anglo-Americans printed here since war's conclusion. Its significant statement that "reactionaries" are employing official policy of Anglo-Saxon countries to implement their "plans of world domination" marks final renunciation by Soviet propaganda machine of distinction drawn during war and after between Government policies of USA and Britain on one hand and policies advocated by "reactionary forces" on other. Presumable intention of this article is to extinguish in party circles (to whom article is primarily addressed) any lingering ideas or hopes that friendly relations are possible between USSR and Anglo-Americans.

Department please repeat to Nanking and Tokyo and to Paris for Ambassador Smith as Moscow's 302.

DURBROW

861.00/8-2246 : Telegram

*The Chargé in the Soviet Union (Durbrow) to the Secretary of State*

CONFIDENTIAL

Moscow, August 22, 1946—7 p. m.  
[Received August 22—6:24 p. m.]

3284. Embassy's telegram 3281, August 22.<sup>31</sup> Follow-up of attack against Leningrad intellectuals is recantation of Leningrad party organization and writers for their "mistakes" and "defects" reported in *Pravda* August 22. Zhdanov,<sup>32</sup> who is referred to as "Secretary of Central Committee" of party delivered reports "few days ago" to meeting of active groups of Leningrad party organization and Leningrad writers. Both groups adopted resolutions confessing their faults and giving assurances that they would eliminate them. Chief culprits Zoshchenko<sup>33</sup> and Akhmatova<sup>34</sup> were not given chance to recant but

<sup>31</sup> Not printed.

<sup>32</sup> Zhdanov had long been the leading official as Secretary of the Leningrad oblast (regional) Party Committee after the murder of Sergey Mironovich Kirov on December 1, 1934, until December 1945. He directed the campaign in 1946 against Western cultural influences among Leningrad writers and intellectuals.

<sup>33</sup> Mikhail Mikhailovich Zoshchenko, satirist and writer of short stories. His story, "The Adventures of a Monkey," which had portrayed a monkey's life in a zoo cage as better than that of Soviet people outside, had particularly offended. Expelled from the Writers' Union in 1946, he lived in obscurity until his death in 1958.

<sup>34</sup> Anna Andreyevna Akhmatova, poetess, expelled from the Writers' Union in 1946, but later resumed activity after the death of Stalin in 1953.

were further vilified. Writers recantation added such respected name as Olga Bergholz<sup>35</sup> and a dozen others to list of literary suspects, accusing them of "propagandizing" writings of Zoshchenko and Akhmatova.

Developments in this witch hunt revealed in today's *Pravda* have significant aspects.

1. Assignment of Zhdanov one of top men of regime to humbling of Leningrad intelligentsia shows that this is matter of prime political importance. Its importance is emphasized by inclusion of party organization in recantation, and by publication in *Pravda* which insures it nationwide publicity.

2. Party's Leningrad action is most crushing in series of blows recently delivered against Western influences among Soviet people. This influence always fairly strong in non-party circles, was intensified during and immediately after war by gratitude for Allied aid, particularly food, and by direct contacts of Soviet military and other people with Western life. Soviet leaders are now striving to mobilize weary and somewhat disillusioned Soviet masses for hard efforts of forthcoming plans. They need full cooperation of intelligentsia, particularly writers, whom Stalin once called "engineers of human souls". Writers must zealously propagate faith in superior prospects of Soviet life. They must assist party to spur masses' efforts to carry out military-economic program by instilling fear and hatred of "bourgeois" West. Zhdanov's mission to Leningrad must smash any lingering hopes of Soviet intellectuals for return to wartime trend toward opening door to Western World.

3. Leningrad party organizations resolution referred to defects in party control not only in literature but in radio, cinema and theatre, thus broadening scope of campaign of cultural control. Party resolution promised to eliminate defects and to fulfil Central Committee's instruction "in Bolshevik manner".

In this connection it is significant that yesterday's *Pravda* blast naming secretaries Kapustin and Shirikov of city party organization was first such attack on very high party officials since before war.

4. Leningrad intellectuals fate affords one more proof that under totalitarian state intellectuals must not merely not oppose authorities but must be enthusiastic instruments of dictators will. Leningrad writers promised to begin campaign of "self-criticism" which means that they must assist the party by cracking the whip over their own heads.

Writers resolution concluded on following abject note: "Meeting unanimously assures Central Committee and Comrade Stalin that

<sup>35</sup> Olga Fedorovna Bergholz (Berggolts), literary writer.

Leningrad writers will be able in short time to overcome very great defects in their work and under leadership of Leningrad party organization will find within selves strength and capacity to create works worthy of great Stalinist epoch."

DURBROW

861.00/8-2346 : Telegram

*The Chargé in the Soviet Union (Durbrow) to the Secretary of State*

SECRET

Moscow, August 23, 1946—5 p. m.  
[Received August 23—1 : 30 p. m.]

3290. Paris for Ambassador Smith. A source which we consider probably reliable informs us that ideological house cleaning which is turning Leningrad literary and party circles upside down, originated in Orgburo <sup>36</sup> meeting called by Stalin August 18.

According to this source Stalin summoned not only Orgburo but leading authors, theater directors and motion picture producers to Kremlin. Stalin spent evening quizzing leaders of Soviet intellectual and cultural life on political content of their works and upbraided them for failure to assume vigorous ideological leadership. This star chamber session was conducted in tense, uncomfortable atmosphere.

As result of this meeting 120 manuscripts of books, plays, and scenarios being produced or about to be produced have reportedly been banned. If true, this is staggering blow to Soviet fine arts for coming season.

This house cleaning obviously will extend well beyond Leningrad circles. For example, we hear that popular singer Vertinsky is in disfavor and his records banned.

These developments are far-reaching in their significance. They represent most severe step yet taken in ideological cleansing and are symptomatic of Stalin's determination strengthen party vise on all forms of Soviet life.

DURBROW

861.00/8-2546 : Telegram

*The Chargé in the Soviet Union (Durbrow) to the Secretary of State*

SECRET

Moscow, August 25, 1946—9 a. m.  
[Received August 25—7 a. m.]

3306. Release of Litvinov from position as Junior Deputy Minister Foreign Affairs is logical culmination of gradual process his exclusion

<sup>36</sup> The Organizational Bureau of the Central Committee of the All-Union Communist Party (of Bolsheviks). Elected by the Central Committee for the general direction of organizational work.

from active participation in Soviet foreign relations. Dept will recall that in June he was reported having said he was definitely out of the picture and was functioning only as observer.<sup>37</sup>

At this juncture, we believe it useful to recall as well his observations reported at that time based on his conviction that irreconcilable differences between East and West grew out of Kremlin ideology with its insistence on inevitability of conflict between Communist and capitalist considerations.

We have always considered Litvinov a westward looking Soviet official. Although never a member of the Kremlin inner circle and accordingly never as influential as his reputation abroad led many to believe his periods of active participation in Soviet diplomacy coincided with periods of greatest cooperation with the Atlantic community and loudest professions in support of principle of collective security.

Since his dismissal from position as Foreign Commissar in 1938, Litvinov has had no positive role in formulation of Soviet policy despite fact that he was brought out of political obscurity in 1941 and dusted off to serve as a front man to assure full American aid and cooperation in war effort. Since his return here, he has been but a nominal member of FonOff. During this time he has apparently come to conclusion that policies being pursued by Politburo will only lead to further difficulties for Soviet Union and might even lead to eventual open clash with West.<sup>38</sup> Announcement of his removal at this time is but another manifestation of Kremlin's decision to relegate cooperation with Western Allies and world organization to secondary position in Soviet policy.

Repeated London as 352, Paris as 327.

DURBROW

861.20/8-2946 : Airgram

*The Chargé in the Soviet Union (Durbrow) to the Secretary of State*

RESTRICTED

Moscow, August 29, 1946.

[Received September 13—9:13 a. m.]

A-536. Change in official designation of USSR army from "Red Army" to "Soviet Army" appears to have occurred recently. First

<sup>37</sup> Litvinov was dropped from his position on August 24. For the report of his views in June, see telegram 1964, June 21, from Moscow, p. 763.

<sup>38</sup> The Chargé reported in telegram 3388, September 4, 1946, 5 p. m., from Moscow that he had been told by the British Chargé that in a short, confidential talk at a reception two days before "Litvinov was in very pessimistic mood and stated things were going badly and he expected them to get worse. Litvinov stated he was very pleased that anomalous situation which he had occupied for such a long time had been rectified by his release from duties in FonOff. He seemed to be in good health and stated he was pleased that he was now a private citizen." (861.00/9-446)



use of new terminology in daily press was in announcement published August 17 of grant of pensions to family of deceased leader of well known Red Army Ensemble. Notice referred to ensemble as Ensemble of Soviet Army. Since above date numerous references to Soviet Army have appeared in press. Term Red Army now appears to be destined to have only historical significance. Examples of use of new term are its employment in title of editorial in *Red Star* August 25 on Forces of Rear of Soviet Army, and reference to Soviet Army in first and last paragraphs of *Red Star* editorial August 27. Other examples have been noted by Embassy. At same time, term Red Army continues to be employed with reference to period prior to apparent introduction of new designation.

DURBROW

861.00/8-3046 : Telegram

*The Chargé in the Soviet Union (Durbrow) to the Secretary of State*

SECRET

Moscow, August 30, 1946—10 a. m.

URGENT

[Received 11:15 a. m.]

3354. Paris for Ambassador Smith. As of possible interest to Dept there is given below an analysis as seen from here on various developments on internal front which are now prominent in Soviet press, details of which have been reported separately.

It has sometimes been assumed that because of dictatorial nature of Soviet Govt, its control over population through secret police and party apparatus, Soviet Union could avoid serious difficulties of re-conversion and reconstruction which are facing capitalist countries. While because of difference in two systems problem is not exactly same in Soviet Union, it is now becoming clear that internal problems of getting back to Soviet "normalcy" are considerable.

For approximately 27 years (until Red Army invaded central Europe) Soviet Union has been to all intents and purposes hermetically sealed from outside world, population has been daily told that their plight was better than in most countries of world, and that in not too distant future life in Soviet Union would equal and surpass rest of world. People during three 5-year plans and devastating war have been urged to work harder and harder and tighten their belts and were led to believe that if they did good job, they would be rewarded by greater comforts and easier life.

These hopes have not been fulfilled. Instead, Soviet people have been told they must continue to work hard during at least three more 5-year plans which are to be devoted primarily to production of capital rather than consumers goods.

During war millions of Soviet citizens in Red Army had their first opportunity to make comparisons between life in Soviet Union and other countries. They undoubtedly noted that, in general, peasant or worker of central and eastern Europe lived better than they did. Amount of "liberated" cars, clothes brought back from West is concrete evidence to masses that individuals in other countries had more comforts than under Soviet system.

These various factors have undoubtedly caused many misgivings and doubts to arise in minds of large numbers of Soviet citizens. (Recently members of staff on trips through country have picked up concrete evidence of grumbling and discontent). In an effort to combat this development it will be recalled that just year ago Kalinin, in closed session, addressed large group of political agitators admonishing them to explain to masses that all was not gold which glittered in outside world. Apparently agitators were not too successful in their efforts to reach people and convince them. Therefore, a few months later Kalinin's address was published in order to reach larger audience. This step also did not bring desired results.

It appears, therefore, that authorities on basis of soundings taken realized (1) that throughout population there was general apathy and desire to take it easy after splendid, Herculean efforts they had made to help win the war, (2) that zeal of party members was wearing thin and they were identifying themselves too closely with bureaucrats of economic apparatus in order attain with latter individual benefits and easier life, and (3) that industrial plant because of war destruction, lack of maintenance and excessive wear and tear was in much worse condition than they had at first realized. These natural developments must be coupled with fact that during war artificial stimulants and controls ordinarily called for under Soviet system were replaced by natural patriotic fervor and that now with latter incentive gone, controls of party and perhaps police must be tightened. Realizing this general situation, authorities apparently decided fairly drastic measures would have to be taken to get apparatus back on track and recoup setbacks soon as possible. They apparently also decided that deterioration of basic industry set up was such that they could not devote major part of national effort to production of consumers goods. Promises of better life had worn thin and in order to combat apathy and rebuild industrial base they had, after defeat of Hitler and his allies, to conjure up new boogiemans, real or fictitious, in effort to frighten people into putting their shoulder to wheel. For this purpose they revived during electoral campaign, particularly in Stalin's aggressive and provocative speech of February 9, 1946,<sup>39</sup> temporarily dis-

<sup>39</sup> For summary of main points of speech, see telegram 408, February 12, 3 p. m., from Moscow, p. 694.

carded spectre of "capitalist encirclement". Whatever Kremlin's views may be regarding imminency of open hostilities in what they believe to be inevitable and continuing struggle with foreign capitalism, we believe that immediate purpose of emphatic reintroduction of this specter is to spur masses to greater efforts in building Soviet might and power.

These efforts to whip up enthusiasm for coming 5-year plans have not yet given desired results. People want more of good things of life. Furthermore, capitalist encirclement boogie has not yet quelled feeling of friendliness or respect on part of masses for war time allies of Soviet Union. There seems to be some reason to believe that rumored differences between high army officers and party, manifested by disappearance of Zhukov from center of stage, may well be partly connected with this development. It has been rumored that some of these officers have felt that aggressive political policy of Soviet Govt in international arena may lead to serious consequences for which country is not militarily or industrially prepared. Furthermore, it is possible that these officers, who had close contact with Western armies, appreciate more fully military strength of West and, therefore, have misgivings regarding aggressive policy now being followed.

Other recent developments, such as attack on Western influence among writers, theater and movie producers, and broadcasters, sharp criticism of lack of discipline in party controls, corruption in industrial field, and general apathy all along line, give further indications of serious problems by authorities on internal front.

Nature of Soviet system is such that if party controls break down, whole system will tend to come apart at seams. Other methods having so far not brought about desired results, it now appears that authorities have fallen back on their time-honored method and only one they fully understand—attainment of desired results by threat of force and fear, backed by ideological verbiage and revival of their well-known safety valve—self-criticism. Whether methods of public denunciation now being used will attain desired results or whether in end it might become necessary to carry on fairly large scale purge is probably yet undetermined.

Up to present moment evidence points to fact that authorities hope to bring about desired results without having to revert to a purge, which in itself would further weaken apparatus because of its demoralizing effect. There are too few technicians and experts in country who are capable of running industrial plant, so that authorities cannot afford, if they can attain ends by other means, to lose their services through purge.

There are no indications that these developments, although undoubtedly serious, reflect anything like breakdown of system. Party still retains control, should weather storm, and recoup at least some of ground lost during war. These developments do indicate, nevertheless, that at least for time being and most likely for some time to come Soviet authorities are facing serious internal problems in returning to "normalcy".

Thus, to still unresolved stresses and problems of Soviet system there have been added additional internal difficulties arising out of war which constitute prime factors in any evaluation of Soviet strength.

DURBROW

861.111/8-3146 : Telegram

*The Chargé in the Soviet Union (Durbrow) to the Secretary of State*

RESTRICTED

Moscow, August 31, 1946—9 a. m.

[Received August 31—7:34 a. m.]

3360. Deptel 1533, August 21,<sup>40</sup> regarding Soviet wives. Mrs. Elliot Shirk, Mrs. Kemp Tolley and Mrs. Zaccheus Richardson departed Leningrad August 18 for Stockholm. Plans from there unknown. Mrs. Lawrence Eugene left Moscow by plane for Odessa and leaving there by boat on 1 September. Mrs. Byron Uskievich has just left hospital after childbirth and has not yet actually received exit permit. Any future plans will be reported.<sup>41</sup>

DURBROW

861.2423/9-1346 : Telegram

*The Chargé in the Soviet Union (Durbrow) to the Secretary of State*

TOP SECRET

Moscow, September 13, 1946—11 a. m.

[Received 12:27 p. m.]

3475. Naval Attaché reported September 13, alleged description of Soviet atomic bomb tests reported to have taken place near Chita.

We have discussed this report in detail with Naval and Military Attachés and are in general agreement that circumstances surrounding story suggest that it was inspired for foreign consumption. Furthermore, it appears to fit in context of other recent Soviet atomic rumors and intimations, none of which appear to have substance,

<sup>40</sup> Not printed.

<sup>41</sup> The Chargé reported in telegram 4022, October 31, 1946, 4 p. m., from Moscow, that Mrs. Uskievich had finally succeeded in obtaining a Soviet passport and exit visa on October 25, and had left Moscow on the following day for the United States by way of Stockholm (861.111/10-3146).

vague statements by agitator at a Moscow factory last spring that USSR had produced atomic bomb, announcement at a variety show in July that first Soviet atomic bomb had been exploded, statement by Soviet observer upon return from Bikini that USSR would soon conduct tests.

This atomic gossip fits in with general pattern of Soviet display of military might most recently exemplified in ostentatious tank parade September 8.

While we are inclined to view with considerable skepticism specific atomic rumors which have come to our attention, we do not feel it would be safe to assume in general that USSR has not yet developed atomic bomb. Until there is pretty conclusive evidence one way or another, it would seem to be sound to proceed on assumption that USSR may have produced and tested or will soon produce and test atomic bombs.

DURBROW

711.00/9-1646: Telegram

*The Chargé in the Soviet Union (Durbrow) to the Secretary of State*

Moscow, September 16, 1946.

[Received September 16—6:31 a. m.]

3484. While reproducing lengthy passages from Pepper's<sup>42</sup> and Robeson's<sup>43</sup> speeches at Madison Square Garden, Soviet press September 15 carries only following brief allusion Wallace's speech:<sup>44</sup>

"Wallace and Senator Pepper appealed for improvement in Soviet US relations and demanded return Roosevelt's foreign policy.

Audience loudly applauded those portions Wallace's speech in which he censured imperialism and speculation on threat of war, and it greeted with shouts of disapproval certain of his statements directed against USSR."

This is first reference to his speech that has appeared in Soviet press.

Sent to Dept as 3484; repeated AmEmbassy Paris 358, AmEmbassy London 369.

DURBROW

<sup>42</sup> Claude Pepper, Senator from Florida.

<sup>43</sup> Paul Robeson, Negro singer and leader.

<sup>44</sup> Speech given by Secretary of Commerce Henry A. Wallace on September 12, which contained passages critical of the foreign policy being followed by President Truman and Secretary of State Byrnes, especially toward the Soviet Union. For text, see the *Washington Post*, September 13, 1946, p. 16. For remarks made by President Truman in regard to this speech at his news conference of September 12, see *Public Papers of the Presidents of the United States: Harry S. Truman, 1946* (Washington, Government Printing Office, 1962), pp. 426-428 *passim*; and for remarks at his news conference of September 20 when he announced that he had asked Secretary Wallace to resign from the Cabinet, see *ibid.*, p. 431.

711.61/9-1846 : Telegram

*The Chargé in the Soviet Union (Durbrow) to the Secretary of State*

SECRET

Moscow, September 18, 1946—4 p. m.

[Received September 18—1:20 p. m.]

3503. Paris for Ambassador Smith. Day in day out during past months tom-toms of Soviet propoganda have beat out themes that American and British reactionaries are seeking to foment new war against USSR.<sup>45</sup> Purpose of this incessant drumming is to (1) raise and keep alive opposition in USA and Britain to firm policy toward USSR and (2) spur Soviet masses by means of specter of coming war to all out effort on 5-year plan.

This propoganda despite its arrant hypocrisy has apparently been somewhat effective in certain quarters abroad. It has served to excite certain naive and unstable elements in the West to extent that they overlook beam in Soviet eye while denouncing mote in Western eye.

Domestic Soviet reaction, however, is somewhat more complicated. There is no doubt that propoganda line has conjured up widespread fear of new world war. We have received scattered reports indicating this from local sources, from Baltic States, Ukraine, Caucasus, Belo-Russia, and Soviet Far East. Our impression is that while this war talk may have in some measure spurred productive effort and heightened armed forces morale, for most part it has had depressing effect.

Sentiments expressed by average Soviet citizen are those of anxiety and distress over prospects of another war and bewilderment as to why USA and Britain should "want" it. Many say they are so weary they cannot face new conflict. They are anxious to seize any straw of reassurance that our policy is one of peace. We feel these sentiments reflect true attitude of Soviet masses whose emotional and physical exhaustion is a greater factor than is perhaps realized anywhere outside USSR.

Dept please repeat to Nanking and Tokyo.

DURBROW

711.00/9-2046 : Telegram

*The Chargé in the Soviet Union (Durbrow) to the Secretary of State*

RESTRICTED

Moscow, September 20, 1946—8 p. m.

US URGENT

[Received September 20—4:52 p. m.]

3532. Wallace speech has received belated but extensive coverage in

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<sup>45</sup> In the immediately following telegram, No. 3504, September 18, 4 p. m., the Chargé declared: "Growing misapprehension on part of Soviet public that US is seeking to foment world war against USSR underlines importance of our beginning at earliest possible date broadcasting in Russian to Soviet people. As we have often said, radio is only channel through which US can speak daily directly and without censorship to Soviet people." (711.61/9-1846)

Soviet press. Its salient points on foreign policy were accorded column and half summary September 18. These were accompanied by dispatches affirming that President had given speech full approval as in line with Byrnes' policy, that he had later rectified his statement to indicate he meant approval only Wallace right to speak<sup>46</sup> and that President's prestige at home and abroad had suffered because Byrnes had compelled him to withdraw his original approval.

Wallace issue was highlighted September 20 in all Moscow papers with three column spreads of July 23 letter to President.<sup>47</sup> Also featured was Wallace press conference announcing friendly conversation with President as result of which Wallace proposed to make no more speeches until after Paris Conference.

Department please repeat to Paris.

[DURBROW]

761.00/9-2446 : Telegram

*The Chargé in the Soviet Union (Durbrow) to the Secretary of State*

Moscow, September 24, 1946.

[Received September 24—2:20 p. m.]

3562. Translation follows Stalin's answers in Soviet press September 24 to questions by *Sunday Times* correspondent Alexander Werth in his note to Stalin of September 17:

*Question:* Do you believe in real danger of "new war" about which there is so much irresponsible talk throughout world at present time? What steps should be taken for prevention of war if such danger exists?

*Answer:* I do not believe in real danger of "new war".

The furor about "new war" is being raised now mainly by military political reconnoiterers and their numerous supporters from ranks of civilian officials. They need this furor if only to: (a) frighten with spectre of war certain naive politicians from among their partners and thus assist their governments in wresting greater concessions from these partners; (b) hinder for certain length of time reduction of military budgets in their countries; (c) put brake on demobilization of

<sup>46</sup> See footnote 44, p. 782.

<sup>47</sup> This long, controversial letter had been written by Wallace to the President because he had been disturbed by the trend of international affairs since the end of the war. It had appeared in the press on September 18; for text, see *New York Times*, September 18, 1946, p. 2.

In reporting a *Pravda* appraisal of September 22 of the significance of the Wallace resignation, the Chargé in telegram 3557, September 24, 1946, from Moscow, quoted in part from the article: "His resignation which came as result President's decisions which followed one another in purely American tempo naturally means victory for Right Reactionary Wing Democratic Party. But this victory can be Pyrrhic victory because Democratic Party is clearly frittering away last remnants Roosevelt's heritage. In any event *l'affaire* Wallace graphically demonstrates that present aggressive US foreign policy is not approved by broad circles of population despite manner in which monopolistic press, which least of all reflects US public opinion, describes it." (711.00/9-2446)

troops and thus prevent rapid growth of unemployment in their countries.

It is necessary to make strict distinction between furor about "new war", which is being raised at present time, and real danger of "new war" which does not exist at present time.

*Question:* Do you consider that Great Britain and USA are deliberately creating "capitalist encirclement" of Soviet Union?

*Answer:* I do not think that ruling circles of Great Britain and USA could create "capitalist encirclement" of Soviet Union, even if they wanted to, which, however, I cannot assert.

*Question:* Speaking in words of Mr. Wallace's recent speech, can Great Britain, Western Europe and US be assured that Soviet policy in Germany will not be turned into weapon for Russian designs directed against Western Europe?

*Answer:* I consider use of Germany by Soviet Union against Western Europe and USA out of question. I consider it out of question not only because Soviet Union is bound by treaty mutual aid against German aggression with Great Britain and France, and by decisions of Potsdam Conference of three Great Powers with USA, but also because a policy of utilizing Germany against Western Europe and USA would signify departure of Soviet Union from its fundamental national interests.

In short, policy of Soviet Union on German question amounts to demilitarization and democratization of Germany. I think that demilitarization and democratization of Germany are one of the most important guarantees for establishment of firm and lasting peace.

*Question:* What is your opinion with regard to accusations that policy of Communist Parties of Western Europe "is dictated by Moscow"?

*Answer:* This accusation I consider absurd—borrowed from the bankrupt arsenal of Hitler and Goebbels.

*Question:* Do you believe in possibility of friendly and lasting co-operation between Soviet Union and Western democracies despite existence of ideological divergencies of view, and in "friendly competition" between two systems about which Wallace spoke in his speech?

*Answer:* I unqualifiedly believe this.

*Question:* During visit of Labor Party delegation here, you, as I understand, expressed confidence in possibility of friendly relations between Soviet Union and Great Britain. What would assist establishment of these relations which are so earnestly desired by wide masses British people?

*Answer:* I am really confident of possibility of friendly relations between Soviet Union and Great Britain. Establishment of such relations would be greatly assisted by strengthening of political, trade and cultural ties between these countries.

*Question:* Do you consider that the speediest withdrawal of all American troops from China is a vital necessity for future peace?

*Answer:* Yes, I do.

*Question:* Do you believe that virtual monopolistic possession by USA of atom bomb is one of main threats to peace?



*Answer:* I do not believe atom bomb to be such a serious force as certain politicians are inclined to consider it. Atom bombs are designed to frighten the weak-nerved, but they cannot determine the outcome of war since for this atom bombs are utterly insufficient. Of course, the monopolistic possession of the secret of atom bomb creates a threat, but there exist at least two remedies against it: (a) monopolistic possession of atom bomb cannot long continue; (b) use of atom bomb will be prohibited.

*Question:* Do you suppose that with further advance of Soviet Union towards communism possibilities of peaceful cooperation with outside world will not be diminished, so far as Soviet Union is concerned? Is "communism in one country" possible?

*Answer:* I do not doubt that possibilities of peaceful cooperation not only will not diminish but may even increase. "Communism in one country" is entirely possible, especially in such country as Soviet Union.

Pouched London. Repeated Paris 373.

DURBROW

761.00/9-2546 : Telegram

*The Chargé in the Soviet Union (Durbrow) to the Secretary of State*

SECRET

Moscow, September 25, 1946—6 p. m.

US URGENT

[Received 6:14 p. m.]

3572. Stalin's answers to questions posed by Alec Werth represent in our opinion tactical maneuver rather than pronouncement of strategic policy.

Stalin's statements seem to have two immediate tactical aims:

(1) To strengthen elements in USA advocating appeasement of USSR. Stalin's release of his exchange with Werth is timed to capitalize on Wallace affair.

(2) To tempt British Government elements with prospect of collaboration with USSR in hope that this might develop rift between USA and British which according to Stalinist doctrine must culminate in conflict between two last strongholds of capitalism. This move is a follow up on overtures made to Labor Party representatives who visited USSR some weeks ago.

At the same time Stalin's comments may have wider connotations. We say this because several of Stalin's statements, conspicuously his denial of capitalist encirclement, seem to contradict ideological line vigorously plugged since February. We shall not know for some time to come whether Stalin's replies to Werth signify a broad departure to a new tactical line. We would suggest however possibility of following parallel:

Early this year Soviet policy in Iran utilized tactics of open military intervention and intimidation. Kremlin apparently counted on

post-war demoralization of Western democracies to render UNO ineffective. Early in March it became evident that policy of saber rattling and bluff in Iran was not going to work against aroused conscience and determination of Western Powers. Stalin's reply to questions posed by AP correspondent Gilmore regarding Soviet attitude towards UNO was one of symptoms of Soviet change of tactics in Iran from overt intimidation to covert political machination.

During past several months USSR has been talking and acting tough to Western democracies. These tactics have failed to intimidate USA and Britain. Rather they have resulted in increased firmness in American and British policy. Final demonstration of resolute American policy was showdown on Wallace. Stalin may now estimate that he had best change his truculent tune. He may feel that his bluff had been called and from now on he would do well to follow a somewhat more circumspect policy. If this is so his replies to Werth are probably indicative of the new line.

There are valid domestic reasons, as well as foreign ones, for possible revision of foreign policy pursued heretofore. Overall reason may be that Stalin is not able to back up, excepting in most immediate terms and only in certain areas, truculent foreign policy. Soviet industry is in comparatively bad shape. Rate of reconstruction and new construction is by American standards unbelievably slow. Difficulties have grown up in collective farm system which is now being radically overhauled. There are symptoms of uneasiness and discontent in armed forces. Intelligentsia, which should be a source of enthusiasm and spiritual vitality, has been considerably demoralized as result of dragooning by Communist Party. This unhealthy situation has been aggravated by anxiety of Soviet public over constant hammering by Soviet propaganda of possibility of new world war. This anxiety, as we have pointed out, has not contributed to Soviet morale.

Whether foregoing foreign and domestic reasons for tactical change in line will be acted upon remains, as stated above, to be seen. Stalin may choose to allow apparent contradiction between his replies to Werth and recent published party line to remain unresolved. Or he may feel that Soviet propaganda should adopt somewhat more conciliatory tone. There are precedents in past Soviet policy for either course.

Whatever tactical course he follows there is no reason to believe that it involves any change in basic long term strategy.

Dept please repeat to Tokyo and Nanking. Also to Paris as Moscow's 377.

DURBROW

861.00/10-246

*The Chargé in the Soviet Union (Durbrow) to the Secretary of State*

RESTRICTED

No. 445

Moscow, October 2, 1946.

[Received October 15.]

The Chargé d'Affaires ad interim has the honor to enclose a full summary prepared by the Joint Press Reading Service of an article entitled "On the Dictatorship of the Working Class in Our Country" published in *Komsomol[skaya] Pravda* for September 28.<sup>48</sup> This article is interesting in the following respects.

1) It asserts the necessity for a continuation of the "dictatorship of the working class" until two conditions are fulfilled. These are the achievement of "full communism" within the USSR and the liquidation of "capitalist encirclement" without.

2) It emphasizes that the dictatorship of the proletariat must be continued because of the existence of "capitalist encirclement" of the USSR. It will be recalled that three days before this article appeared Stalin, in reply to one of Werth's questions, had expressed doubt that the British and American "ruling circles" could create "capitalist encirclement" even if they wished to.

3) It links the concepts of "survivals of capitalism" and "capitalist encirclement", stating that the former are "nourished" by the latter. This formulation, to the Embassy's knowledge, goes further than any other Soviet press statement since before the war in suggesting a system of thought which might rationalize the continued existence in the USSR of attitudes considered harmful or dangerous by the Soviet leaders. These two concepts, usually implied but here bluntly enunciated, are the basis of present Soviet propaganda regarding both domestic and foreign politics.

The concept of "survivals of capitalism" bears a certain resemblance to the doctrine of original sin. The present article suggests this comparison, using the metaphor "the birthmarks of capitalism". Like sin, capitalism appears to be full of temptation since it is capable of "nourishing" from outside its "survivals" inside the USSR, despite the Party's careful ideological insulation and disinfection measures.

4) The connecting of "survivals of capitalism" and "capitalist encirclement" in this article is one of many recent manifestations of traditional hostility to capitalism in the Soviet press. Gradually a pattern is being recreated which can be and doubtless is already being used to justify accusations of disloyalty to the USSR on the part of persons whom the authorities consider are under influences emanating from the "capitalist encirclement".

<sup>48</sup> Not printed.

761.00/10-446 : Telegram

*The Chargé in the Soviet Union (Durbrow) to the Secretary of State*

SECRET

Moscow, October 4, 1946—11 a. m.

[Received 5:17 p. m.]

3652. Emb's 3572, September 25. So far as Soviet press is concerned, Stalin's answers to Werth has not brought about broad departure to new tactical line. Not only did press fail to comment editorially on Stalin's statements, but propaganda has continued in contradiction to them. Not a day has passed but that apparition of American and British aggression has continued to be conjured up in Soviet press. Far from playing down dogma of capitalist encirclement there appeared in *Komsomolskaya Pravda* September 28 most uncompromising statements on this doctrine since 1930:

(1) "Remnants of capitalism are fed by capitalist encirclement in which our country finds itself".

(2) "Most important function of dictatorship of working class is defense of Socialist conquests against attacks from outside. While we live in capitalist encirclement danger of military attack from outside exists".

(3) "Even under complete communism, if capitalist encirclement is not abolished, state will be preserved, and consequently dictatorship of working class as well as guiding role of party in this dictatorship".

(4) "But state and dictatorship will wither away under communism, if capitalism encirclement is liquidated".

Flow of material on capitalist encirclement and forebodings of coming war have continued not because Stalin's statements were only for export and were overlooked in bulk of Soviet publications. Werth-Stalin exchange had full domestic news coverage. Even journal *Soviet Sport* (perhaps nervous lest it again be charged with a political interest only in "sport for sport's sake") carried these questions and answers in leading position on front page. And *Pionerskaya Pravda*, paper published for pioneers (children age 10 to 15), devoted more than half of front page to this historic quiz program. So it is not for lack of knowledge of what Stalin said to Werth that Soviet press has proceeded as though Stalin had never pronounced comparatively conciliatory sentiments to Western democracies.

These developments seem to confirm suggestion that Stalin's pronouncement was only limited tactical move.

We feel that effect abroad was intended to be that set forth in first part ourtel 3572, September 25 to give ammunition and encouragement to those elements in USA and UK, advocating appeasement of USSR so that they can confuse issues for some time to come. We still feel

that domestic reasons for Stalin's statements were to relieve, however briefly, fear of immediate war which was growing among Soviet masses. In this connection, it is interesting that both Werth and London *Times* correspondent Parker (a sedulous fellow traveler) have told us they believe statements were designed more for domestic than for foreign consumption. Parker stated that Soviet people had become so alarmed by war talk that they questioned utility of rebuilding that which was about again to be destroyed. Our impression is that popular anxiety has been only momentarily relieved. Increased prices and cuts in bread rations have given rise to fear Government building up war reserves. An example of this anxiety is statement made a few days ago by a Soviet contact that remembering food shortages of last war she has begun to lay aside supplies of food stuffs for forthcoming conflict.

Conclusion on domestic score appears to be that while Stalin felt it desirable to give temporary respite from mounting anxiety of war, he believes Soviet masses must even at risk of inducing despair be goaded to greater production by continuing fear of eventual external attack.

Dept please pass to Paris as Moscow's 390; repeat to Nanking, Tokyo, and London.

DURBROW

861.761/10-946: Telegram

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

CONFIDENTIAL

Moscow, October 9, 1946—10 p. m.

[Received October 9—4:41 p. m.]

3795. Representatives of American broadcasting companies here, Hottel of CBS, Magidoff of NBC and Stevens of ABC, were told yesterday that their future broadcasting time on Moscow radio was cancelled. In response to their repeated inquiries, they were told that Soviet broadcasts were being rearranged and that after reshuffle was completed, it was found that no time was available for broadcasts by foreign correspondents. They requested interview with Foreign Office press department which was granted for evening October 9, but was cancelled same day. They are still negotiating for interview in which they will seek to discover whether ban is final or temporary.

Only other radio correspondent is Danish Press Attaché. Americans believe ban also applies to him but are unable to determine conclusive  $\gamma$  that such is case because Dane is ill.

SMITH

861.00/10-1946 : Telegram

*The Chargé in the Soviet Union (Durbrow) to the Secretary of State*

CONFIDENTIAL

Moscow, October 19, 1946—9 a. m.

[Received 11 : 56 a. m.]

3900. Confirmation that Soviet press is instrument of Communist Party, which can speak only with Party's voice, and of importance of careful study press in following Soviet policy lines was contained in *Culture and Life* No. 4, July 30.

Article in that authoritative publication stated that it was pertinent to recall party directive of 1922 re editorials in provincial press. They must give "leadership, guidance and indicate basic line of behavior". Article stated that inasmuch as editorial is called upon to express point of view of Party, thesis of editorial cannot be subject for debate. "Newspaper editorial must be accepted as directive."

Above article is further confirmation that "freedom of press" and "self-criticism" in USSR mean only freedom of central authorities to utilize press to criticize those who are not satisfactorily carrying out directives of center.

Repeated to Paris as 410; London 395.

Department repeat to Nanking and Tokyo.

DURBROW

861.404/10-2846

*The Chargé in the Soviet Union (Durbrow) to the Secretary of State*

[Extracts]

RESTRICTED

Moscow, October 28, 1946.

No. 504

[Received November 21.]

The Chargé d'Affaires ad interim has the honor to report that the Komsomol<sup>58</sup> magazine *Young Bolshevik*, No. 5-6, recently received by the Embassy, contains the most openly anti-religious article to appear in the Soviet press since before the war. The article quotes Stalin to the effect that the Communist Party must be anti-religious since its activity is founded on science, and religion is anti-scientific. However, the article also points out that the struggle against religion must be carried on not by administrative measures but by means of propaganda and education.

Perhaps the most interesting feature of the above item is the sharp distinction which it draws between the relationship of religion with respectively, the state and the Party. It quotes Lenin to the effect

<sup>58</sup> All-Union Leninist Communist Union of Youth, founded in October 1918, with membership between ages 15 and 28.

that religion is a private matter as far as the state is concerned, but not as far as the Party is concerned. The Party must oppose religion as a prejudice and a "survival of capitalism", best means of struggle against which is a general uplifting of the cultural level of the population.

The above item is the most significant recent Soviet expression on religion. However, there have been several other indications recently of a stiffening of the line in this question. *Komsomol Worker*, No. 11-12, June 1946 (released in August) quoted Stalin to the effect that it was "necessary patiently to explain the harm of religious superstitions and to carry on the propaganda of a materialistic world outlook, the only scientific world outlook, among youth".

It appears that the foregoing indications mark at least a partial return to the immediate pre-war Party line toward religion. In that period the use of force and administrative measures, and of the cruder forms of anti-religious propaganda had been abandoned. Reliance in the struggle against religion was placed on propaganda and social pressure exerted largely through the Komsomol, and on the teaching of scientific and other subjects in the schools from an anti-religious point of view. During the war all open anti-religious publications ceased to appear and the Society of Militant Godless, while not dissolved, became dormant.

The first harbinger of a revival of anti-religious activity was a flow of articles in 1944 and 1945 on "scientific enlightenment". These articles combatted "superstitions", and offered a materialistic, scientific explanation of natural phenomena. It is interesting to note that the answer given by *Young Bolshevik* to the above query concluded by recommending a list of works on such subjects as the "origin of life" and "awesome phenomena of nature". This literature it stated would give further information "on the attitude toward religion". It is thus clear that scientific enlightenment is another term in Soviet language for anti-religious propaganda.

However, it is note-worthy that most of the large mass of scientific enlightenment propaganda published since 1944 is not openly anti-religious. Religion and the church are not directly attacked. It is difficult to find in the Soviet press material which may be labeled as anti-religious propaganda. Even the main item discussed herein appeared in a relatively obscure journal, designed, however, for use by the leaders of Soviet youth.

Present indications are that Soviet policy toward religion, while reverting to a relatively mild and disguised anti-religious line in propaganda for the Party and particularly for Komsomol youth, will

also continue the restricted toleration of the Orthodox and some other church groups inaugurated during the war. Recently the Orthodox cathedral at the historic church center of Zagorsk was reopened and redecorated. A seminary is now operating in Zagorsk. Members of the Embassy who attend Moscow churches state that in their opinion church membership has increased during the past year, though it is still concentrated in the age group over forty. A member of the Embassy was told recently by a priest that the Moscow clergy hoped that the number of churches open in Moscow would eventually be increased from its present figure of about twenty-five to about fifty.

The question of religion in the USSR is perhaps as baffling and paradoxical as any internal problem of the country. The church is certainly the only group with a nation-wide organization and a fundamentally un-Soviet, even if politically conformist, outlook, the existence of which is tolerated by the regime. Religion is the only "survival of capitalism" against which a ruthless campaign is not being conducted.

The explanation of this paradox probably is that the Soviet leaders feel that it is both profitable and safe for them to utilize the church. Profitable because a loyal church helps to maintain the morale and loyalty of a part of the population at home, and lends itself to Soviet policy aims abroad. Safe because the regime feels that time is on its side rather than on that of the church, and that a materialistic outlook engendered by urbanization and by the work of school and Komsomol will capture the younger generation. It is probably hoped that religion will eventually die out along with other "survivals of capitalism". In the meantime, it has no economic power on which to build independent political or other power; moreover, even if spiritually un-Soviet it is intensely nationalistic and assists the state in consolidating the Soviet people against the outside world.

However, should it appear to the Soviet leaders that religion could again grow into a force which might menace the regime, there can be no doubt that the precarious toleration afforded the church would be abandoned, and patient methods of persuasion would be supplemented by ruthless techniques of eradication.

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[The President of the United Press, Mr. Hugh Baillie, submitted on October 21, 1946, a group of 31 questions to Generalissimo Stalin. Stalin's replies were printed in the Moscow newspapers for October 29, and a translation of the questions and answers was sent to the Department as an enclosure to despatch 516, October 31, from Moscow, not



printed (811.20200(D)/10-3146). The text of these questions and answers is printed in the *New York Times*, October 29, 1946, page 1. Certain questions and replies of particular interest are the following:

1. *Question:* Do you agree with the opinion of Secretary of State Byrnes, expressed by him over the radio last Friday,<sup>59</sup> about increasing tension between the USSR and the US?

*Reply:* No.

6. *Question:* What, in your opinion, represents the most serious threat to peace in the world at the present time?

*Reply:* The kindlers of a new war, above all, Churchill and his supporters in Britain and the USA.

7. *Question:* If such a threat arises, what steps should be adopted by the peoples of the world to avoid a new war?

*Reply:* The kindlers of a new war must be exposed and restrained.

9. *Question:* Do you think that the four zones of occupation in Germany should in the near future be united as regards economic administration with the aim of restoring Germany as a peaceful economic unit, and thus lightening the burden of occupation for the four powers?

*Reply:* Not only the economic, but the political unity of Germany, must be restored.

18. *Question:* Does Russia consider the western frontiers of Poland permanent?

*Reply:* Yes.

21. *Question:* What is the attitude of the Government of the USSR to the presence of US warships in the Mediterranean?

*Reply:* Indifferent.

25. *Question:* Is Russia still interested in receiving a loan from the United States?

*Reply:* Yes.

26. *Question:* Has Russia already got her own atomic bomb or any similar weapon?

*Reply:* No.

28. *Question:* How in your opinion can atomic energy best be controlled? Should this control be established on an international basis and in what degree should the powers sacrifice their sovereignty in the interests of establishing effective control?

*Reply:* Strict international control is necessary.

29. *Question:* How long will it take to restore the devastated areas of Western Russia?

*Reply:* Six-seven years if not more.]

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761.00/10-3046: Telegram

*The Chargé in the Soviet Union (Durbrow) to the Secretary of State*

SECRET

Moscow, October 30, 1946—6 p. m.

US URGENT

[Received October 30—2:35 p. m.]

4016. While it is hoped that Stalin's answers to questions from

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<sup>59</sup> Report on the Paris Peace Conference, a radio address delivered over a national network from Washington on October 18; for text, see Department of State *Bulletin*, October 27, 1946, p. 739.

head of United Press may presage a more conciliatory Soviet policy, it is feared that they were largely designed to confuse and deceive the West.<sup>60</sup>

There is no need to analyze all Stalin's statements point by point. In general it can be said that the democracies might be justified in succumbing to soothing strains of Stalin's lullaby were it not for cacophony created by steady blare of martial themes issuing in mounting crescendo from all other official media of propaganda.

Stalin's statement that he did not agree with Secretary's statement that tension between USSR and USA was increasing was wholly disingenuous in light of Kremlin inspired press campaign attributing aggressive intentions not only to American "reactionaries" but also to American Government. This statement takes on qualities of downright dishonesty when it is recognized that under Kremlin direction Party ideologies are publicly declaring day in and day out that American "imperialism" is laying foundations for new world war.

Stalin's diagnosis that Churchill and his supporters in Britain and USA are most serious threat to world peace and Stalin's prescription for avoiding a new war—that Churchill and his supporters be exposed and restrained—are obvious political quackery. Stalin knows as well as American man in the street that most serious threat to peace is Soviet expansionism. Furthermore, according to logic of Leninist-Stalinist doctrine (currently being reemphasized), if not by other forms of logic, there can be no sure avoidance of war so long as USSR is motivated by Leninist-Stalinist doctrine and rest of world remains free.

Stalin's indifference to US warships in Mediterranean and his statements that USSR does not have atomic bomb and atomic energy should be subjected to strict international control are designed to convey an impression of Soviet serenity and "peace loving" intentions. These statements, so in contradiction to bellicose tone of Soviet press on same subject, serve as a background for Stalin's expression of continuing interest in receiving loan from USA. Having implied that the Secretary was an alarmist, having professed an attitude of calm

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<sup>60</sup> Ambassador Jefferson Caffery reported from Paris in telegram 5464 on October 31, 1946, 8 p. m., that a high official of the French Foreign Office summed up the general consensus of opinion when he said that "Soviet speeches are of little importance as an indication of long-range Soviet policy. They are rather tactical pronouncements which vary according to the existing situation. When Moscow by its acts has proved its good faith, control of atomic energy can be honestly discussed but until that time it would be a world disaster to destroy your atom bombs or give the secret to the Soviets". (761.00/10-3146) From Vatican City, Franklin C. Gowen, a Foreign Service Officer, stated in his telegram 105 on November 4, 1946, 3 p. m., that the Pope had remarked to him the previous day at his country residence: "We cannot have faith in Stalin's statements to the United Press, but some people will believe him. Like Hitler did, he frequently gives assurances of his peace-loving intentions." (761.00/11-446)

confidence and atomic impotence and having genuflected in direction of international authority he announced that "you can do business with Stalin". It is difficult to believe that these assurances did not have in Stalin's mind relation to one another and that they were not made with an eye to current American political scene. Recently Soviet press has displayed considerable interest in forthcoming elections and in a public lecture it was made plain that USSR favored "progressives" in Democratic Party. Foregoing points made by Stalin could scarcely have been better designed to undercut present American policy towards USSR by giving political ammunition to element critical of a firm policy.

Being "most faithful" disciple of Lenin, Stalin has not only in answers discussed above but throughout his series of replies to Hugh Baillie, followed injunctions of his master who said, "we have to use any ruse, dodge, trick, cunning, unlawful methods, concealment, veiling of the truth".

Department repeat to London, Nanking and Tokyo.

DURBROW

861.00/10-3146 : Telegram

*The Chargé in the Soviet Union (Durbrow) to the Secretary of State*

SECRET

Moscow, October 31, 1946—10 a. m.

URGENT

[Received October 31—6: 15 a. m.]<sup>61</sup>

4017. Since despatch Embtel 3354 of August 30 evaluating situation home front, considerable more evidence has come to hand from official and unofficial sources and travellers tending to confirm general discontent, production below prewar level, and patent desire of people for easier life. Drastic decrees on collective farming, attacking intelligentsia, and Party activity coupled with all-out Party campaign to increase production and canalize public thinking back into well-worn Leninist-Stalinist groove, are further evidence of seriousness with which authorities are attacking internal situation. These developments have been subject of separate reports.

Situation may be summed up as follows: people are tired, disillusioned, they do not resist tightening up of Marxist straight jacket when they had expected peace to bring better life and continuance of wartime relaxation of ideological pressures.

Soviet economic and political system although 29 years old still required complex and drastic control machinery. Party and Govt endeavoring to use all methods to tighten these controls, although in so doing they tend to unsettle already low morale. While authorities still using "imperialist" war scare to spur people to further efforts,

<sup>61</sup> Printed from corrected copy received October 31, 8 p. m.

this spectre was apparently pushed too far, necessitating Stalin's fleeting assurance in letter to Werth that war not imminent.

While considerable number of arrests and some publicly announced executions on criminal charges have taken place, they are so far primarily of "horrible example" type rather than anything resembling a purge similar to that of 1936-38. These difficulties in their present magnitude do not, however, constitute threat to stability of regime or serious obstacle to carrying out of its chartered policies which authorities will endeavor to carry out on internal and external front notwithstanding internal hardships or conciliatory tone of Stalin's replies to Baillie. Unless this is understood, aggressive foreign policy pursued by Soviet authorities, particularly during the year, might at first glance appear to be inconsistent with home front difficulties. Following reasons may further explain this apparent contradiction.

1. While authorities realize Western World will make determined effort to prevent further Soviet expansion, they apparently are also convinced that West will not, at least for time being, go to war to force Soviet withdrawal from any area already under their control.

2. Having learned on basis of experience after first World War that they could not count on spontaneous revolutions, Soviet leaders seek at this time to accomplish what they were unable to do then, namely, extend their control and introduce their type of Marxian political and economic system as far as possible while Soviet Army is in control in these areas. They hope that by continuing pressure all along line they can at least consolidate these gains now (Eastern Europe, Balkans) by obtaining reluctant acquiescence of other powers to their position in these areas. In event of another world war, which according to their continually emphasized Marxian theory is inevitable, they hope to be strong enough to extend their system yet further.

3. Their continuing diplomatic offensive coupled with seemingly conciliatory attitude in Werth and Baillie replies are designed to confuse and disrupt West, prevent rest of world forming solid front which would oppose consolidation of their present gains and future Soviet expansion. They apparently expect that by continuing diplomatic offensive eventually people of other countries will tire and lose interest in situation in Soviet periphery. Furthermore, they hope that economic crisis in capitalist world, which they believe to be inevitable and will do all possible to expedite, will do [so?] distract attention and weaken other powers that Soviets can further consolidate their position and gain time in which to strengthen their war potential. Emphasis given in Soviet press to inevitable economic difficulties in US and elsewhere given [give] credence to this belief, and it is probable that through their influence in trade union groups outside Soviet Union they are actively fostering economic difficulties abroad.

4. Since new Soviet postwar prestige is at stake in all peace settlements which are not favorable to them or their clients, it is natural for Soviet authorities to "throw their weight around" in order to maintain that prestige.

711.61/11-246 : Telegram

*The Chargé in the Soviet Union (Durbrow) to the Secretary of State*

SECRET

Moscow, November 2, 1946—11 a. m.

[Received November 2—7:40 a. m.]

4046. With considerable gratification Soviet press has been reviewing American reaction to Stalin's and Molotov's recent statements. Possibly revealing Soviet wish as father to American thought, *Pravda* October 30, quoted [" a well-known American correspondent" who was alleged to have stated "with feeling 'I am now convinced that we can collaborate with Soviet Union'"].

It may be of interest at this juncture to review fundamental Soviet attitude toward those elements in USA who "feel" that USA can collaborate with USSR, those groups to whom Soviet press refers as "progressives".

For months now Kremlin mouthpieces have been asserting that only obstacle to amicable USA-USSR relations are monopolist capitalists and other reactionaries in USA and their tools in American Government. They have gone so far in this connection as to cite names: Hoover, Hearst, Vandenberg, Baruch, Lippmann and Harriman. Elimination of those "malevolent forces" and their replacement by "progressives", Soviet press implies, would smooth way for friendly co-existence. With regard to this group, too, names have been given: Wallace, Morgenthau, Pepper and representatives DeLacy and Patterson.

Were those persons designated by Soviet press as "progressives" to assume administrative authority in USA, would USSR alter its attitude toward USA and consent to "increasingly broad and friendly cooperation and mutual help" described by Molotov in his speech before General Assembly several days ago? Answer to this question turns on basic issue of whether Kremlin has abandoned fundamentals of Communist ideology or whether it still adheres to basic Leninist-Stalinist tenets. If rulers of Russia have abandoned dogma of Communist infallibility and Party dictatorship, then it might be possible for USSR and an American Government of "progressives" to exist in same world on live and let live basis. If, however, Leninist-Stalinist doctrine still has validity as motivating force of USSR, then an American "progressive" administration could hope in long run for scarcely more favorable attention than present administration.

Post-war events in USSR and pronouncement by Soviet leaders (excepting Stalin's to Werth and Baillie) combine to create positive impression that Kremlin has hit sawdust trail in revival of old-time Leninist religion. There is no need to repeat here evidence of these phenomena which we have been reporting during past months. Fact

that Soviet people view this Marxist evangelism with exhausted apathy (an experienced observer having close contact with Russian people told us today that morale is now lowest he has ever seen) has for present at least slight bearing on formulation of Soviet foreign policy. Therefore, it is logical to assume that in this most schematic of states a return to a revival of Communist orthodoxy involves a revival of historic attitudes and tactics of communism.

This in turn means that current Kremlin view of American "progressives" is in all likelihood patterned on historical Marxist-Leninist-Stalinist attitude toward bourgeois Liberals. From the conspiratorial period when Lenin used and then destroyed Mensheviks until full flower of Soviet power when Stalin sought to use and now seeks to destroy German Social Democrats, Russian communism has viewed bourgeois Liberals as tactical allies—allies to be temporarily exploited when possible and always to be liquidated when Communists gained ascendancy over common foe and Liberals lost their usefulness.

It consequently seems evident that it is not for love of mass of American "progressives" that Kremlin has bestowed kind words upon them. It is simply that they can be currently useful to Kremlin. Were Stalin to have his wish and most outspoken American resistance to Soviet expansionism eliminated, Kremlin would thereupon set about eliminating next most active group. Reduced to ultimate, only elements in USA genuinely acceptable to Kremlin are not those willing to collaborate with USSR, but those willing to subject USA to Soviet domination.

There is no reason to believe that Stalin now entertains any more tolerant attitude toward non-Soviet world than that of Lenin who said, "We cannot live peacefully—either one side or the other will eventually win out. We have not forgotten that war will come back. We cannot live in peace—memorial services will be sung either over the Soviet Republic or over world capitalism." But until this takes place, the principal rule is "to dodge and maneuver".

Dept repeat London, Paris, Nanking, Tokyo.

DURBROW

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861.415/11-246 : Telegram

*The Chargé in the Soviet Union (Durbrow) to the Secretary of State*

RESTRICTED

Moscow, November 2, 1946—6 p. m.  
[Received November 2—12: 25 p. m.]

4055. All Soviet newspapers November 2 devote full front-page spread to Communist Central Committee slogans on occasion 29th Anniversary October Revolution.

Content of slogan differs on number of points from those published on last anniversary.<sup>62</sup> Last year's greetings to "Allies of Soviet People" are supplanted by new greetings (Nos. 2 and 3) to "Freedom-Loving Peoples in Struggle for Firm and Last[ing?] Peace" and to "Liberated Peoples Building National Life on Democratic Principles", and by "Brotherly Greetings" (No. 4) to "Inviolable Friendship of Slavic Peoples". Further innovation is appeal (No. 5) to "Toilers of all countries" and to "expose and suppress instigators of new war sowing hostility among peoples". Of marked interest this year is substitution in final slogan of exhortation to move forward "to complete victory of Communism in our country" for last year's theme of "further successes of Socialist construction".

Emphasis is placed as usual on slogans praising Soviet Armed Forces who are called on to "constantly improve their military and political knowledge" and to "familiarize themselves with experience of great patriotic war". Bulk of remaining slogans appeal characteristically to workers in all categories to achieve greater production in meeting 5-year plan and problems of reconstruction.

DURBROW

861.458/11-646 : Telegram

*President Truman to the Chairman of the Presidium of the Supreme Council of the Soviet Union (Shvernik)*

WASHINGTON, November 6, 1946.

The people of the United States join me on the national anniversary of the Union of Soviet Socialist Republics in expressing to Your Excellency and to the people of the Soviet Union congratulations and best wishes.

HARRY S. TRUMAN

711.61/11-746

*Memorandum of Conversation, by the Acting Secretary of State*

[WASHINGTON,] November 7, 1946.

Participants: The President  
 The Acting Secretary, Mr. Acheson  
 Mr. Molotov, Foreign Minister of the USSR<sup>63</sup>  
 Mr. Novikov, Soviet Ambassador  
 Mr. Pavlov (Mr. Molotov's interpreter)  
 Mr. Stevens, Division of Eastern European Affairs

<sup>62</sup> For comparison of the new slogans with those for the XXVIII anniversary of the Bolshevik revolution of October 25/November 7, 1917, see airgram A-316, November 1, 1945, from Moscow, *Foreign Relations, 1945*, vol. v, p. 913.

<sup>63</sup> Mr. Molotov was in the United States attending the sessions of the General Assembly of the United Nations, October 23-December 16, and the Third Session of the Council of Foreign Ministers, November 4-December 11, 1946, being held at New York.

Mr. Molotov paid a courtesy visit on the President at 4 o'clock this afternoon. After inquiring about the President's health and expressing appreciation for American hospitality to the members of the United Nations Assembly and the Council of Foreign Ministers, he said that any objective observer would have to admit that Americans were hospitable and kindhearted people.

Mr. Molotov then referred to the momentous events of the past few days and expressed the hope that the results of the elections would not adversely affect the good relations between the two countries. The President replied that there would be no change as a result of the elections insofar as our good relations with our neighbors were concerned.

The President paid tribute to Russian hospitality at the Potsdam Conference, to which Mr. Molotov replied that Potsdam had been a joint undertaking in which all the participants had cooperated. The President then asked Mr. Molotov to tell Generalissimo Stalin that he would still be pleased to welcome him on a visit to the United States. Mr. Molotov replied that this was a wish which we shared in common.

Prior to calling on the President Mr. Molotov made a courtesy visit on Mr. Acheson, during which the conversation related principally to Mr. Hull and his historical interests and to the arrangements made in New York to accommodate the Soviet delegation.

DEAN ACHESON

861.00/11-846: Telegram

*The Chargé in the Soviet Union (Durbrow) to the Secretary of State*

CONFIDENTIAL

Moscow, November 8, 1946—6 p. m.

PRIORITY

[Received November 8—1:45 p. m.]

4096. Embassy offers following comments on Zhdanov November 7 [6] speech.

Most striking feature of dreary but revealing oration was attention devoted to home front difficulties. About two-thirds of speech dealt with problems or defects of industry, agriculture, rationing, trade, ideology and other domestic problems. Much of what Zhdanov said regarding these subjects was stale rehash of previous pronouncements. Nevertheless, total effect added up to frankest official admission yet of difficulties confronting Soviet Govt and hard times being experienced by masses. One of most significant problems touched on by Zhdanov was political education of youth. His statement that this had special significance and must be organized in spirit of Bolshevik ideas implies that disillusionment on part of youth with Marxian ideology is disturbing Soviet leaders.



General tone of parts of speech dealing with domestic problems appeared to be defensive. Zhdanov admitted that people must make "serious sacrifices" in restoring economy. He explained postponement abolition of ration card system by reference to drouth and, cryptically, reduction of state provision stocks. In concluding section he emphasized that such large part of history of regime had been years of war that it had had little time for peaceful work.

But if somewhat defensive in argument, speech held out no hope to Soviet people or world of relaxation of pressure or abandonment of Bolshevik principles or methods. To solace weary and discouraged Soviet people it painted a black picture of plight of toilers in UK and particularly USA, where Zhdanov claimed there were 3 million unemployed, whose countries were gripped by "great political and economic crises". It is doubtful if criticism of USA, to most Russians fabulous land of plenty, will give much psychological lift to millions of Soviet citizens living in austerity in comparison with which American unemployed enjoy undreamed of luxury.

Zhdanov reference to labor shortages, caused in part by inflated bureaucracy, and necessary measures to relieve it must sound ominous to many Soviet people. Sections of speech on prices and rationing sounded particularly cold-blooded. Reason given for what amounts to belt tightening for millions of people was abstract fiscal goal of unified price system. Tightening up in collective farms was justified on grounds of adhering to "Bolshevist line", not by reference to any possible effect on food production.

Above all it was emphasized that regime expects sacrifices by people for "common cause" and relies heavily on inculcation of ideological zeal to inspire cooperation on part of public. Regime's attitude might almost be said to be "let them eat slogans".

Foreign affairs section of speech continued line recently set by Stalin, a somewhat confused blend of olive branches and brickbats. USSR was presented as injured innocent which had striven and yearned for "democratic" peace and international collaboration only to be deeply disappointed by machinations of international reaction. Speech contained one particularly neat example of contrast between demagogic assurances intended for gullible at home and abroad and ideological fire and brimstone dished out to Party faithful. Zhdanov quoted Stalin to effect that peoples of world do not want war. He conveniently neglected to mention, however, that in recent issue of *Agitator's Companion* very same quotation was followed by another from Stalin asserting that "wars are rooted in very nature of capitalism".

A fuller analysis of speech from economic view will follow in later telegram.<sup>64</sup>

Department repeat to London, Paris, Nanking and Tokyo.

DURBROW

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811.91261/11-846 : Telegram

*The Acting Secretary of State to the Chargé in the Soviet Union  
(Durbrow)*

CONFIDENTIAL

WASHINGTON, November 8, 1946—8 p. m.

1972. *New York Times* this A. M. carries story Hottelet, Magidoff, Stevens refused use Soviet short-wave facilities to relay broadcasts to U.S. Networks concerned cited as source. Refusal facilities, according story, attributed by Soviet authorities to heavy winter schedule of shortwave programs which precluded allotment of time to correspondents. According networks time consumed at most 30 mins day often less. Refusal facilities, story adds, surprising view fact Soviet known to have world's most elaborate short-wave operations second only to that Great Britain. Adds 18 hours 40 mins, predominantly political talks beamed each week N. Am, additional 8 hours 45 mins beamed UK N. Am.<sup>65</sup> Suggested several quarters, according story, Soviet officials might feel could effectively control written word while could not control inflection broadcaster's voice. American wire services, papers picking up story. Dept's only comment confirm facts of story state watching developments.

At request CBS, other two networks, Dept. earlier today was preparing instructions suggesting, at your discretion, exploratory conversations with FonOff as to reasons for ban, if necessary formal representations in behalf correspondents in effort have ban lifted.

Later in day, however, Ed Murrow CBS dispatched and gave to press following telegram to Stalin: "Our correspondent in Moscow Richard C. Hottelet advised us on Oct. 8 that facilities for broadcasting from Moscow had been withdrawn. Repeated efforts to secure reconsideration of this decision have been unavailing. It is our desire to report the news of Russia by radio but the denial of facilities makes this impossible. Therefore unless your Government's decision is reconsidered we shall withdraw our correspondent forthwith." You may inform Hottelet of cable sent by Murrow.

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<sup>64</sup> Telegram 4105, November 10, noon, from Moscow, p. 804.

<sup>65</sup> The *New York Times* article makes clear that of the total output of Soviet short wave operations, 18 hours and 40 minutes of programs, predominantly political talks, are directed specifically each week to North America, and an additional 8 hours and 45 minutes of programs are beamed to the United Kingdom and North America.

View dispatch of cable by Murrow you may at your discretion wish to postpone taking matter up with FonOff for several days on off-chance Murrow cable may work. Please report any developments.

ACHESON

861.50/11-1046: Telegram

*The Chargé in the Soviet Union (Durbrow) to the Secretary of State*

CONFIDENTIAL

Moscow, November 10, 1946—noon.

PRIORITY

[Received November 10—11:10 a. m.]

4105. As indicated in Embtel 4096, November 8, Zhdanov's speech November 6 is one of most revealing pronouncements made by Soviet leader represent[ing?] economic plight of country despite its obvious sophistry and Bolshevik double-talk.

Audience at Bolshoi Theater received speech with marked lack of enthusiasm which gave impression they fully realize real significance black picture as painted directly or between lines. General tenor of speech in text as well as emphasis given by speaker may be summed up as follows: You may think that life is most difficult here but you ought to see how bad life is in capitalist countries and how much the people are suffering in those countries; your Govt doing something to help, others are not.

Zhdanov emphasized the "political and economic crises" in US and UK and other capitalist countries and claimed that in contrast Soviet Union had no such crises. In order to prove this point he used such tricks as a false comparison between production in US and USSR, stating that total US production 1946 was one-third less than total production 1943, while in USSR civilian (underlined) production during first three quarters 1946 compared to same period 1945 had increased 19 percent and average daily carloadings during same period had risen by 12 percent. It will be noted that for American figures total production is used and that cited for USSR is only civilian production.

Despite Zhdanov's effort to prove that crises only arise in capitalist states, entire speech is admission of grave economic, political and ideological crises now taking place in Soviet Union.

He makes it clear that severe hardships face Soviet people in overcoming difficulties brought about by the war, that they all must tighten belts for indeterminate time, all must work harder, and makes it clear that tens of thousands of people who are either not now working or have white collar jobs will be forced into factory work in order to try fulfill 5-year capital investment plans. While Zhdanov did not say so, it was clearly implied that recent measures of depriving

various categories of adults, particularly women, of ration cards unless they were engaged in useful work were measures taken to force these persons into factories. Furthermore, his reference to redistribution of manpower was confirmation of fact that many white collar workers in bureaucracy, including that of collective farms, are being dismissed, thereby deprived of ration cards, and thus forced to seek employment in factories. These admissions tend confirm low productivity of labor, failure of production in many industries to come up to plan, and lack of enthusiasm on part of masses to enter factories and get behind 5-year plan to produce goods which in general will not alleviate their individual plights.

As indication of hard pull ahead, he reiterated Stalin's recent statement that restoration of devastated areas will take at least 6 or 7 years. Zhdanov attempts to explain difficulties and hardships as an economy measure necessitated by tremendous expenditures which state must make under 5-year plan. Without saying so, he makes it clear by this argument and others, as well as by admission that local and cooperative industries particularly must increase consumers' goods production, that one of principal reasons for increased ration prices was to drain off surplus rubles from masses so that they would not be in position to create run on consumers' goods and foodstuffs markets if, as and when derationing takes place. Increased ration prices, of course, will also tend to force workers to overfulfill their norms to attain sufficient rubles to make ends meet after their surplus rubles have been drained off by high prices.

It is interesting to note that for first time it has been officially admitted in connection with cut in rations and increase in ration prices that this was necessary because of "reduction of state stocks". This tends confirm not only that stocks low but that because of sales on free markets etc., state does not control sufficient amount of available stocks.

In this connection it is significant that Zhdanov thought it necessary again to refer in detail to recent measures taken to stamp out survivals of capitalism in the economy, particularly in agriculture. His further reference to serious efforts now being made by Govt to put entire machine back on ideological track, indicates extent to which individualistic tendencies have grown up in recent years and how, despite 29 years of Marxian inoculations, the serum has not cured basic trait of human nature to look out for oneself first.

Speech as regards internal economic situation was most defensive in tone and was obviously given for purpose of trying to quell discontent and disillusionment of masses caused by recent decrees and actions of Govt by trying to give them some solace in thought that despite hard times they were better off than anybody else in world. Despite expla-

nations given, it is not felt that speech which emphasizes sacrifices ahead will raise morale to any extent.

In the international section of speech, the principal economic fabrication was the reiteration of Soviet opposition to the internationalization of Danube and "unjust principle of equal opportunity" which Zhdanov stated signified in reality desire of economically powerful countries to enslave small countries. He, of course, made no mention of heavy Soviet reparations or establishment of 50-50 Soviet-satellite companies which in fact are endeavoring to monopolize principle industries and "enslave" former enemy countries.

Department repeat to Paris, Nanking, Tokyo and London.

DUREBROW

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Moscow Embassy Files : 713 Atomic Energy

*The First Secretary of Embassy in the Soviet Union (Davies) to the Ambassador in the Soviet Union (Smith)*

TOP SECRET

[Moscow,] November 18, 1946.

Subject: Comment on Memorandum dated October 21 to Mr. Bernard Baruch from Mr. Franklin A. Lindsay regarding a Meeting with Sobolev.<sup>65a</sup>

The conclusions reached by Mr. Lindsay as a result of the meeting with Mr. Sobolev appear to be eminently sound. The political officers of this Embassy had reached the same general conclusions from close study of public pronouncements by Soviet officials, the position assumed by Soviet representatives at various international conferences, the authoritative statements of Communist Party ideologues and the line followed by the Soviet press.

The Soviet attitude toward American production of atomic bombs and the more general issue of adequate control and inspection is based upon and directly derives from the Soviet world outlook. This outlook is inspired by and inextricably bound up with the Leninist-Stalinist interpretation of historical materialism—a predetermined and dogmatic explanation of all human phenomena. The political philosophy of the men who rule Russia, despite its confusing tactical flexibility, is as intolerant and dogmatic as that which motivated the zealots of Islam or the Inquisition in Spain.

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<sup>65a</sup> The memorandum by Mr. Lindsay, who was in the office of the United States Representative, Mr. Bernard M. Baruch, on the United Nations Atomic Energy Commission, regarding a conversation with Arkady Alexandrovich Sobolev, the Assistant Secretary General of the United Nations, on October 19, is printed in vol. I. See also the remarks contained in the letter of November 19, from Ambassador Smith to H. Freeman Matthews, the Director of the Office of European Affairs, *ibid.*

By the terms of the Soviet outlook, the world is an arena of struggle between the forces of "progress" led by the Soviet Union and the forces of reaction led by the United States and the British Commonwealth. According to Leninist-Stalinist dogma, there can be no compromise between the two camps. One or the other must be destroyed. Because the USSR is advancing along the "scientific" path of historical materialism, the Soviet system is the one predestined to survive. But it is not likely to survive without a struggle. The decaying forces of capitalism are likely, by the same "scientific" rule, to attempt to crush the Soviet Union.

Because the western world is regarded as organically hostile, because there can be no compromise with the western world excepting for temporary tactical maneuvers, and because there is every likelihood of a war between the imperialist west and the Soviet system, Sobolev was speaking a Stalinist truth when he stated that the USSR was seeking to pursue its own policies in complete freedom and without control from the outside. For the same reason it may be assumed that Sobolev accurately reflected Kremlin thinking when he stated that the world was not ready for world government. The Stalinist doctrine preaches that the Soviet state must grow in strength and authority so long as "capitalist encirclement" continues and that it can not wither away until "capitalist encirclement" has been eliminated. It is clear from the pronouncements of Soviet ideologues that "capitalist encirclement" will not even diminish until the relative strength of the United States and the British Commonwealth has been drastically reduced below that of the Soviet empire.

With the foregoing in mind, it is evident that the USSR will not voluntarily cooperate in any effective international scheme for inspection and control of atomic energy. If under pressure it consented as a matter of tactics to *pro forma* inspection and control, it would still employ every ruse and stratagem to prevent such inspection and control from fulfilling the purposes for which they were designed.

As basic Soviet strategy is to weaken its "enemies", it is wholly logical that the USSR should exert every effort to bring about the cessation of atomic bomb production in the United States. If the USSR succeeds in this, it will certainly attempt to prevent the resumption of American bomb production. It would, of course, be utterly naive to assume that the cessation of bomb production in the United States would induce the USSR either to abandon its own gigantic atomic research project or to participate sincerely in an effective program for atomic control and inspection. The Kremlin creed is one of implacable hostility, not collaboration; unremitting preparation for war with the democratic west, not conciliation; the existence

of two worlds now and the establishment of one world only when it will assuredly be a Soviet world.

Mr. Lindsay's final conclusion, that the proposal for discussion between Molotov and Byrnes was probably prompted by the hope that the USSR might obtain concessions from the United States, would seem to be accurate, for reasons stated above.

Having said the foregoing, the question arises—what should our future policy with regard to the control of atomic energy be? It is felt that nothing is to be lost and a good deal to be gained by continued pressure for genuine control and inspection. At the same time, production of atomic bombs should, of course, be continued. It might be well to broaden the proposals for control and inspection to include reduction, control and inspection of all armaments (as was suggested in the Embassy's telegram 2013, June 26).

From a security point of view, the United States probably has little to lose in the unlikely event that the USSR accepts such a proposal. The USSR presumably already has extensive information regarding American military strength, while the United States has comparatively slight information regarding the Soviet military position.

It is essential, however, in undertaking such a program that the United States attempt to regain from the USSR the moral initiative and leadership in the whole question of armaments reduction, control and inspection. If this is done and non-Soviet world opinion is mobilized behind the United States, we should be able to put the Russians on the spot sufficiently, if not to force adequate control and inspection measures, at least to place our own good faith indelibly on record and expose Soviet "peaceful intentions" for what they are worth and thereby awaken the non-Soviet world to the peril which now threatens it.

J[OHN] D[AVIES]

361.11/11-1946 : Airgram

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

SECRET

Moscow, November 19, 1946.

[Received December 27—8:54 a. m.]

A-788. Dept's airgram 368, October 30.<sup>66</sup> The Embassy is presently pressing for exit visas for the following Soviet wives of American citizens:

Mrs. Louis Hirshfield  
Mrs. William Wallace  
Mrs. George Atkins

<sup>66</sup> Not printed.

Mrs. Michael Shabon  
 Mrs. Antonia Richardson  
 Mrs. Sergei Guden  
 Mrs. Serge Dankevich  
 Mrs. Frank Ross  
 Mrs. John Biconish  
 Mrs. Alan Yaross  
 Mrs. Leon Patlach  
 Mrs. Nina Barton  
 Mrs. Robert Tucker

Mrs. Barton's name was inadvertently omitted from the group of eleven Soviet wives for whom the Embassy was currently trying to obtain exit visas and mentioned in the Embassy's despatch No. 390 of September 13, 1946.<sup>66</sup> At that time the Embassy had not taken up with the Foreign Office the case of Mrs. Robert Tucker.

SMITH

711.61/11-1946

*The Ambassador in the Soviet Union (Smith) to the Director of the Office of European Affairs (Matthews)*

SECRET

Moscow, November 19, 1946.

[Received January 20, 1947.]

DEAR DOC: Yesterday I had a lengthy discussion with Mr. Dekanozov during which I covered a number of the matters which have been hanging fire between this Mission and the Soviet Foreign Office. I will summarize these in the following paragraphs.

A. *Radio Broadcasting Facilities for American Broadcasters.* Although I discussed at length the result of arbitrary action in breaking this link between the Soviet Union and the United States and its effect on outside public opinion, it was quite obvious that Dekanozov was not in a position to make any statement, and equally obvious, I am afraid, that there will be no change in the point of view of the Soviet Government.<sup>67</sup> All that Dekanozov would say was that the position of the Soviet Government in this matter would be clarified in more detail within a few days, and he reiterated several times that those who referred to an iron curtain or who believed that the Soviet

<sup>67</sup> In telegram 4172, November 19, 1946, 11 a. m., from Moscow, Ambassador Smith requested that Robert Kintner, Vice President of the American Broadcasting Company, be told that a long conversation had been held with Dekanozov over the withdrawal of radio facilities for American broadcasters. Ambassador Smith summed up the prospects: "In spite of pointing out all of the disadvantages which would result from elimination of this contact between Soviet Union and United States and bad effect on American public opinion, best I could get from him was statement that position of Soviet Govt would be clarified in more detail within few days. He obviously is not in any position to make either definite or favorable statement, and I am not optimistic that these facilities will be restored much as I regret to say so." (811.42700(R)/11-1946)



Government did not give out all newsworthy information were not friends of the Soviet Union. No amount of argument would produce anything else. There will probably be no more radio broadcasting although it is possible that radio-telephone facilities, if they can be made adequate, will be permitted.

B. *Soviet Wives*. I confined my conversation to the two oldest cases on our docket, Hirshfield and Wallace. Dekanozov promised to take these cases in hand himself, and I think will do what he can in the matter.

C. *Consulate at Leningrad*. I fired the opening gun of what I hope will be the final engagement on this question by reminding Dekanozov of our previous requests and quoting to him a statement made by Zhdanov before the Supreme Soviet of the U.S.S.R. in 1938 to the general effect that it was inconceivable that a great state like the Soviet Union should not have as many consulates in foreign countries as the Soviet Foreign Office allowed in the Soviet Union, and reminding him that the United States took exactly the same point of view. His reply was that the Soviet Government had no inclination whatever to limit the number of consulates which the United States had in the Soviet Union except as this limit was enforced by lack of facilities and housing. I think he got the point that either we get a consulate or they lose one or two, although I handled this as tactfully as possible. I really do not expect a decision on the matter until Molotov returns, but we will continue the pressure.

D. *Housing*. The question of consulates naturally led to a review of our housing situation which has been most discouraging. However, Dekanozov stated that he was carrying on an active war with the head of the Repatriation Commission which is occupying the Kropotkinski Building, and that he expected to win. He referred again, however, to the displaced persons question, and I was surprised at the bitterness which he showed on this subject. I really believe we can, without weakening our position, do something to relieve the tension, and I strongly recommend that Soviet representatives be authorized again to visit camps which house individuals whose origin is in territory now a part of the Soviet Union, whether we consider these people to be Soviet citizens or not.

The Soviet official who makes this visit should be authorized to present the Soviet case, and should be given facilities, such as a small office or desk space, where he can receive prospective immigrants and answer their questions. At the end of his visit, those who wish to return to or immigrate to the Soviet Union should be moved to a staging area in preparation for their return trip.

I know this has been done once before, but I believe that even though it constitutes an annoyance to the occupation authorities it

should be repeated. Capital is being made here of statements that it is anti-Soviet propoganda which is discouraging these individuals, particularly persons from the Baltic States, from returning to their country of origin. Unquestionably there is a certain amount of this propoganda, most of it well founded and some of it emanating from individuals who have gone back to their homes and have subsequently returned because of the conditions which they found there. It is also very possible, as Dekanozov alleges, that a few of our local officers discourage the return of Balts who might be disposed to take advantage of the Soviet offer. I really do not think that further proffers by Soviet representatives would produce much result, but it would place us in a stronger position if they were permitted to repeat the effort. The same applies to Austria. Will you let me know at the earliest opportunity what you decide to do about this?

E. *Imports of Food*. We had a rather acrimonious discussion on this subject, and it is quite obvious that the Soviet attitude is due to their belief, undoubtedly well founded, that there is some leakage of commissary stores to the open market. They also have been suspicious because of the large size of our last two shipments. We did not spare each other's feelings while talking this over, but his final statement was that he thought we [*he?*] would have no further reason to complain if I would assure him that I would take personal action to keep our imports down to the amount which we actually require.

Incidentally, I asked to see Stalin, and Dekanozov told me that he had not yet returned to Moscow. I think this is true as we picked up an item in the Soviet press patting the communications people on the back for having in an incredibly short time completed the construction of a telecommunications network between Sochi and Moscow.

Other than the above, there is nothing further interesting here except that one of the boilers at Spaso House has collapsed and we have no hot water, we are out of laundry soap and the laundry is at a standstill, it is cold as Hell and snowing.

Sincerely,

BEDELL

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811.42700(R)/11-2146: Telegram

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

CONFIDENTIAL

WASHINGTON, November 21, 1946—4 p. m.

2016. FonOff's reply to Hottelet,<sup>68</sup> your reply to Kintner (Embtel 4172, Nov 19<sup>69</sup>) caused great agitation officials networks concerned.

<sup>68</sup> See telegram 4203, November 22, from Moscow, p. 813.

<sup>69</sup> Not printed; but see footnote 67, p. 809.

Altho no final decision among them they considering urging reprisals against all Russian correspondents in US. View this agitation and requests for guidance from Dept part networks, please report urgently:

1. Results Emb's inquiries as to reasons lying behind action Sov Govt (Dept's 1972, Nov 8).
2. What steps, formal or informal, taken by Emb effort to lift ban (other than that reported Embtel 4172).
3. Emb's opinion of what further steps can now be taken.
4. Emb's suggestions for interim Dept statement to press re matter as now stands.

ACHESON

125.0061/11-2146 : Telegram

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

SECRET

Moscow, November 21, 1946—6 p. m.  
[Received November 21—12: 53 p. m.]

4202. In a conversation on various subjects I spoke to Dekanozov on 18 November regarding our requests for establishment of a Consulate at Leningrad and quoted to him statement made by Zhdanov before Supreme Soviet of USSR in 1938 to general effect that it was inconceivable that a great state like Soviet Union should not have as many Consulates in foreign countries as Soviet FonOff allowed in Soviet Union. I informed him US Govt took same point of view regarding establishment of US Consulates in Soviet Union. His reply that Soviet Govt had no inclination whatever to limit number of Consulates of US in USSR except as this limit was enforced by lack of facilities and housing. I mentioned fact that Soviet Union had three consular establishments in US,<sup>70</sup> whereas, we had only the small one at Vladivostok.

I subsequently had phone call from his secretary and interpreter asking for exact wording of quotation from Zhdanov's speech which I supplied. I do not expect anything definite on the matter until Molotov returns. However, I wish to be absolutely certain that if this matter comes to a definite issue Dept is prepared to ask Soviet Union to close one or more of its own establishments in US in case we are refused permission to establish a Consulate at Leningrad.<sup>71</sup>

SMITH

<sup>70</sup> These were located at New York, San Francisco, and Los Angeles.

<sup>71</sup> The Department replied in its telegram 2061, December 2, 1946, 7 p. m., to Moscow, that it was prepared to close a Soviet Consulate in the United States if there was persistent refusal to grant permission to establish an additional American Consulate in the Soviet Union (125.0061/11-2146).

811.42700(R)/11-2246: Telegram

*The Ambassador in the Soviet Union (Smith) to the Secretary of State*RESTRICTED URGENT  
NIACTMoscow, November 22, 1946—10 a. m.  
[Received November 22—6:11 a. m.]

4203. Following is Embassy's translation of Soviet reply to telegram from Murrow of CBS to Stalin.<sup>72</sup> Text was handed to Hottelet night of November 19 and made available to Embassy by Foreign Office:

"In connection with your telegram of November 8, 1946, regarding the radio broadcasting from Moscow by your correspondent, R. Hottelet, the press section of the Ministry of Foreign Affairs of the USSR has been instructed by the authorities of the Ministry to communicate to you the following:

(1) Formerly foreign correspondents could not broadcast from Moscow but sent their despatches by telegraph.

(2) At the time of the war, two or three correspondents were accorded the possibility, as a temporary measure, to transmit news by radio in connection with the fact that other forms of communication were rendered difficult by the war.

(3) The recent termination of these radio broadcasts means the abolition of this temporary measure under the conditions of the normal function of usual communication facilities. In addition the making available of time for such radio broadcasts is rendered difficult owing to the overloaded conditions of the radio stations.

Correspondents who temporarily enjoyed the possibility of radio broadcasting may, if they wish, continue their work as formerly and send their despatches in the usual way as was formerly done before the war."

SMITH

811.42700(R)/11-2346: Telegram

*The Ambassador in the Soviet Union (Smith) to the Secretary of State*CONFIDENTIAL  
URGENTMoscow, November 23, 1946—1 p. m.  
[Received November 23—7:32 a. m.]

4212. Deptel 2016. 1. Embassy had had official discussion with Soviet Govt on broadcasting question in my long conference with Dekanozov (Embtel 4172<sup>73</sup>) and in subsequent conversation between

<sup>72</sup> For text of Mr. Murrow's telegram, see the third paragraph in telegram 1972, November 8, 8 p. m., to Moscow, p. 803.

<sup>73</sup> Not printed; but see footnote 67, p. 809.

Durbrow and Tsarapkin<sup>74</sup> when FonOff provided Embassy with text of its reply to Murrow's telegram to Stalin (Embtel 4203). On both occasions American reaction to Soviet action was clearly pointed out and undesirability of Soviet move stressed. Soviet position, however, is explicitly stated in above-mentioned document from which it is apparent that Soviet Govt has no intention of permitting radio news broadcasting by foreign correspondents from Soviet territory. Question has been kept alive by correspondents and ourselves for over 6 weeks. This is clearly a top level decision.

2. I do not believe there are any grounds on which I can usefully make further representations. There is no question of reciprocity involved since there are no Soviet broadcasters in US nor of most-favored-nation treatment since American newscasters are alone here (apart from Danish Press Attaché who in past has done some broadcasting for Radio Denmark now terminated) and there are no other foreign broadcasters in Moscow.

3. Department will have noted that Soviet Govt made point of not withdrawing accreditation of broadcasters but stated they could remain as correspondents "and send their despatches in the usual way as was formerly done before the war".

4. Soviet Govt has presumably not given real reasons lying behind its decision since excuse of limited technical facilities is difficult of acceptance. Embassy believes that among probable reasons are desire to avoid encroachments on censorship made possible by expression of broadcasters voice and intention to keep radio Moscow as pristine oracle of the faithful both with respect to Soviet as well as foreign audiences. For it must be remembered that American broadcasters' transmissions from Moscow although beamed to US can be heard by local population with short wave receivers.

5. To conclude I believe that no further steps can appropriately be taken here in the matter and I suggest that the Department base any statement to the press on the substance of the Soviet reply to CBS which was communicated officially to this Embassy (Embtel 4203).

SMITH

861.012/11-2946

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

CONFIDENTIAL

No. 567

Subject: *Civus Sovieticus Sum*

Moscow, November 29, 1946.

[Received December 27.]

The Ambassador has the honor to enclose a full translation prepared

<sup>74</sup> Semën Konstantinovich Tsarapkin, Chief of the American Division of the Ministry for Foreign Affairs of the Soviet Union.

by the Joint Press Reading Service of an article entitled "On Soviet Citizenship"<sup>75</sup> published in *Izvestiya* for November 20, 1946. The article paints a bright picture of the rights and freedoms of Soviet citizens and of the welcome awaiting repatriated Soviet citizens upon their return to the USSR. It also refers to the "great desire" on the part of former subjects of Russia for Soviet citizenship.

It is clear that this article is intended primarily for use as propaganda among former Russian citizens abroad as well as others abroad who have acquired Soviet citizenship by territorial transfer (Balts, Poles, Bessarabians) in an effort to persuade them that if they return to the Soviet Union, they will not only receive extra rations, cash loans and other advantages, but that all of the freedoms of the democratic west are practiced to the full in the Soviet Union. This type of pure propaganda was used very effectively at the time (1936) of the promulgation of the present Soviet Constitution to give the false impression abroad that the Four Freedoms<sup>76</sup> were fully practiced in the Soviet Union.

On the contrary the Soviet Union is a secret-police ridden, one party dominated state. While Article 125 of the Soviet Constitution states in part as follows: "*In conformity with the interests of the toilers, and in order to strengthen the socialist state, the citizens of the USSR are guaranteed by law (a) freedom of speech, (b) freedom of press, (c) freedom of assembly and of holding mass meetings, (d) freedom of street processions and demonstrations*", in practice none of these freedoms is permitted unless in the eyes of the authorities it is being practiced in what *they* consider to be "the interests of the toilers", or unless such freedoms are permitted by the police in order "to strengthen the socialist system" (the current politburo interpretation of socialism).

The fact that despite the promulgation of the constitution ten years ago, there are no public organizations or workers societies except those sponsored, approved and completely controlled by the state or the Party, is eloquent evidence to refute allegations that Soviet citizens freely have the right to organize such societies, etc. In this connection the article points out that "the most active and aware citizens" are united in the Communist Party. No mention, of course, is made of the fact that the Soviet Constitution confers upon this party a monopoly of political leadership. Furthermore, no mention is made of the fact that the statutes of the party explicitly state that the party

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<sup>75</sup> Not printed.

<sup>76</sup> The Four Freedoms were set forth by President Roosevelt in his State of the Union message to the Congress on January 6, 1941. For text, see *Congressional Record*, vol. 87, pt. 1, p. 44, or Department of State, *A Decade of American Foreign Policy, Basic Documents, 1941-1949*, p. 1.

is the leading center of all organizations of workers both public and state.

Apart from the misleading statements regarding freedoms contained in the article, it will be noted that it fails to mention certain democratic rights and freedoms which are fundamental such as freedom of religion, right to trial by jury, habeas corpus, and the right to strike.

Not only is the article misleading but evidence available to the Embassy indicates that the treatment accorded repatriated citizens is quite different from that described in the article. Soviet citizens who have spent long periods in foreign surroundings, particularly returned war prisoners, are apparently regarded with suspicion by the authorities and are carefully screened. Members of the Embassy staff once in Murmansk witnessed the arrival of a shipload of Soviet repatriates who were effusively greeted by a band and reception committee, then led around a corner and marched off under heavy armed guard to an unknown destination.

To a certain degree, of course, the article may have some influence on the internal front in that it echoes the current propaganda theme that life is as free if not freer in the Soviet Union than in the outside world.

In general, the article is a rather crude version of the old Soviet device of using words and phrases which have one meaning in the outside world and a completely different meaning inside the Soviet Union.

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811.42700(R)/12-646 : Telegram

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

SECRET

WASHINGTON, December 6, 1946—7 p. m.

2096. Dept proceeding plans start Russian language broadcasts New York beamed on Soviet Union and relayed over Munich transmitters, which are ready operate soon as frequency allocation has been made. Frequency allocation matter being referred to quadripartite discussion Berlin for political reasons but decision will be taken on tripartite basis if quadripartite discussion threatens serious delays. Dept plans start Balkan language relays over Munich Dec 15 or soonest after and expects start Russian language relays Jan 15 or soonest after. Dept will advise you approx 10 days before actual start Russian language broadcasts so that you may advise Soviet Gov date and times.

Sent to Moscow as 2096; repeated Paris for Benton as 6357.

ACHESON

861.51/12-2846 : Telegram

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

SECRET

Moscow, December 28, 1946—6 p. m.

[Received December 28—1:58 p. m.]

4488. Recently released stenographic report of second session Supreme Soviet USSR October 1946 gives hitherto unreleased figures which apparently indicate that budgets of Soviet security organs, Ministry Internal Affairs (MVD) and Ministry State Security (MGB) have risen sharply in 1946 as compared with 1945.

Figures are inferential and partial rather than specified and all-inclusive. Embassy will submit report by pouch in near future explaining these figures and basis for this conclusion. It is sufficient here to point out that that portion of MVD-MGB budget which can be detected on basis of budget figures rose from about 6 billion rubles in 1945 to almost 15 billion in 1946 in other words more than doubled.

Several explanations are possible for this very rapid rise. In first place it may be accounted for in part by possible transfer of MVD army formations from Armed Forces budget in war year 1945 to MVD budget in 1946.

In second place increase probably indicates that number of security personnel has been considerably increased since last year, perhaps in order to permit replacement of regular army troops in occupied areas abroad by MVD formations, and probably in order to enable Party and Govt to carry out drastic measures on home front, such as price-ration measures of September-October 1946 and measures to curtail "capitalist remnants" in collective farm system, without fear of effective protest from population. In addition, of course, increased security personnel have undoubtedly been necessary in order to combat post-war crime wave and widespread speculation.

It has been rumored that Soviet atomic energy development is in jurisdiction of MVD. Embassy considers it improbable that atomic energy development, however, is included in 13 billion rubles of MVD-MGB funds which are identifiable as such in budget, and feels that atomic energy budget, whether under MVD or other jurisdiction, is hidden elsewhere in published budget, if it indeed appears there at all.

SMITH



ATTEMPTS TO OPEN NEGOTIATIONS FOR A LEND-LEASE SETTLEMENT AGREEMENT WITH THE SOVIET UNION, AND CONSIDERATION OF THE GRANTING OF LOANS AND CREDITS<sup>77</sup>

861.24/1-446

*Mr. Willard L. Thorp, Deputy to the Assistant Secretary of State for Economic Affairs, to the Chairman of the Government Purchasing Commission of the Soviet Union in the U.S.A. (Rudenko)*

WASHINGTON, January 4, 1946.

MY DEAR GENERAL RUDENKO: On October 15, 1945 Mr. Leo J. [T.] Crowley, Foreign Economic Administrator, wrote you concerning the preparation of an inventory of Lend-Lease supplies in the possession of the Union of Soviet Socialist Republics or subject to its control at the end of hostilities.<sup>78</sup> The inventory was requested as a part of the information believed to be desirable in preparation of a Lend-Lease settlement with your Government, under the terms of the Master Agreement of June 11, 1942.<sup>79</sup> Mr. Crowley asked that the data be presented at the earliest possible opportunity.

I understand that Mr. Crowley's communication was transmitted to Moscow. Since more than two months have elapsed without a response, I would be glad to know when such an inventory might be expected.

In the preparation of an inventory estimate, it has been found convenient in the case of other countries to divide supplies into two groups: (1) those destined for direct use by the armed forces, or in their actual possession, and (2) those destined for use or consumption by other agencies. It has proved desirable to arrange the information in accordance with the following separation into three basic categories of supplies, allocating to each of the two groups the categories or parts of categories concerned: (a) durable capital equipment, whether distributed to the ultimate user or not; (b) non-durable goods, such as raw materials which require further fabrication (an inventory of goods in category (b) is desired only for goods not distributed to the ultimate user or processor by the end of hostilities); (c) equipment or materials transferred in finished form, other than durable capital equipment. This last category would include weapons, airplanes, trucks, vessels, food, petroleum products, etc. An inventory of category (c) goods is desired only of such equipment or materials as was

<sup>77</sup> For previous documentation on the conclusion of wartime assistance from the United States to the Soviet Union, the agreement of October 15, 1945, and related questions, see *Foreign Relations*, 1945, vol. v, pp. 937 ff.

<sup>78</sup> *Foreign Relations*, 1945, vol. v, p. 1043.

<sup>79</sup> Department of State Executive Agreement Series No. 253, or 56 Stat. (pt. 2) 1500.

still in central distribution centers or en route to them at the time of the end of hostilities.

All inventories are desirable in terms of units, rather than rubles or dollars, and it is not necessary that they should be stated in great detail.

I should appreciate hearing from you in the near future as to when inventory estimates may become available. If this request should be transmitted to an official other than yourself, please advise me to that effect.

Sincerely yours,

WILLARD L. THORP

861.24/1-1746 : Telegram

*The Acting Secretary of State to the Secretary of State, at London*<sup>80</sup>

SECRET

WASHINGTON, January 17, 1946—6 p. m.

NIAC T URGENT

520. For the Secretary from Acheson. Representatives of the USSR have inquired as to the credit terms available to them for purchase of U.S. surplus property abroad.

If you approve the Dept would reply that it is willing to sell to the USSR up to a maximum of 100 million dollars of U.S. surplus property abroad on credit terms which are identical with those contained in the 3(c) Lend-Lease agreement with the USSR,<sup>81</sup> with interest at 2 $\frac{3}{8}$  percent and principal payments to begin after 8 years.

It would be made clear to the USSR that no allocation of surplus of this amount is to be made and that the 100 million dollar maximum is only an upper limit on the amount they can buy if they can find surplus which they want up to this amount.

May we know your wishes on the proposal and on whether we should negotiate on any other questions with the USSR in connection with this transaction.<sup>82</sup>

ACHESON

<sup>80</sup> Secretary of State James F. Byrnes was in London attending the sessions of the United Nations. This telegram was repeated to Moscow as 93.

<sup>81</sup> For text of the agreement relating to the disposition of lend-lease supplies in inventory or procurement in the United States (the "Pipeline" agreement), signed at Washington on October 15, 1945, see United States Treaties and Other International Acts Series (TIAS) No. 3662, or United States Treaties and Other International Agreements (UST), vol. 7, (pt. 3), p. 2819.

<sup>82</sup> The Secretary, in telegram 677, January 19, 1946, 3 p.m., from London, gave approval to this proposed credit arrangement for purchase by the Soviet Union of United States surplus property abroad. He also wished to know what other questions the Acting Secretary had in mind which should be negotiated with the Soviet Union in connection with this transaction. (861.24/1-1946)

861.24/1-1946 : Telegram

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

SECRET

Moscow, January 19, 1946—4 p. m.

[Received January 19—9:48 a. m.]

184. Re Deptel 93, January 17, 6 p. m.<sup>83</sup> We here feel strongly that our Government should not make any more isolated economic arrangements with the Soviets until we have an over-all understanding with them about outstanding economic matters. This applies to such matters as the satisfaction of American complaints concerning seizures of American property in areas under Soviet control and Soviet refusal to collaborate [in the rehab?] ilitation of Europe as well as to consult or inform us on their unilateral economic actions in areas under their control. I also have in mind general lend-lease settlement and conduct of economic discussion under article VII, which Russians have thus far evaded.

I feel, therefore, that Russians in Washington should be told that we have no objection in principle to making available to them surplus property on 3(c) terms but that we can consider this only when an understanding has been reached regarding at least the manner in which outstanding economic questions between the two countries are to be adjusted.

HARRIMAN

861.24/1-1946

*Memorandum by the Chief of the Division of Eastern European Affairs (Durbrow) to the Under Secretary of State (Acheson)*

[WASHINGTON,] January 21, 1946.

MR. ACHESON: While I understand from Mr. Collado<sup>84</sup> that you indicated your desire for a reply to the Secretary along the lines of the attached draft telegram,<sup>85</sup> I believe that I must indicate to you the reasons why EE considers that it would be inadvisable from a long-range point of view to grant an unconditional credit of \$100,000,000. to the Soviet Government for the purchase of surplus property. We realize, of course, that it is in the short-range interests of the United States Government to get rid of as much surplus property as possible.

Despite our many protests and requests for coordinated action re-

<sup>83</sup> The same as telegram 520 to London, *supra*.

<sup>84</sup> Emilio G. Collado, Deputy on Financial Affairs to the Assistant Secretary of State for Economic Affairs.

<sup>85</sup> Not attached to file copy of memorandum; for the telegram as sent, see *infra*.

garding the economic blackout in Eastern Europe and other related questions, the Soviet Government has consistently refused to accept any of our views on this point. It has been our firm feeling that the only real lever we had to bring about any semblance of economic and political stability in Eastern Europe was through the withholding of credits. We have already weakened our bargaining position on this score by granting them approximately \$400,000,000. of materials under the 3(c) agreement and over \$250,000,000. of UNRRA benefits, a large proportion of which is to be given in agricultural and industrial equipment. While it was perhaps in our interest to give these two amounts, if we now add to it another \$100,000,000. in surplus property, the amount of goods which we are making available to the Soviet Union will come not far below the original credit envisaged of \$1,000,000,000.

If the Soviet authorities realize that by getting us to grant them credits on a piecemeal basis they can fulfill a substantial part of their needs, it immediately gives them the idea that the stands we have taken with regard to the economic blackout in Eastern Europe and any attempts to tie strings to Export-Import Bank credits which we grant them do not represent our firm position and that we are willing to compromise on these matters without attaining our announced aims. In this connection I suggest that you read the marked passages in the attached memorandum<sup>86</sup> which contains significant points from Moscow relevant to this question.

It may be stated in this connection that Soviet and Soviet-inspired propaganda is now taking a strong line to the effect that in the not distant future the United States will suffer a crisis of overproduction which will oblige it to seek markets everywhere in the world, and that the Soviet Government therefore can afford to play a waiting game with respect to its desire for credits from the United States.

We therefore feel that in general the position taken by Mr. Harriman in his attached telegram No. 184, January 19,<sup>87</sup> indicates the best long-range policy to attain our announced and desired aims.

E[LBRIDGE] D[URBROW]

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861.24/1-1946 : Telegram

*The Acting Secretary of State to the Secretary of State, at London*<sup>88</sup>

SECRET

WASHINGTON, January 22, 1946—5 p. m.

686. For the Secretary from Acheson. Reurtel 677, January 19.<sup>89</sup>  
I repeat Harriman's reply re sale of surplus to U.S.S.R.

<sup>86</sup> Not printed.

<sup>87</sup> *Supra*.

<sup>88</sup> Repeated to Moscow as No. 120.

<sup>89</sup> Not printed; but see footnote, 82, p. 819.

[Here follows text of telegram 184, January 19, 4 p. m., from Moscow, page 820.]

I agree, of course, with Harriman's general analysis with respect to economic arrangements with the U.S.S.R. I question whether surplus property disposal is an apt case. I recall your conversation with Messrs. Clayton,<sup>90</sup> McCabe<sup>91</sup> and myself after signing the British arrangement in which you indicated the most important thing was to get rid of surplus as quickly as possible and get it off our hands, also your desire not to raise at this time the question of a loan through Eximbank to the Soviets. In view of the extremely difficult nature of the problem of surplus disposal throughout the world and of the pressure by the Army to be relieved of the necessity of guarding and otherwise taking care of U. S. property abroad so that the troops may come home, foreign governments, including the Soviets, know that we are at a tactical disadvantage in the sale of surplus which increases with the passage of time. Therefore I believe that surplus property is the poorest type of economic arrangement with the Soviets to which to attempt to tie satisfaction of any or all of our own desiderata. They would, I think, want to tie in a loan to such broad negotiations.

I did not have any specific problems in mind and my reference in Deptel 520, January 17, to other questions was merely to give you an opportunity to instruct us. Perhaps you would wish to consult Bohlen.<sup>92</sup> As I see it the question is whether or not we wish to sell to the Soviets who apparently want to buy.

Please indicate to me and Harriman whether you agree with the views above so that McCabe can take appropriate action.

ACHESON

861.24/1-2246

*The Chairman of the Government Purchasing Commission of the Soviet Union in the U.S.A. (Rudenko) to Mr. Willard L. Thorp, Deputy to the Assistant Secretary of State for Economic Affairs*

WASHINGTON, January 22, 1946.

DEAR MR. THORP: With reference to your letter of January 4, 1946, I wish to state that the question raised in your letter is beyond the competence of the Government Purchasing Commission of the Soviet Union in the U.S.A.

Sincerely yours,

L. RUDENKO

<sup>90</sup> William L. Clayton, Assistant Secretary of State for Economic Affairs.

<sup>91</sup> Thomas B. McCabe, Special Assistant to the Secretary of State and Foreign Liquidation Commissioner.

<sup>92</sup> Charles E. Bohlen, Assistant to the Secretary of State.

861.24/2-446

*Memorandum by Mr. Emilio G. Collado, Deputy on Financial Affairs  
to the Assistant Secretary of State for Economic Affairs*<sup>93</sup>

SECRET

[WASHINGTON,] February 4, 1946.

*U.S.S.R. Economic Matters:*

1. Lend-Lease Settlement—Inventory
2. Credit Negotiations—NAC Statement

*1. Lend-Lease Settlement*

A lend-lease pipeline arrangement of \$400 million was entered into by General Rudenko for the Soviets and Mr. Crowley on October 15, 1945. On the same day Mr. Crowley sent General Rudenko a letter requesting an inventory of lend-lease goods in the hands of the U.S.S.R. on September 2, 1945. On January 4 Mr. Thorp sent a follow-up, and on January 22 General Rudenko replied that his Purchasing Commission was not competent in these matters.

There is attached a note<sup>94</sup> for the signature of the Secretary to the Soviet Embassy requesting an inventory of lend-lease goods for settlement purposes.

*2. Credit Negotiations*

There is attached a copy<sup>94</sup> of a full statement of U.S.-U.S.S.R. credit conversations. It will be noted that on August 28, 1945 General Rudenko in writing requested a credit of \$1 billion at 2 3/8 percent interest.<sup>95</sup> Except for a telephone conversation with Durbrow (October 1945) in which Kapustin wished to know to whom he should speak about the loan and Stalin's and Mikoyan's discussion of the subject in interviews with members of the Colmer Committee (September 1945)<sup>96</sup> neither government agencies in Washington nor Ambassador Harriman, nor the Secretary of State during his attendance at the meetings of Foreign Ministers in London and Moscow were approached by the Russians on the subject of U.S. loans.

The Department's view is that when credit discussions take place, they should involve a full discussion of all economic matters between the two governments, including economic problems relating to the Eastern European countries. A full documentation on economic mat-

<sup>93</sup> Addressed to H. Freeman Matthews, Director of the Office of European Affairs; William L. Clayton, Assistant Secretary of State for Economic Affairs; and to the Under Secretary and the Secretary of State.

<sup>94</sup> No attachments were found with this copy of the memorandum.

<sup>95</sup> *Foreign Relations*, 1945, vol. v, p. 1034.

<sup>96</sup> For comment on discussions with members of the House of Representatives Special Committee on Postwar Economic Policy and Planning, headed by Representative William M. Colmer, see telegram 3277, September 15, 1945, 2 p. m., from Moscow, *Foreign Relations*, 1945, vol. v, p. 881.

ters affecting the U.S.S.R. was prepared for the Secretary in December.<sup>97</sup>

The present problem is one of timing—in relation to the Soviets and in relation to British loan legislation.

The Department early in January notified Ambassador Harriman that it proposed to await a Soviet advance on credits as well as on joining the Bretton Woods<sup>98</sup> institutions. We have sent to the Soviets the same invitation to participate in the March 8 meeting of the Boards of Governors at Savannah that we have sent to other countries which were at Bretton Woods but failed to sign the Agreements.

We have no direct evidence regarding the Soviet failure to press for credits and to sign the Bretton Woods Agreements. It has been suggested that the Soviets believe the U.S. is going to have to press loans in order to support exports as a measure of preventing unemployment and depression, and that, following their interpretation of the British arrangements, we shall make a large credit on special terms in order to obtain Soviet participation in the Bretton Woods Agreements.

It would of course be difficult for the U.S. to extend a reconstruction loan to the U.S.S.R. if that nation fails to join the Bretton Woods institutions.

The pressing problem is how to handle possible credits to the Soviets in the British loan hearings in the Congress. The NAC is preparing a paper on overall loan program in reply to many questions which have been and will continue to be asked.

It is recommended that loans to the U.S.S.R. be handled in Congressional hearings as follows:

- a. Last summer provision was made for possible credits of \$1 billion to the U.S.S.R.
- b. Last fall the Soviets requested such a credit but no discussions have taken place recently.
- c. In making up the NAC forecast of possible Eximbank needs to take care of interim emergency reconstruction demands prior to the full operation of the International Bank, the figure of \$1 billion for the U.S.S.R. has been retained.
- d. If the U.S.S.R. requests aid beyond that which the Eximbank could extend, we shall refer them to the International Bank.
- e. Whether or not the Eximbank will actually grant a loan to Russia will, of course, depend on a great number of factors. It would be premature, however, to discuss these factors now since they will be determined by the overall situation which will obtain at the time of the negotiations.

<sup>97</sup> For portion of a report "The Soviet Union in 1945—An Economic Review" given to the Secretary of State on December 24, 1945, while in attendance at the Moscow meeting of Foreign Ministers, see *Foreign Relations, 1945*, vol. v, p. 993.

<sup>98</sup> For documentation concerning the United Nations Monetary and Financial Conference at Bretton Woods, New Hampshire, July 1-22, 1944, see *Foreign Relations, 1944*, vol. II, pp. 106 ff.

It is further recommended that the Department continue its position of a month ago which places the initiative for any further discussions upon the Soviets. It is of course possible that the sending of our note on lend-lease inventory and settlement to the Soviet Embassy, may precipitate loan and general economic negotiations.

861.24/2-1146

*The Special Assistant to the Secretary of State and Foreign Liquidation Commissioner (McCabe) to the Chargé of the Soviet Union (Orekhov)*

CONFIDENTIAL

WASHINGTON, 11 February 1946.

DEAR MR. OREKHOV: Inasmuch as representatives of your Government have expressed an interest in the purchase of United States surplus property located overseas, I am glad to inform you that such property may be acquired by your Government from the Government of the United States, to the extent to which it may be made available for sale to your Government prior to January 1, 1948, but in any case in an aggregate amount not in excess of \$100,000,000, subject to the following terms of payment:

(1) A sum stated in United States dollars, equal to the total purchase price of individual sales of overseas surplus (as made by Field Commissioners of the Office of the Foreign Liquidation Commissioner to the Government of the Union of Soviet Socialist Republics), shall be paid by the Government of the Union of Soviet Socialist Republics, on or before July 1, 1976, in twenty-two annual installments, the first of which shall become due and payable on July 1, 1955. The amounts of the annual installments shall be as follows: each of the first four installments shall be in an amount equal to 2.5 percent of the amount determined as set forth above; each of the second four installments shall be 3.5 percent of said determined amount; each of the third four installments shall be 4.5 percent of said determined amount; each of the fourth four installments shall be 5.5 percent of said determined amount; and each of the last six installments shall be 6 percent of said determined amount. Nothing in this paragraph shall interfere with the right of the Government of the United States to declare the entire sum, or any part thereof, immediately due and payable in currency of the Union of Soviet Socialist Republics, as provided in paragraph (6).

(2) Nothing herein shall be construed to prevent the Government of the Union of Soviet Socialist Republics from anticipating the payment of any installments, or any part thereof, set forth above.

(3) If by agreement of both Governments it is determined that, because of extraordinary and adverse economic conditions arising during the course of payment, the payment of a due installment would not be in the joint interest of the United States and the Union of Soviet



Socialist Republics, payment may be postponed for an agreed upon period.

(4) Interest shall accrue from the respective dates specified in the individual sales contracts for the taking of delivery by the Government of the Union of Soviet Socialist Republics, and shall be paid on the outstanding balance of the total purchase price from time to time unpaid. The rate of interest shall be two-and-three-eighths percent ( $2\frac{3}{8}\%$ ) per annum, payable on July 1 of each year, the first payment to be made on July 1, 1947.

(5) Except as otherwise provided herein, all payments shall be made in United States dollars to the Treasurer of the United States, through the Federal Reserve Bank of New York.

(6) In the event the Government of the United States wishes to receive local currency of the Government of the Union of Soviet Socialist Republics for the payment of any or all expenditures, in the Union of Soviet Socialist Republics, of the Government of the United States and its agencies, including, but not limited to, expenditures for leaseholds, construction, materials, and labor for buildings and residences to meet the needs of the United States Embassy in Moscow and of United States Consulates, the Union of Soviet Socialist Republics agreeing to supply the same in accordance with detailed arrangements to be negotiated without delay, the Government of the United States may request at any time or times, and the Government of the Union of Soviet Socialist Republics agrees to furnish at such time or times, currency of the Union of Soviet Socialist Republics at the exchange rate most favorable to the Government of the United States current at the time when such currency is furnished in any amount not in excess of the total unpaid balance of all sums (both principal and interest) payable under the terms of this letter, whether or not then due in United States dollars. In such event, the United States dollar equivalent of the amount received by the Government of the United States shall be credited either to the installment or installments of principal in the inverse order of their maturity, or to any interest then due and unpaid, in the sole discretion of the Government of the United States.

If these terms are agreeable to you it is requested that you indicate your acceptance thereof by signing and returning to me the enclosed duplicate original of this letter. When this has been done I shall inform my Field Commissioners as to the terms in order that they may be appropriately incorporated or referred to in any sales contracts executed between my Field Commissioners and representatives of your Government.

As we have explained informally to representatives of your Government, the quantities and types of surpluses to be made available, the prices thereof, and other terms of sale are a matter for agreement between the Field Commissioners of the Office of the Foreign Liquidation Commissioner and the representatives of your Government. The purpose of this letter is to facilitate such agreements by arriving at

an overall understanding as to credit terms and as to a maximum line of credit.<sup>98a</sup>

Sincerely,

THOMAS B. McCABE

Dear Mr. McCabe:

The terms of the foregoing letter are hereby accepted.

861.24/1-2246

*The Secretary of State to the Chargé of the Soviet Union (Orekhov)*

WASHINGTON, February 18, 1946.

SIR: On October 15, 1945, Mr. Leo T. Crowley, Foreign Economic Administrator, wrote Lieutenant General L. G. Rudenko, Chairman, the Government Purchasing Commission of the Soviet Union in the United States of America concerning the preparation of an inventory of Lend-Lease supplies in the possession of the Union of Soviet Socialist Republics or subject to its control at the end of hostilities. The inventory was requested as a part of the information necessary in preparation of a Lend-Lease settlement with your Government, under the terms of the Master Agreement of June 11, 1942. Mr. Crowley asked that the data be presented at the earliest possible opportunity. A copy of Mr. Crowley's letter is enclosed.<sup>99</sup>

After more than two months had elapsed without a response, a second letter was addressed to General Rudenko, by Mr. Willard L. Thorp, Deputy to the Assistant Secretary of State for Economic Affairs dated January 4, 1946. A copy of Mr. Thorp's letter is enclosed.<sup>1</sup>

A response has now been received from General Rudenko, dated January 22, 1946, a copy of which is enclosed.<sup>2</sup>

In view of the terms of Ambassador Litvinov's Note of February 4, 1942,<sup>3</sup> it had been the understanding of this Government that the authority of the Soviet Purchasing Commission extended to all matters in this country affecting Lend-Lease. It now appears from General Rudenko's letter, however, that the authority of the Commission has been changed without this Government's having been informed. It would therefore be appreciated if the Department of State could

<sup>98a</sup> For the response to this proposal containing some suggested modifications, see the letter from the Chargé of the Soviet Union Nikolay Vasilyevich Novikov dated 13 April 1946, p. 833.

<sup>99</sup> *Foreign Relations*, 1945, vol. v, p. 1043.

<sup>1</sup> *Ante*, p. 818.

<sup>2</sup> *Ante*, p. 822.

<sup>3</sup> Not printed; but see memorandum of a conversation with Litvinov on March 2, 1942, and footnotes 71 and 72, *Foreign Relations*, 1942, vol. III, p. 696.

be supplied with a statement indicating the present scope of the Commission's authority.

It would be appreciated if the Department of State can be supplied with inventory estimates, as requested in the letters to General Rudenko dated October 15, 1945 and January 4, 1946, so that settlement negotiations may proceed in Washington without delay.

Accept [etc.]

JAMES F. BYRNES

861.51/2-2146

*The Secretary of State to the Chargé of the Soviet Union (Orekhov)*

WASHINGTON, February 21, 1946.

SIR: Reference is made to the memorandum of August 28, 1945<sup>4</sup> transmitted to this Government by Lieutenant-General Rudenko, Chairman of the Government Purchasing Mission of the Soviet Union in the United States of America, requesting that a credit of one billion dollars be made to the Government of the U.S.S.R. by the Export-Import Bank of Washington.

This Government considers the requested credit one among a number of outstanding economic questions the settlement of which is necessary to provide a sound basis for the mutually-beneficial development of economic relations between the United States and the U.S.S.R.

Accordingly, this Government proposes that negotiations be initiated forthwith between the Government of the United States and the Government of the U.S.S.R. directed to a general settlement of these issues, including the question of the requested credit. It is proposed, in particular, that negotiations should cover, in addition to the terms of the credit in question, such of the following outstanding economic issues as may not already have been settled separately:

(1) Claims of American nationals against the Government of the U.S.S.R., including claims arising from actions of the U.S.S.R. in occupied and liberated areas.

(2) Determination of concerted policies to be followed by the U.S. and the U.S.S.R. together with the U.K., under the terms of the agreement reached at the Crimea Conference, in assisting the peoples liberated from the domination of Nazi Germany and the peoples of the former Axis satellite states of Europe to solve by democratic means their pressing economic problems.<sup>5</sup>

(3) Arrangements to guarantee that navigation on rivers of international concern should be free and open on terms of entire equality to nationals, vessels of commerce, and goods of all members of the United Nations.

(4) Preliminary discussions of a comprehensive treaty of friendship, commerce, and navigation between the U.S. and the U.S.S.R.

<sup>4</sup> *Foreign Relations*, 1945, vol. v, p. 1034.

<sup>5</sup> For text of the Declaration on Liberated Europe, see *Foreign Relations*, The Conferences at Malta and Yalta, 1945, p. 971.

and agreement to enter into negotiations in the near future for the conclusion of such a treaty.

(5) Arrangements to assure adequate protection of the interests of inventors and of writers and other holders of copyrights.

(6) Methods for giving effect to the terms of Article VII of the Soviet Master Lend-Lease Agreement of June 11, 1942, such as are suggested in this Government's "Proposals for Expansion of World Trade and Employment,"<sup>6</sup> which were transmitted to the Government of the U.S.S.R. on December 21, 1945.

(7) General settlement of lend-lease obligations in accordance with the provisions of the Soviet Master Lend-Lease Agreement, concluded on June 11, 1942 between the Governments of the United States and the U.S.S.R., on the basis of an inventory of lend-lease supplies in the possession of the Union of Soviet Socialist Republics or subject to its control at the end of hostilities, as indicated in the note on this subject addressed by this Government to the Government of the U.S.S.R. on February 18, 1946.

(8) Civil aviation matters of mutual interest to the two countries.

(9) Discussion of other economic questions, the settlement of which in the opinion of either government, would be conducive to the attainment of the general aims of the negotiations as herein proposed.

It is the hope of this Government that the Government of the U.S.S.R. will avail itself of the invitation to send observers to the first meetings of the Boards of Governors of the International Monetary Fund and the International Bank for Reconstruction and Development to be held at Wilmington Island, near Savannah, Georgia, on March 8, 1946, where the United States intends to suggest the adoption of a resolution by the Board of Governors of each institution permitting the admission to membership, during a limited period of time, on the same terms as those enjoyed by members which signed before December 31, 1945, of those countries which participated in the Bretton Woods Conference, but failed to sign before December 31, 1946.

The Government of the United States feels that negotiations should be initiated in Washington as soon as possible, and hopes to receive from the Government of the U.S.S.R. an early reply to the proposals as contained in this note.

Accept [etc.]

JAMES F. BYRNES

861.51/3-1546

*The Chargé of the Soviet Union (Novikov) to the Secretary of State*

[Translation]

WASHINGTON, March 15, 1946.

SIR: In connection with your note of February 21, 1946 I have been

<sup>6</sup> Department of State publication No. 2411 (Washington, Government Printing Office, 1945).

instructed to inform you that the Soviet Government agrees to discuss with the United States Government the following questions:

1. The amount and conditions of a long-term Governmental credit of the United States Government to the Government of the Union of Soviet Socialist Republics.

2. The conclusion of a treaty of friendship, commerce and navigation between the Union of Soviet Socialist Republics and the United States of America.

3. Methods for giving effect to the terms of article VII of the Soviet Master Lend-Lease Agreement of June 11, 1942, such as are suggested in the United States Government's "Proposals for Expansion of World Trade and Employment" and question of Lend-Lease supplies mentioned in the item 7 of your note.

The Soviet Government does not consider it expedient to connect the discussion of any other questions, except above mentioned, with the discussion on credit.

At the same time the Soviet Government expresses the readiness to discuss also other questions enumerated in your note at the time and in the place to be agreed upon by the both parties.

Accept [etc.]

N. NOVIKOV

861.24/3-1846

*The Secretary of State to the Chargé of the Soviet Union (Novikov)*

WASHINGTON, March 18, 1946.

SIR: During the course of the war, the Government of the United States transferred to the Government of the Union of Soviet Socialist Republics a substantial number of dry-cargo vessels, tankers, and other merchant watercraft. These transfers were made under the authority of the Lend-Lease Act, and subject to the provisions of the Master Agreement executed by our Governments on June 11, 1942, on the understanding that the vessels in question were required for the effective prosecution of the war. The records of the Government of the United States indicate that thirty-nine Liberty ships, including three Liberty tankers, five T-2 tankers, forty-eight dry cargo or passenger-cargo ships constructed prior to the war, one tanker constructed prior to the war, and three tugs, two of which were built during the war, remain in the custody of the Government of the Union of Soviet Socialist Republics. A list of the vessels, by their present and former names, together with the transfer dates, is appended hereto.<sup>7</sup> It will be noted that vessels which are known to have been lost or which were retransferred to the Government of the United States are excluded from this tabulation.

<sup>7</sup> Not printed.

Legislation has now been enacted relating to the disposition of war-built merchant vessels by this Government. In view of this legislation and the termination of the wartime requirement for the vessels enumerated above, this Government will shortly be prepared to entertain applications for purchase of certain of the vessels enumerated which your Government may wish to retain. A copy of this law relating to the war-built merchant vessels is attached hereto for your information.<sup>8</sup> Merchant vessels other than of wartime construction are not covered by this statute, and would have to be sold under the pertinent provisions of other statutes.

Should your Government not be interested in purchasing any or all of the enumerated vessels, will you please arrange for their return within the next sixty days to United States ports, in accordance with the provisions of Article V of the Master Agreement of June 11, 1942. The specific ports will be designated upon notification to the effect that the vessels are to be returned. Since you will note from the text of the statute enclosed that Liberty tankers are not eligible for sale, it is therefore requested that your Government arrange for the return of the three vessels of this type within the next 60 days.<sup>9</sup>

The provisions of this note do not relate to the S.S. *Charles Gordon Curtis*, renamed the S.S. *Sergei Kirov*, and the S.S. *John Langdon*, renamed the S.S. *Tbilisi*, which were transferred to your Government in connection with an understanding relating to the employment of certain categories of the Italian fleet and certain tonnage of the Italian merchant marine.<sup>10</sup> These vessels will be made the subject of a separate communication.

Accept [etc.]

JAMES F. BYRNES

861.24/3-1846

*Captain D. J. Sinnott of the Office of Naval Operations to Mr. John N. Hazard of the Office of Foreign Liquidation*

CONFIDENTIAL

WASHINGTON, 18 March 1946.

DEAR MR. HAZARD: There is attached hereto a list of ships, boats, barges, and floating drydocks of the Navy<sup>11</sup> transferred to the U.S.S.R. under the provisions of the Lend Lease Act; Section 4, Public Law 1-

<sup>8</sup> The Merchant Ship Sales Act, approved March 8, 1946; 60 Stat. 41.

<sup>9</sup> In his answer to this note, dated April 22, 1946, Chargé Novikov stated (in translation) "the Government of the Union of Soviet Socialist Republics is prepared to consider the question of the vessels . . . simultaneously with the consideration of the question mentioned in the item 7 of your note of February 21, 1946, in accordance with the item 3 of our note of March 15, 1946." (861.24/4-2246)

<sup>10</sup> These two vessels were not transferred to the Soviet Union under lend-lease but in connection with the distribution of the Italian Fleet.

<sup>11</sup> Not printed; the list totaled 577.

78th Congress (H.R. 1446);<sup>12</sup> Article V of the Soviet Master Agreement; and "Acceptance Agreement" Article 3056 of the Bureau of Supplies and Accounts Memoranda, Chapter 30 which agreement is quoted herewith for your convenience:

[The form of the Acceptance Agreement is not reproduced.] The approximate value of vessels transferred as of February, 1946, is \$394,481,994.73.

It should be noted that Public Law 1 requires the return to the United States of all ships, boats, barges, and floating drydocks of the Navy transferred under the provisions of the Lend Lease Act. No commitment should be entered into with the Soviets which will not obligate the Soviets to return the ships, boats, barges, and floating drydocks to ports in the Continental United States designated by the United States Navy.

All transfers were made between the period of 7 June 1943 and 2 September 1945 and were effected within the United States territorial waters.

Very truly yours,

D. J. SINNOTT

861.24/3-1946

*The Chargé of the Soviet Union (Novikov) to the Secretary of State*

[Translation]

WASHINGTON, March 19, 1946.

SIR: I acknowledge receipt of your note of February 18, 1946 in which, in connection with the preparations for the forthcoming negotiations with the Government of the Union of Soviet Socialist Republics for the Lend-Lease settlement, you request that an inventory be submitted to the State Department of Lend-Lease supplies in the possession or under the control of the Union of Soviet Socialist Republics at the end of the war, and also ask for information concerning the powers of the Soviet Purchasing Commission at the present time in connection with the letter of the Chairman of the Soviet Purchasing Commission, General Rudenko, of January 22, 1946 to the Deputy of the Assistant Secretary of State, Mr. Willard Thorp.

The reply of the Soviet Government on the question of the settlement of Lend-Lease obligations is contained in my personal note to you of March 15, 1946 concerning a number of questions raised in your note of February 21, 1946.

With reference to the question of the powers of the Soviet Purchasing Commission at the present time which arose in your mind in connection with General Rudenko's letter of February [*January*]

<sup>12</sup> Approved February 19, 1943; 57 Stat. 3.

22, 1946 to Mr. Thorp, I wish to point out that a misunderstanding has apparently arisen here because of the brevity of this letter which, by virtue thereof, was not properly understood.

It was General Rudenko's intention to communicate the following in this letter:

Since the complete settlement of the question raised in Mr. Thorp's letter of January 4, 1946 will undoubtedly require the participation not only of the Soviet Purchasing Commission but of other competent organs of the Soviet Government, in a similar manner to the procedure which was followed at the time of the conclusion of the supplementary Lend-Lease protocols, which supplemented the basic Lend-Lease Agreement of June 11, 1942, the respective proposals from the American side should have been transmitted through diplomatic channels and not through the Purchasing Commission. In connection with the foregoing, I wish to bring to your attention that the previous proposals of the Government of the United States of America for the conclusion of the Lend-Lease protocols were submitted through the Embassy of the Union of Soviet Socialist Republics in Washington.

It is self-evident that the competence and status of the Soviet Purchasing Commission have not been changed and continue up to the present time on the same scale as they were defined in Ambassador Litvinov's note of March 4, 1942 and confirmed in the reply of the Acting Secretary of State, Mr. Sumner Welles, of March 5, 1942.<sup>13</sup>

Please accept [etc.]

N. NOVIKOV

861.24/4-1346

*The Chargé of the Soviet Union (Novikov) to the Special Assistant to the Secretary of State and Foreign Liquidation Commissioner (McCabe)*

[Translation]

WASHINGTON, 13 April 1946.

SIR: I am authorized to advise you that the Government of the U.S.S.R. agrees to accept the conditions of credit for the purchase of surplus property of the U.S.A., set forth in your letter of 11 February, 1946 to the Chargé d' Affaires ad interim Orekhov, but it wishes to introduce a change in Article 6, which it proposes be formulated, as follows:

[“]In the event the Government of the U.S.A. wishes to receive local currency of the U.S.S.R. for the payment of expenditures of the Embassy and Consulates of the U.S.A. in the U.S.S.R., (including expenses for construction agreed to with the responsible agencies of the U.S.S.R.) the Government of the U.S.S.R. will make available to

<sup>13</sup> Neither printed; but see memorandum of a conversation with Litvinov on March 2, 1942, and footnote 72, *Foreign Relations*, 1942, vol. III, p. 696.



the Government of the U.S.A. Soviet rubles within the limits existing at the present time of 10 million rubles a year, at the most advantageous rate of exchange, which shall be current at the moment the currency is made available. If the Government of the U.S.A. requires a larger sum for the expenses referred to above, the limit of 10 million rubles per year may be raised with the agreement of both parties.

The dollar equivalent to the amount of Soviet rubles received by the Government of the U.S.A. shall be credited to the regular installment or installments of principal and interest on the credit then due and unpaid by the Government of the U.S.S.R."

In connection with the proposed change in the wording of Article 6 the last sentence of Article 1, beginning with the words "Nothing in this paragraph shall interfere, etc." should read as follows:

"Nothing in this paragraph shall interfere with the right of the Government of the United States to receive interest and payments in the principal of the credit in Soviet rubles to the extent and on the conditions provided in paragraph (6)."

N. NOVIKOV

861.51/3-1546

*The Secretary of State to the Chargé of the Soviet Union (Novikov)*

WASHINGTON, April 18, 1946.

SIR: In reference to your note of March 15, 1946 the Government of the United States is pleased to learn that the Government of the Union of Soviet Socialist Republics is prepared to discuss with the Government of the United States all the economic questions specified in this Government's note of February 21, 1946, and in particular to discuss at once the following questions:

(1) The request of the Government of the Union of Soviet Socialist Republics for a credit of one billion dollars.

(2) Preliminary discussions of a comprehensive treaty of friendship, commerce, and navigation between the United States and the Union of Soviet Socialist Republics and agreement to enter into negotiations in the near future for the conclusion of such a treaty.

(3) Methods for giving effect to the terms of Article VII of the Soviet Master Lend-Lease Agreement of June 11, 1942, such as are suggested in this Government's "Proposals for Expansion of World Trade and Employment," which were transmitted to the Government of the Union of Soviet Socialist Republics on December 21, 1945.

(4) General settlement of lend-lease obligations in accordance with the provisions of the Soviet Master Lend-Lease Agreement, concluded on June 11, 1942 between the Governments of the United States and the Union of Soviet Socialist Republics, on the basis of an inventory of lend-lease supplies in the possession of the Union of Soviet Socialist Republics or subject to its control at the end of hostilities, as indicated in the note on this subject addressed by this Government to the Government of the Union of Soviet Socialist Republics on February 18, 1946.

The Government of the United States is pleased to note that the Government of the Union of Soviet Socialist Republics is ready to discuss at the time and place to be agreed upon the other economic questions referred to in the aforementioned note of February 21, 1946.

The Government of the United States considers that in the case of civil aviation matters of mutual interest to the two countries, this procedure is entirely expedient, and accordingly proposes that negotiations on these questions be begun in Washington on June 1, 1946.

This Government also considers that with regard to arrangements to guarantee that navigation on rivers of international concern should be free and open on terms of entire equality to nationals, vessels of commerce, and goods of all members of the United Nations, the same procedure is entirely satisfactory. In view of the importance of these questions it is deemed desirable that negotiations be begun in Washington on June 1, 1946.

In connection with these two questions, this Government wishes to state that it regards them as of no less importance than the other questions specified in this Government's note of February 21, 1946.

Subsequent to the aforementioned note of February 21, 1946, this Government has set forth its policy with respect to its foreign credit program in a statement of March 1, 1946, on the "Foreign Loan Policy of the United States Government", a copy of which is attached to the present note.<sup>14</sup>

In accordance with the principles outlined in this statement, it is considered that the extension by the Government of the United States to the Government of the Union of Soviet Socialist Republics of a credit of one billion dollars should assist the Soviet Union in the restoration of the productive capacities destroyed by the war, and should, at the same time, be directed towards the creation of an international economic environment permitting a large volume of trade and expanding mutually beneficial economic relations among nations. Accordingly, this Government considers that certain of the questions which might stand in the way of the sound development of these relations should be freely discussed at the same time that the requested credit is considered, and in particular that the questions specified in Paragraphs 1, 2 and 5 of this Government's note of February 21, 1946 are so closely interrelated with, and to a large extent concern implementation of, the questions to the immediate discussion of which the Government of the Union of Soviet Socialist Republics

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<sup>14</sup> Published in House Document 489 (79th Cong., 2d sess.). This document by the National Advisory Council on International Monetary and Financial Problems, dated February 21, 1946, was transmitted by President Truman in a special message to Congress on March 1, 1946.

has agreed in its note of March 15, 1946, that it would be virtually impossible to discuss the one group of questions without the other. For these reasons it is the position of this Government that, in addition to the four issues referred to in the first paragraph of this note, it is essential that the following economic questions be discussed concurrently therewith:

(a) Claims of American nationals against the Government of the Union of Soviet Socialist Republics including claims arising from actions of the Union of Soviet Socialist Republics in occupied and liberated areas.

(b) Determination of concerted policies to be followed by the United States and the Union of Soviet Socialist Republics together with the United Kingdom, under the terms of the agreement reached at the Crimea Conference, in assisting the peoples liberated from the domination of Nazi Germany and the peoples of the former Axis satellite states of Europe to solve by democratic means their pressing economic problems.

(c) Arrangements to assure adequate protection of the interests of inventors and of writers and other holders of copyrights.

(d) Discussions of other economic questions, pertinent to the scope of negotiations as herein proposed, the settlement of which questions in the opinion of either government would be conducive to the attainment of the aims of these negotiations.

It is proposed herewith that negotiations on the subjects specified in the present note, except as otherwise indicated, should begin in Washington on May 15, 1946. It is further proposed that preliminary discussions with respect to the technical details of the lend-lease settlement should begin on May 5, 1946.

The Government of the United States wishes to make known its view that agreement to discuss in Washington the matters enumerated herein should not preclude or postpone the separate discussion and settlement elsewhere of the same or related questions.

The Government of the United States noted with pleasure the attendance of an observer representing the Government of the Union of Soviet Socialist Republics at the first meetings of the Boards of Governors of the International Monetary Fund and International Bank for Reconstruction and Development held at Savannah, Georgia in March of this year. It desires to express the hope that the Government of the Union of Soviet Socialist Republics will shortly avail itself of the opportunity provided by the Boards of Governors to accept membership in and participate in these institutions. It also desires to indicate its view that successful conclusion of the financial and economic discussions referred to in this note will be facilitated by cooperation of the two Governments in these two of the principal

United Nations organizations designed to further international economic progress.<sup>15</sup>

Accept [etc.]

JAMES F. BYRNES

861.24/5-646

*The Secretary of the Navy (Forrestal) to the Secretary of State*

WASHINGTON, 6 May 1946.

SIR: This letter proposes for your consideration certain aspects of the Lend-Lease account with the U.S.S.R. The question of recovery of the vessels transferred under Lend-Lease to the Soviets must eventually be taken under consideration for decision. It is not my purpose at this time to propose immediate full recovery but rather to indicate certain details in connection with this problem which are of prime importance to the Navy.

The U.S.S.R. declined to conclude "charter party" agreements with the Navy Department for vessels received under the Lend-Lease Act, as was done by the United Kingdom and other lessees. In lieu thereof Soviet representatives signed for each vessel an "Acceptance Agreement" which described the vessel as leased pursuant to the Act of Congress of 11 March 1941 and other applicable laws and regulations of the United States of America and the applicable agreements between the two governments, and "is to be covered by a formal lease executed or to be executed by such governments". Presumably the formal lease referred to is the Soviet Master Lend-Lease Agreement signed 11 June 1942.

In the Master Agreement signed 11 June 1942, return of defense articles (which include vessels) is covered by Article V which provides as follows:

"The government of the U.S.S.R. will return to the United States of America at the end of the present emergency, as determined by the President of the United States of America, such defense articles transferred under this agreement as shall not have been destroyed, lost or consumed and as shall be determined by the President to be useful in the defense of the United States of America or of the Western Hemisphere or to be otherwise of use to the United States of America".

<sup>15</sup> A notation by Mr. Collado at the end of this document stated that this paragraph had been "added at the request of & approved by" Secretary of the Treasury Fred W. Vinson, and had been agreed to in the Offices of Financial and Development Policy, International Trade Policy, and the Division of Eastern European Affairs of the Department of State.

Although the Soviet Union had participated in the Bretton Woods Conference, it had not become a member either of the International Bank for Reconstruction and Development or the International Monetary Fund. Accordingly, the Soviet Union was not at this time entitled to credits from the International Bank nor to the privileges of the Fund. The Soviet Union remained eligible for membership in these two institutions until December 31, 1946, on the same terms as those enjoyed by members who had signed the Bretton Woods Agreement by December 31, 1945.

From the above it appears that the following are conditions precedent to the recovery of United States owned vessels now in Soviet possession:

- (a) The present emergency must be formally ended;
- (b) The vessels concerned must be determined by the President to be useful in the defense of the United States of America or of the Western Hemisphere or to be otherwise of use to the United States.

It follows that recovery cannot be implemented through ordinary lend-lease procedure nor through naval channels alone, but that preparatory negotiations must be conducted on governmental level.

A summarized list of vessels which have been transferred to the U.S.S.R. is appended.<sup>16</sup> Of particular importance are the three CR's or ice-breakers identified as:

U.S. Name	U.S.S.R. Name
<i>Northwind</i>	<i>Severny Veter</i>
<i>Southwind</i>	<i>Admiral Makarof</i>
<i>Westwind</i>	<i>Severny Polus</i>

These are high-powered ice-breakers of the most modern design, sister ships (except in armament) of the two now in commission in the U.S. Coast Guard and of two others under construction and completing for the Navy. The importance of an adequate number of high capacity ice-breakers in supporting any operations in the frigid zones cannot be over-emphasized. Three sevenths of the total war production of this type are held by the U.S.S.R.

It is therefore requested, in view of projected U.S. naval requirements, that the general subject of lend lease returns from the U.S.S.R. be explored and that plans be made to institute recovery proceedings with respect to the three ice-breakers immediately upon the ending of the present emergency or earlier if an acceptable alternative basis for their return can be formulated.

JAMES FORRESTAL

894.515/5-1446

*Memorandum of Conversation, by the Acting Secretary of State*<sup>17</sup>

[Extract]

[WASHINGTON,] May 14, 1946.

Mr. Novikov then brought up the question of news reports to the effect that the United States Government was no longer earmarking a billion dollars for the possible credit to the Soviet Government. He

<sup>16</sup> Not printed.

<sup>17</sup> Elbridge Durbrow, Chief of the Division of Eastern European Affairs, was present at the conversation and drafted the memorandum.

asked me whether this was correct. I explained that at the time the capital of the Export-Import Bank was increased last year<sup>18</sup> Mr. Crowley had indicated that it was possible that a billion dollars of the \$3,500,000,000 capital of the Bank might be used for a credit to the Soviet Government but that this sum was not specifically set aside for this purpose since the Bank did not set aside sums until after the completion of concrete negotiations regarding credits.

I then explained that during the past few months several credit negotiations have been completed which depleted the capital available in the bank so that at the present time there was not actually a billion dollars available for further credits. I added, however, that the President had asked the Congress for \$1,250,000,000 additional capital for the bank, which it is anticipated would be approved by the Congress before its adjournment this year and that there would then be a billion dollars available in the event that the projected negotiations with the Soviet Government should bring about an agreement regarding the granting of a billion dollar credit.<sup>19</sup>

DEAN ACHESON

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[At intervals during 1946, discussions arose about intentions to increase the lending authority of the Export-Import Bank, and whether any part of this might be used for a loan to the Soviet Union. In his special message to Congress on March 1 transmitting a Report of February 21 on foreign loan policy prepared by the National Advisory Council on International Monetary and Financial Problems, wherein it had been stated that the Export-Import Bank would require additional lending authority of \$1,250,000,000 during the next fiscal year, President Truman declared: "I endorse this conclusion and at a later date I will discuss further with the Congress the need of appropriate legislation."<sup>20</sup>

During the President's news conference of June 14, he was reminded of this statement and was asked whether he still planned to recommend this increase in the lending authority of the Bank to the present session of Congress. President Truman replied: "I have not yet got to the point where I can consider that."<sup>21</sup>

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<sup>18</sup> The Export-Import Bank Act, approved July 31, 1945, 59 Stat. 526, provided for increasing the lending authority of the Bank. Section 4 stated that it "shall have a capital stock of \$1,000,000,000 subscribed by the United States." Section 7 placed a limitation on outstanding loans and guarantees by specifying that the Bank "shall not have outstanding at any one time loans and guaranties in an aggregate amount in excess of three and one-half times the authorized capital stock of the Bank."

<sup>19</sup> See bracketed note, *infra*.

<sup>20</sup> *Public Papers of the Presidents: Harry S. Truman, 1946* (Washington, Government Printing Office, 1962), p. 138.

<sup>21</sup> *Ibid.*, p. 301.

This subject was raised again in greater detail in the President's news conference on July 18. The President was asked whether he had any plans for asking Congress for more funds for foreign loans, and he answered that "I have no such intention." Then the following exchange took place:

"Q. Mr. President, in saying you have no such intention for asking for more money for loans, does that mean you do not intend to ask for the one and a quarter billion more capital for that Export-Import Bank, that has been mentioned in the past?"

THE PRESIDENT. No. I think that will come up in the next Congress automatically.

Q. Specifically there is no plan at all for an early request for a loan to Russia?

THE PRESIDENT. Not that I know of. I haven't heard about it."<sup>22</sup>

Once more at the news conference on the review of the 1947 budget held on August 2, President Truman was asked whether the figure of \$1,250,000,000 was included that he said he would ask Congress for at a later date. The President replied that this figure was "not included, because it was not asked for." Shortly afterwards the question was asked whether the President expected "to ask the next Congress for the billion and a quarter for the Export-Import Bank?" To this President Truman answered: "We'll see what the situation—how the situation develops, and if it's necessary, I will ask for it, and if it isn't, I won't."<sup>23</sup>

There were no further developments during 1946.]

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861.24/5-1546

*Brigadier General D. G. Shingler, General Staff Corps, Deputy Director of Procurement, War Department, to Mr. John N. Hazard of the Office of Foreign Liquidation*

WASHINGTON, May 15, 1946.

DEAR MR. HAZARD: Reference is made to your 15 April 1946 letter<sup>24</sup> wherein you request confirmation of the fact that vessels procured with funds appropriated to the War Department do not necessarily have to be returned to the Government of the United States. Also whether or not the return of any or all of these vessels will be desired for other than legal reasons.

There appear to be no legal restrictions with regard to any vessels procured from funds appropriated to the War Department, similar

<sup>22</sup> *Public Papers of the Presidents: Harry S. Truman, 1946* (Washington, Government Printing Office, 1962), p. 351.

<sup>23</sup> *Ibid.*, pp. 381, 382-383.

<sup>24</sup> Not printed.

to those applicable to vessels procured from funds appropriated to the Navy, which require return of such vessels to the United States.

The War Department has no requirement for the vessels and barges previously made available to the U.S.S.R.<sup>25</sup>

As you know, the War Department has consistently adhered to the position outlined in a letter of the Acting Lend-Lease Administrator to the Secretary of War dated 16 June 1942, that the responsibility for the determination of the terms and conditions upon which war materials are lend leased to a foreign government and the benefit to be received by the United States therefrom rest with the State Department. Pursuant to your request for the recommendation of the War Department in this connection, however, it is the firm recommendation of the War Department that final disposition of vessels procured from funds appropriated to the War Department should be made under the same terms and the same restrictions as are applicable to vessels procured from funds appropriated to the Navy Department.

Sincerely yours,

D. G. SHINGLER

861.51/5-1746

*The Appointed Ambassador of the Soviet Union (Novikov) to the  
Acting Secretary of State*

[Translation]

WASHINGTON, May 17, 1946.

SIR: In connection with the note of the Secretary of State dated April 18, 1946 I am instructed to communicate to you the following:

The Soviet Government, as it was already indicated in my note of March 15, 1946, is prepared to start negotiations with the United States Government on the questions: of the amount and conditions of a long-term Governmental credit of the United States of America to the Government of the Union of Soviet Socialist Republics, of the conclusion of a treaty of friendship, commerce and navigation between the Union of Soviet Socialist Republics and the United States of America, of methods for giving effect to the terms of Article VII of the Soviet Master Lend-Lease Agreement of June 11, 1942, such as are suggested in the United States Government's "Proposals for Expansion of World Trade and Employment" and on the question of Lend-Lease supplies.

The Government of the Union of Soviet Socialist Republics does not object to the proposals by the United States Government to start

<sup>25</sup> A total of 29 vessels were involved: 9 tankers, 1 freight vessel, 2 machine shop barges, and 17 crane barges. The Army had figured their cost at point of transfer to be \$9,757,352.56.



the negotiations on the above mentioned questions in May 1946 in Washington.

As to the other economic questions mentioned in the Secretary of State's note the Government of the Union of Soviet Socialist Republics, seeing no direct relation between these questions and those mentioned above, nevertheless is prepared to exchange in a preliminary fashion opinions on these questions during negotiations mentioned above.

The Government of the Union of Soviet Socialist Republics also agrees to enter into negotiations on the questions of civil aviation and navigation on rivers of international concern. The exact date of the negotiations on these questions can be named during the negotiations which should be started in the second part of May 1946.

Accept [etc.]

N. NOVIKOV

861.51/5-1746

*Memorandum by Mr. George F. Luthringer of the Office of Financial and Development Policy to the Assistant Secretary of State for Economic Affairs (Clayton)*

[WASHINGTON,] May 23, 1946.

1. A draft reply to the Soviet note of May 17th that has been approved by the interested divisions maintains the previous American position that we will discuss a \$1 billion loan only in connection with an overall consideration of economic and financial policies.

2. At the present time the Eximbank has only about \$200 million that has not been committed, either formally or in effect. It seems clear that even though the proposed request to Congress for \$1¼ billion of additional lending power for the Bank is made on grounds of general foreign loan policy, Congress will regard this as authorization for a loan to the U.S.S.R. as long as present negotiations continue. The Congressional hearings and debates will almost certainly be, in effect, on a \$1 billion loan to the Soviet Union.

3. The British Financial Agreement<sup>26</sup> secured senatorial approval only after an acrimonious debate and it appears that part of the support for this loan came from those who felt that it would strengthen the political position of the United States in relation to the U.S.S.R. In the case of a credit to the U.S.S.R. the opposition to foreign loans in general will be strengthened and not allayed by our current political relations with the U.S.S.R.

<sup>26</sup> The Financial Agreement with the United Kingdom was signed at Washington on December 6, 1945. Provision was made in it for extension of a line of credit of \$3,750,000,000 until December 31, 1951. A joint resolution by Congress authorizing the Secretary of the Treasury to carry out the agreement with the United Kingdom was approved July 15, 1946; 60 Stat. 535. For text of agreement, see Department of State *Bulletin*, December 9, 1945, p. 907, or 60 Stat. (pt. 2) 1841.

4. There is a reasonable doubt whether Congress would approve additional funds for the Eximbank that were clearly intended for the U.S.S.R. Regardless of the final action of Congress, the debates would undoubtedly result in charges and counter-charges in regard to Soviet policy, both in Congress and in the press, that might well worsen our relations with the U.S.S.R. It is probable that such a debate would give wide publicity to many Soviet actions in recent months, including ones that up to the present have not received much public attention. There is a strong possibility that the U.S.S.R. will reject the terms in our proposed reply, and in that case the result would be a needless airing of anti-Soviet opinion in this country.

5. There are two possible alternative actions open to this Government whose advantages and disadvantages should be weighed by higher officers of the Department before we embark on a step that is almost certain to lead to a free-for-all debate in Congress on the U.S.S.R., without any assurance that funds will be available for a loan to the U.S.S.R. or that the U.S.S.R. will be interested in a loan on our terms. These alternatives are:

a) to take advantage that the Soviet reply of May 17th gives to break off gracefully loan negotiations with the Soviet Union;

b) to postpone the \$1¼ billion request for additional lending power until we have a clearer picture of the likelihood of successful negotiations with the U.S.S.R. This would involve now asking for a sum of \$250-\$500 million with an understanding with Congressional leaders that an additional sum will be requested in case we wish to proceed with loan negotiations with the U.S.S.R.

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861.24/6-1246 : Telegram

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

SECRET

WASHINGTON, June 12, 1946—11 a. m.

1067. From Hazard. Your 1767 June 5.<sup>27</sup> No agreement yet reached on surplus property disposal to USSR. Principal difference is clause relating to expenses of Embassy for which USSR proposes restrictive provisions as to annual amounts of currency available and uses permitted. Delay also occasioned by inability to reach agreement on what specific surplus items meet Soviet specifications. European surpluses now nearly exhausted and Pacific area surpluses are principal source. Soviets request inspection tour of Pacific presenting security problems. Anticipate slow developments toward signature and deliveries.

Summary of May operations report following later. [Hazard.]

BYRNES

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<sup>27</sup> Not printed.

861.51/5-1746

*The Secretary of State to the Ambassador of the Soviet Union  
(Novikov)*

WASHINGTON, June 13, 1946.

EXCELLENCY: Reference is made to your note of May 17, 1946. The Government of the United States has noted that the Government of the Union of Soviet Socialist Republics is now prepared to extend the scope of the negotiations so as to include a preliminary exchange of opinions on the questions specified under (a), (b) and (c) of this Government's note of April 18, 1946. At the same time the Government of the United States must reaffirm the view, expressed in its note of February 21, 1946, that the settlement of all the questions enumerated in that note is necessary to provide a sound basis for the mutually beneficial development of economic and financial relations between the United States and the Union of Soviet Socialist Republics. Accordingly, while the Government of the United States welcomes the willingness of the Government of the Union of Soviet Socialist Republics to widen the scope of the negotiations, it is unable to agree to a merely preliminary exchange of opinions on some of the questions to be included in the negotiations.

Taking account of the views of the Government of the Union of Soviet Socialist Republics as set forth in your note of May 17, 1946, the Government of the United States makes the following proposals with regard to the procedure to be followed in arriving at a comprehensive settlement of these questions.

(1) Negotiations on the following questions to begin at an early date, preferably July 10, 1946:

a. The request of the Government of the Union of Soviet Socialist Republics for a credit of one billion dollars.

b. Preliminary discussions of a comprehensive treaty of friendship, commerce, and navigation between the United States and the Union of Soviet Socialist Republics and agreement to enter into negotiations in the near future for the conclusion of such a treaty.

c. Methods for giving effect to the terms of Article VII of the Soviet Master Lend-Lease Agreement of June 11, 1942, such as are suggested in this Government's "Proposals for Expansion of World Trade and Employment", which were transmitted to the Government of the Union of Soviet Socialist Republics on December 21, 1945.

d. General settlement of lend-lease obligations in accordance with the provisions of the Soviet Master Lend-Lease Agreement, concluded on June 11, 1942, between the Governments of the United States and the Union of Soviet Socialist Republics, on the basis of an inventory of lend-lease supplies in the possession

of the Union of Soviet Socialist Republics or subject to its control at the end of hostilities, as indicated in the note on this subject addressed by this Government to the Government of the Union of Soviet Socialist Republics on February 18, 1946.

*e.* Claims of American nationals against the Government of the Union of Soviet Socialist Republics including claims arising from actions of the Union of Soviet Socialist Republics in occupied and liberated areas.

*f.* Determination of concerted policies to be followed by the United States and the Union of Soviet Socialist Republics together with the United Kingdom, under the terms of the agreement reached at the Crimea Conference, in assisting the peoples liberated from the domination of Nazi Germany and the peoples of the former Axis satellite states of Europe to solve by democratic means their pressing economic problems.

*g.* Arrangements to assure adequate protection of the interests of inventors and of writers and other holders of copyrights.

*h.* Discussions of other economic questions, pertinent to the scope of negotiations as herein proposed, the settlement of which questions in the opinion of either Government would be conducive to the attainment of the aims of these negotiations.

(2) Negotiations on civil aviation matters of mutual interest to the two countries to begin two weeks after the commencement of the negotiations referred to in item (1) above.

(3) Negotiations on the following question to be held at a time to be fixed in the course of negotiations referred to in item (1) above:

“Arrangements to guarantee that navigation on rivers of international concern should be free and open on terms of entire equality to nationals, vessels of commerce, and goods of all members of the United Nations.”

(4) It is further proposed that the negotiations herein referred to be held in Washington.

The Government of the United States wishes to reiterate its view that neither the present correspondence, nor such negotiations in Washington as may result from this correspondence, nor the outcome of these negotiations should in any way preclude or postpone the separate discussion and settlement of the matters enumerated in this note. In particular, nothing in the present note should be so interpreted as to preclude or postpone negotiation and settlement of these matters at the forthcoming Conference of Foreign Ministers.

The Government of the United States begs to call the attention of the Government of the Union of Soviet Socialist Republics to the last paragraph of this Government's note of April 18, 1946, referring to the adherence of the Government of the Union of Soviet Socialist Republics to the International Monetary Fund and the International Bank for Reconstruction and Development. The Government of the United States wishes to reaffirm the view expressed therein that suc-

cessful conclusion of the proposed financial and economic discussions will be facilitated by cooperation of the two Governments in these two of the principal United Nations organizations designed to further international economic progress.

The Government of the United States would appreciate an early reply to the present note.

Accept [etc.]

JAMES F. BYRNES

861.24/6-2746

*Revised Draft of Proposed Agreement Between the Governments of the United States and the Soviet Union on Settlement of Lend-Lease and Reciprocal Aid and War Claims*

CONFIDENTIAL

[WASHINGTON,] June 27, 1946.

Pursuant to the agreement of June 11, 1942 between the Governments of the United States of America and the Union of Soviet Socialist Republics on the principles applying to mutual aid in the prosecution of the war against aggression, the undersigned being duly authorized by their respective Governments have agreed as follows:

1. The following shall be a complete and final settlement for lend-lease and reciprocal aid, not otherwise provided for under the Agreement of October 15, 1945<sup>28</sup> or under such agreements as were concluded in accordance with the terms set forth by the Government of the United States of America on May 30, 1945.<sup>29</sup> It shall also be a complete and final settlement of all claims of each Government against the other arising during World War II. In making this settlement both Governments have taken full cognizance of the benefits already received by them in defeat of their common enemies. They have also taken full cognizance of the general obligations assumed by them in Article VII of the agreement of June 11, 1942 and the understandings reached this day with regard to commercial policy. (Pursuant to this settlement both Governments will continue to discuss arrangements for the attainment of the economic objectives referred to in Article VII of the Agreement of June 11, 1942.) In the light of the foregoing, both Governments concur that no further benefits will be sought as consideration for lend-lease and reciprocal aid and for claims arising from the conduct of World War II.

2. (a) The term "Lend-Lease Article," as used in this agreement, means any article (a) transferred prior to September 20, 1945 by the Government of the United States under the Act of March 11, 1941<sup>30</sup> to the Government of the Union of Soviet Socialist Republics or

<sup>28</sup> *Foreign Relations*, 1945, vol. v, p. 1043.

<sup>29</sup> *Ibid.*, p. 1009.

<sup>30</sup> 55 Stat. 31.

(b) transferred to any other government under that Act and retransferred prior to September 20, 1945 to the Government of the Union of Soviet Socialist Republics.

(b) The term "reciprocal aid article" as used in this agreement means any article transferred by the Government of the Union of Soviet Socialist Republics to the Government of the United States during the period June 22, 1941 to September 20, 1945 without specific arrangements for payment.

3. (a) The Government of the Union of Soviet Socialist Republics hereby acquires and shall be deemed to have acquired on September 20, 1945, without qualification as to disposition or use, full title to all lend-lease articles transferred on or before September 20, 1945, other than those covered by paragraphs 6 and 8 hereof.

(b) The Government of the United States hereby acquires and shall be deemed to have acquired on September 20, 1945, without qualification as to disposition or use, full title to all reciprocal aid articles transferred on or before September 20, 1945.

(c) As consideration for the acquisition of title to lend-lease and reciprocal aid articles by the two governments as set forth above there shall be due to the Government of the United States from the Government of the Union of Soviet Socialist Republics a net sum of \$ . . . . .

4. The two Governments hereby agree that all financial claims whatsoever of one Government against the other which arose out of lend-lease or reciprocal aid or otherwise arose, on or after June 22, 1941 and prior to September 2, 1945, out of or incidental to the conduct of World War II, and which are not otherwise mentioned in this agreement, are hereby waived and neither Government will hereafter raise or pursue any such claims against the other. As consideration for the waiver of claims by the two Governments there shall be due from the Government of the . . . . . to the Government of the . . . . . a net sum of \$ . . . . .

5. (a) The total amount due under this agreement shall be the total of the net sums specified in paragraphs 3 and 4 above, namely: \$ . . . . . due from the Government of the Union of Soviet Socialist Republics to the Government of the United States. Payment of this total amount shall be made by the Government of the Union of Soviet Socialist Republics in dollars except as provided in paragraph 7 of this agreement on or before July 1976 in twenty-two annual installments, the first of which shall become due and payable on July 1, 1955. The amounts of the annual installments shall be as follows: each of the first four installments shall be \$ . . . . [an

amount equal to 2.5 percent of the total amount];<sup>31</sup> each of the next four installments shall be \$ . . . . [an amount equal to 3.5 percent of the total amount]; each of the next four installments shall be \$ . . . . [an amount equal to 4.5 percent of the total amount]; each of the next four installments shall be \$ . . . . [an amount equal to 5.5 percent of the total amount]; and each of the last six installments shall be \$ . . . . [an amount equal to 6 percent of the total amount]. Interest on the unpaid balance of the total amount as set forth above shall be paid by the Government of the Union of Soviet Socialist Republics at the fixed rate of 2¾ percentum per annum accruing from July 1, 1946. Interest shall be payable annually, the first payment to be made July 1, 1947.

(b) The obligation of the Government of the Union of Soviet Socialist Republics may be discharged by the delivery of gold at points as may be designated by the Government of the United States. Such gold will be valued at the buying price of gold as specified in the regulations issued under the Gold Reserve Act of 1934 in effect at the time of each delivery.

(c) If by agreement of both Governments it is determined that, because of extraordinary and adverse economic conditions arising during the course of payment, the payment of a due installment would not be in the joint interest of the United States of America and the Union of Soviet Socialist Republics, payment may be postponed for an agreed upon period.

(d) The Government of the Union of Soviet Socialist Republics may anticipate the payment of any installment of principal, or any part thereof, provided that this right of anticipation may not be exercised when any installment of principal or interest is past due and unpaid.

6. (a) The Government of the United States of America reserves the right to recapture at any time after September 1, 1945 any lend-lease articles in the categories listed in Appendix I hereto<sup>32</sup> which, as of the date upon which notice requesting return is communicated to the Government of the Union of Soviet Socialist Republics, are not destroyed, lost, consumed or disposed of in accordance with this agreement. The Government of the United States does not intend to exercise generally this right of recapture. Whenever the Government of the United States notifies the Government of the Union of Soviet Socialist Republics that it desires the return of any lend-lease articles under this paragraph, the Government of the Union of Soviet Socialist Republics will make the necessary arrangements for effecting

<sup>31</sup> Brackets in this paragraph appear in the original.

<sup>32</sup> Not printed.

the physical return of such articles to the custody of the Government of the United States at such points as the latter may designate and will use its best endeavors to see that all reasonable care is exercised in order to prevent loss of or damage to such articles during the process of return. Full responsibility in connection with any lend-lease articles covered by this paragraph not recaptured or accepted for return by the Government of the United States shall lodge with the Government of the Union of Soviet Socialist Republics. The Government of the United States may decline to accept any lend-lease articles covered by this paragraph which may be offered for return. Except as provided in paragraph 6(b) hereof the Government of the Union of Soviet Socialist Republics shall not be required to notify the Government of the United States before disposing of or abandoning any lend-lease articles covered by this paragraph which become surplus to the requirements of the Government of the Union of Soviet Socialist Republics.

(b) Retransfers of lend-lease articles in the categories listed in Appendix I hereto shall not be made by the Government of the Union of Soviet Socialist Republics without the prior consent of the Government of the United States.

7. (a) The Government of the Union of Soviet Socialist Republics agrees to transfer to the Government of the United States local currency of the Government of the Union of Soviet Socialist Republics as follows:

(1) An amount not to exceed the equivalent of 10,000,000 United States dollars to be transferred in annual installments beginning on July 15, 1947 if and when requested by the Government of the United States but any one installment not to exceed an amount equivalent to 500,000 United States dollars. The amounts so transferred will be used to defray the expenses of United States citizen students who may be selected by the Government of the United States with the approval of the Union of Soviet Socialist Republics for study at centers of learning in the Union of Soviet Socialist Republics. Such expenses may include the cost of passage of such students to and from the United States on Soviet operated vessels. It is agreed that the Government of the Union of Soviet Socialist Republics will render all possible assistance to the Government of the United States and to the selected students in providing for their welfare while studying in the Union of Soviet Socialist Republics.

(2) Such other amounts as the Government of the United States may request at any time or times for the payment of any or all expenditures in the Union of Soviet Socialist Republics of the Government of the United States and its agencies.

The dollar equivalent of local currency of the Union of Soviet Socialist Republics transferred under this sub-paragraph shall be



credited to the amounts payable under the terms of paragraph 5 hereof: first to past due interest, if any, and then pro rata to all remaining unpaid installments of principal in amounts adjusted to the proportionate size of such installments. This dollar equivalent shall be computed on a basis of such exchange rate (par value) as may be established by the International Monetary Fund provided that both countries are members thereof when such rate is used. If there is no such rate, the rate shall be that rate most favorable to the United States which was used in any transaction of the Union of Soviet Socialist Republics with any party during the twelve months period preceding the transaction under the terms of this agreement for which an exchange rate is required. Any amounts so transferred shall not be in excess of the balance of principal then outstanding, plus matured interest as provided in paragraph 5 hereof. Except by mutual agreement between the two Governments, the Government of the United States shall not be entitled to receive in any single calendar year local currency of the Union of Soviet Socialist Republics under the terms of this sub-paragraph or other benefits under the terms of sub-paragraph 7 (b) the combined total value of which is in excess of the equivalent of . . . . . United States dollars.

7. (b) When the Government of the United States wishes to acquire any interest in property, real or personal, tangible or intangible, or to improve any property in which it has an interest, the Government of the United States will request at any time or times and the Government of the Union of Soviet Socialist Republics agrees at any such time or times to enter into negotiations with the Government of the United States and to use its best efforts to consummate without any undue delay appropriate contracts by mutual agreement wherein the Government of the Union of Soviet Socialist Republics will furnish to the Government of the United States the interest in properties or improvements which it desires or which its representatives have selected, at fair terms and prices. With reference to properties required for the housing of official activities of the Government of the United States, such as the diplomatic and consular services and their attached personnel in the Union of Soviet Socialist Republics, and with reference to a student hostel in Moscow for the housing of United States citizen students it is mutually agreed that the responsible agencies of the Government of the United States and the Government of the Union of Soviet Socialist Republics shall cooperate in the selection of suitable sites and the preparation of plans and specifications for appropriate buildings to be constructed as soon as possible thereon by the Government of the Union of Soviet Socialist Republics under joint supervision. The use of such land and buildings shall be for a long term of years. When

performance of any such contract is made by the Government of the Union of Soviet Socialist Republics the United States dollar equivalent of the fair value received, computed at an exchange rate as provided in sub-paragraph 7 (a) hereof, shall be credited to the amounts payable under the terms of paragraph 5 hereof: first to past due interest, if any, and then pro rata to all remaining unpaid installments of principal in amounts adjusted to the proportionate size of such installments. The total value of property to be delivered by the Government of the Union of Soviet Socialist Republics in any calendar year shall be subject to the annual limitation of . . . . . specified in sub-paragraph 7 (a) hereof.

8. (a) Ships, boats, barges and floating drydocks of the United States Navy transferred to the Government of the Union of Soviet Socialist Republics under the provisions of the Act of March 11, 1941 as supplemented by the Act of February 19, 1943 and not destroyed or lost shall be returned by the Government of the Union of Soviet Socialist Republics at places to be designated by the Government of the United States. Such returns shall be effected not later than 90 days following the signing of this agreement. A list of such vessels transferred is set forth in Appendix IIA.<sup>33</sup>

(b) Dry cargo vessels, tankers and other merchant watercraft listed in Appendix IIB<sup>33</sup> and not destroyed or lost shall be returned forthwith to the custody of the Government of the United States at United States ports.

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861.24/6-1346

*Memorandum by the Under Secretary of State (Acheson) to Thomas B. McCabe, Special Assistant to the Secretary of State and Foreign Liquidation Commissioner*

[WASHINGTON,] June 29, 1946.

I have your letter of June 13<sup>34</sup> in which you state that you are now prepared to negotiate further the terms of the agreement with the Soviet Government covering the \$100,000,000 credit for the purchase of surplus property and request advice as to the course to pursue. It is my understanding that you are now ready to make counter proposals to the terms suggested by the Soviet representatives on April 13.

I believe it would be in order for you to proceed with these negotiations and to make the counter proposal which you have in mind.

If the Department can be of assistance in any respect in connection with these negotiations, please do not hesitate to call upon the appropriate officers.

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<sup>33</sup> Lists not attached to file copy.

<sup>34</sup> Not printed.

861.24/7-2446

*Memorandum by the Under Secretary of State (Acheson) to the Deputy Director of the Office of European Affairs (Hickerson)*

[WASHINGTON,] July 24, 1946.

MR. HICKERSON: I discussed the matter of reviving the project to sell surplus property to the Soviet Union as set forth in your memorandum,<sup>36</sup> with special reference to the need for using some of the proceeds for the betterment of our Embassy staff facilities in Moscow. After going over the matter thoroughly, the Secretary instructed me that he did not wish to raise the matter at this time.

I have given this information to Mr. McCabe. For your information, Mr. McCabe says that this conclusion accords with the necessities of the case in that (a) the Soviet Union has not accepted the terms of the credit; (b) it does not wish to acquire any of the property presently declared surplus in Europe; (c) it wishes us to declare additional property surplus; and (d) it wishes to inspect surplus property in the Pacific.

D[EAN] A[CHESON]

861.24/5-646

*The Secretary of State to the Chargé of the Soviet Union (Orekhov)*<sup>37</sup>

WASHINGTON, July 26, 1946.

SIR: Among the ships transferred to the Soviet Government under lend-lease arrangements by the United States Navy Department are the following three ice-breakers: CR-96 *North Wind*, CR-98 *South Wind*, and CR-99 *West Wind*.

In view of the United States Government's pressing need for these vessels, the Soviet Government is requested to make them immediately available for return. Upon receipt of advice from your Government that these vessels are ready for return, the United States Government will designate a port of delivery.

Accept [etc.]

JAMES F. BYRNES

<sup>36</sup> No copy of a memorandum by Mr. Hickerson found in Department files.

<sup>37</sup> Secretary of State Byrnes in a letter on this same day informed Secretary of the Navy Forrestal that a note was being sent to the Soviet Union asking for the return of three ice-breaker ships, as had been requested in Mr. Forrestal's letter of May 6. The Secretary of State also wrote: "Officers of your department will of course be consulted whenever any action is contemplated with respect to the vessels in question." (861.24/5-646)

861.51/8-2946

*Memorandum by the Acting Chief of the Division of Lend-Lease and Surplus War Property Affairs (Matlock) to the Director of the Office of Financial and Development Policy (Ness)*

[WASHINGTON,] September 3, 1946.

The Department has taken the position heretofore that the negotiation of a loan to the Soviet Government should be coupled with discussions of a number of outstanding economic questions such as a comprehensive treaty of friendship, commerce, and navigation; methods of giving effect to the terms of Article VII of the Soviet Master Lend-Lease Agreement of June 11, 1942 (including the Department's "Proposals for Expansion of World Trade and Employment ["]") and the general settlement of lend-lease obligations in accordance with the provisions of the Master Agreement.

In view of recent developments which preclude the immediate possibilities of a loan to the Soviet Union either through the Export-Import Bank or by direct Congressional action feeling has grown among those familiar with the Soviet situation that it might be advisable to initiate a Lend-Lease settlement independently of a loan and other economic matters. The attached memorandum<sup>38</sup> from Mr. Truesdell<sup>39</sup> to me sets forth the advantages and disadvantages of following this course.

As Mr. Havlik<sup>40</sup> mentioned in his memorandum to you dated August 23, 1946,<sup>41</sup> Mr. Clayton has given his opinion that a lend-lease settlement with the Soviet Union should be attempted independently of other economic questions. Accordingly a note to the Soviet Government proposing the commencement of negotiations in the near future is being prepared by this Division for clearance within the Department.<sup>42</sup>

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740.00119 Council/9-1146: Telegram

*The Acting Secretary of State to the Secretary of State, at Paris*<sup>43</sup>

TOP SECRET  
US URGENT

WASHINGTON, September 11, 1946—noon.

4738. Secdel 865. Clayton to Secretary. If you approve we plan request within few days that USSR begin lend-lease settlement dis-

<sup>38</sup> Memorandum of August 29, 1946, not printed.

<sup>39</sup> George E. Truesdell of the Division of Lend-Lease and Surplus War Property Affairs.

<sup>40</sup> Hubert F. Havlik, Acting Chief of the Division of Investment and Economic Development.

<sup>41</sup> Not printed.

<sup>42</sup> See the note of September 14, 1946, p. 854.

<sup>43</sup> The Secretary of State was chairman of the U.S. delegation to the Paris Peace Conference, held July 29–October 15, 1946.

cussions here early date say 15 October apart from any discussion billion dollar loan and from other questions heretofore mentioned in correspondence USSR as part of group of related economic questions. Proposed note to USSR will mention only lend-lease matters. Discussions would cover matters under Soviet Master Lend-Lease Agreement, including Article VII thereof extent feasible, and including matter of vessels to be returned or purchased in accordance United States law. Remoteness of loan prospect and other considerations of which you are aware commend this course. May we proceed.<sup>44</sup>

CLAYTON

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861.24/9-1446

*The Acting Secretary of State to the Chargé of the Soviet Union  
(Orekhov)*<sup>45</sup>

WASHINGTON, September 14, 1946.

SIR: The Government of the United States, recognizing the outstanding contribution of the Union of Soviet Socialist Republics in the prosecution of the war against the common enemy, rendered assistance to the Government of the Union of Soviet Socialist Republics in the form of military supplies, raw materials, industrial equipment, food and services under the terms of the Moscow Protocol of October 1, 1941 and subsequent Protocols, and under other arrangements which accorded with the changing war situation. The Government of the United States provided lend-lease aid to the Government of the Union of Soviet Socialist Republics in accordance with the terms and conditions of the "Master Lend-Lease Agreement" executed by the two Governments on June 11, 1942. In this agreement it was declared to be "expedient that the final determination of the terms and conditions upon which the Government of the Union of Soviet Socialist Republics receives such aid and of the benefits to be received by the United States of America in return therefor should be deferred until the extent of the defense aid is known and until the progress of events makes clearer the final terms and conditions and benefits which will be in the mutual interests of the United States of America and the Union of Soviet

<sup>44</sup> The Secretary of State replied in telegram 4588, Delsec 939, September 12, 5 p. m., from Paris, that he concurred fully in this proposed procedure, and hoped that the question would be pressed vigorously (740.00119 Council/9-1246).

<sup>45</sup> The Department advised the Embassy in Moscow by telegram 1658 on September 16, that this note had been dispatched to the Embassy of the Soviet Union in Washington. It pointed out that there was a change in approach to negotiations, by limiting discussions to topics connected with the settlement of lend-lease, while reaffirming the position taken in the note of March 18 on the purchase or return of vessels lend-leased during the war, and reiterating the demand of July 26 for the return of 3 ice-breakers to the Navy. The text of this note was sent to the Embassy in Moscow in telegram 2170 on December 23. For extracts from this telegram, see p. 860.

Socialist Republics and will promote the establishment and maintenance of world peace.”

The Government of the United States considers it appropriate that discussions be initiated in the near future for the purpose of making the final determination referred to in the Master Lend-Lease Agreement of June 11, 1942 and proposes that such discussions be held in Washington and commence on or before October 15, 1946. It is further proposed that these discussions be limited to the topics covered by the Master Lend-Lease Agreement of June 11, 1942. If the above meets with the approval of your Government, it is requested that an indication be made to the Government of the United States at an early date of the names of those persons authorized to represent the Government of the Union of Soviet Socialist Republics in these discussions.

The Government of the United States reaffirms the position set forth in its note of March 18, 1946 that the purchase of dry-cargo vessels, tankers and other merchant vessels, use and custody of which were transferred to the Government of the Union of Soviet Socialist Republics under the Lend-Lease Act, is governed by existing statutes of the United States and those vessels not purchased must be returned to the Government of the United States in conformity with such statutes. The Government of the United States desires that the discussion of the disposition of these vessels also commence on or before October 15, 1946.

With regard to the note of the Secretary of State dated July 26, 1946 concerning the return to the Government of the United States of three icebreakers of the United States Navy, use and custody of which were transferred to the Soviet Government under the Lend-Lease Act, the Government of the United States reiterates its need for these vessels and requests that it be advised as soon as possible when these vessels will be ready for return.

Accept [etc.]

WILLIAM L. CLAYTON

861.24/10-3146

*The Department of State to the Embassy of the Soviet Union*

AIDE-MÉMOIRE

On September 14, 1946 the Acting Secretary of State addressed a note to the Embassy of the Union of Soviet Socialist Republics proposing that discussions commence in Washington on or before October 15, 1946 for the purpose of arriving at a final determination of the obligations of our two Governments in accordance with the terms of the Master Lend-Lease Agreement of June 11, 1942. This note further proposed that these discussions be limited to the topics covered by the Master Lend-Lease Agreement of June 11, 1942 and

requested that, if this proposal met with the approval of the Government of the Union of Soviet Socialist Republics, an indication be made to the Government of the United States at an early date of the names of those persons authorized to represent the Government of the Union of Soviet Socialist Republics in these discussions.

This note reaffirmed the position of the Government of the United States, as set forth in its note of March 18, 1946, that the purchase of dry-cargo vessels, tankers and other merchant vessels, use and custody of which were transferred to the Government of the Union of Soviet Socialist Republics under the Lend-Lease Act, is governed by existing statutes of the United States and that those vessels not purchased must be returned to the Government of the United States in conformity with such statutes. The Government of the United States expressed its desire that discussion of the disposition of these vessels also commence on or before October 15, 1946.

This note requested advice from the Government of the Union of Soviet Socialist Republics as to when three ice-breakers of the United States Navy, use and custody of which were transferred to the Soviet Government under the Lend-Lease Act, would be ready for return to the Government of the United States as previously requested in the note of the Secretary of State dated July 26, 1946.

The Government of the United States desires to be informed as to when it may expect a reply to its note of September 14, 1946.

WASHINGTON, October 31, 1946.

861.24/11-2746

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*The Lend-Lease Administrator (Lane) to the Chairman of the Government Purchasing Commission of the Soviet Union in the U.S.A. (Eremin)*

WASHINGTON, November 27, 1946.

DEAR MR. EREMIN: This will confirm the substance of our conversation of Saturday morning, the 16th, concerning the shipment to the Soviet Union of lend-lease pipeline goods after December 31, 1946.

The Agreement of October 15, 1945, which relates to these goods, provides that they shall be made available subject to the Act of Congress of March 11, 1941, as amended, and acts supplementary thereto. Such a supplementary act was passed in July of this year making available a sum of money for the administrative expenses of this Government in connection with the procurement and delivery of lend-lease goods, but providing that no part of the appropriation was to be used for expenses incident to the shipment of such goods abroad

after December 31, 1946.<sup>46</sup> It was thought by this office that the intent of the Congress was to place a limitation only upon the use of the particular funds appropriated in July, but we have recently been advised by the Comptroller General that in his judgment of [*the?*] language of the appropriation act has the effect of prohibiting the use of any appropriated funds whatsoever for the stated purposes after December 31.

Present information indicates that there will be some material requested for delivery under the Agreement of October 15, 1945 remaining unshipped at the end of the year.

In order to meet the difficulties created by this situation, I propose that the practices which have been followed under the Agreement of October 15, 1945, be modified in the respect that the Soviet Union will take over at factory all goods which cannot be shipped prior to December 31, 1946, and will handle all storage, transportation, shipment, etc., from that point on. This course will remove the difficulty with respect to the unavailability of funds to meet accessorial expenses. Administrative expenses for the activities of the Treasury connected with the procurement of the materials involved will still have to be met; and to this end I propose that the Soviet Union make available to the United States not later than December 15th of this year a sum in cash equal to 2½% of the procurement cost of the materials involved. This sum of 2½% will be deducted from the amount which will be billed to your Government under the Agreement of October 15, 1945.

If in any particular instances it is impracticable for the Soviet Union to take over materials at factory, the Treasury will be prepared to continue to handle transportation, with its incidental operations, to shipside, but for this purpose will need, likewise by December 15th, an additional cash payment equivalent to 10% of the procurement cost of the goods involved. It is hoped that no such instances will arise, and that in any event they will be kept to the minimum. Of course, to the extent that the Soviet Union thus supplies the funds for handling goods to shipside, no charge for such handling will be included in the bill under the Agreement of October 15, 1945.

If the course outlined above is in general agreeable to your Government, I will be pleased to arrange prompt conferences to work out the detailed mechanics involved. In the course of these conferences I propose, as indicated to you in our discussion, that every effort shall be made to reach mutual agreement on the cancellation of as many contracts as possible where it appears that delivery cannot be secured in the reasonably near future.

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<sup>46</sup> Third Deficiency Appropriation Act, approved July 23, 1946; 60 Stat. 600, 604.



I wish to assure you that we have carefully considered every aspect of the rather unfortunate situation which presents itself, and feel that the only alternative to the foregoing proposal is the cancellation on December 15 of those contracts under which delivery cannot be anticipated before the first of next year.

It is understood that you are presently communicating with your Government at Moscow and will advise me of its acceptance or rejection of this proposal as soon as possible.<sup>47</sup>

Sincerely yours,

CHESTER T. LANE

861.24/12-346

*Memorandum by the Under Secretary of State for Economic Affairs  
(Clayton) to the Secretary of State*

TOP SECRET

[WASHINGTON,] December 3, 1946.

Our proposals to the Soviet Government for initiation of lend-lease settlement discussions remain unanswered. I bring this matter to your attention as you may wish to discuss it with the Soviet Foreign Minister<sup>48</sup> while he is in this country.

On September 14, 1946 a note, copy of which is enclosed,<sup>49</sup> was forwarded to the Soviet Chargé d'Affaires ad interim, Mr. Fedor T. Orekhov, proposing that discussions be initiated in Washington on or before October 15, 1946 for the purpose of reaching a final settlement of U.S.-U.S.S.R. lend-lease obligations. The proposal limited such discussions to topics covered by the Lend-Lease Agreement of June 11, 1942. This note contained separate reference to our note of March 18, 1946 which requested the purchase or return of all U.S. merchant vessels transferred under lend-lease and reiterated that the purchase of merchant vessels transferred under lend-lease is governed by U.S. statutes and those vessels not purchased must be returned. It also reiterated the United States request of July 26, 1946 for the return of three Navy icebreakers transferred under lend-lease.

Having no reply to the note of September 14, I called in the Soviet Chargé d'Affaires ad interim, Mr. Vavilov,<sup>50</sup> on October 31 and in the course of conversation handed him an *aide-mémoire* which reviewed the note of September 14 and asked when a reply might be expected.

No reply has been received.

Original United States proposals for lend-lease settlement discussions were made in a note dated February 21, 1946. This was in the

<sup>47</sup> Chairman Eremin, in a telegram to Mr. Lane on December 16, confirmed by letter on the same day, stated that the answer of his Government would be made known to Mr. Lane on December 23 or 24 (861.24/12-1646).

<sup>48</sup> Vyacheslav Mikhailovich Molotov.

<sup>49</sup> See p. 854.

<sup>50</sup> Mikhail Sergeyevich Vavilov, First Secretary of Embassy of the Soviet Union.

form of a reply to a memorandum of August 28, 1945 from Lieutenant General L. G. Rudenko, Chairman of the Government Purchasing Commission of the Soviet Union in the U.S.A., requesting an Export-Import Bank credit of one billion dollars. The original proposals coupled the settlement of lend-lease obligations, claims of American nationals, assistance to peoples of liberated areas, freedom of navigation on international waterways, preliminary discussions of a treaty of friendship, commerce and navigation, a copyright convention, civil aviation and other economic matters to the question of the one billion dollar credit. Subsequent correspondence regarding the agenda of credit discussions resulted in a lack of agreement. The note of September 14 in effect departed from previous policy by proposing discussion of lend-lease matters independently of credit discussions.

Total lend-lease aid rendered to the Union of Soviet Socialist Republics amounted to approximately \$11 billion, the second largest amount rendered to any nation.\* Reverse lend-lease aid was negligible amounting to about \$3,000,000. Settlements have been effected with the United Kingdom, France, India, Belgium, Australia, New Zealand, and Turkey. Negotiations are now in progress for settlements with the Netherlands, Norway, and the Union of South Africa. Soviet failure to indicate its intent to discuss the settlement of our second largest lend-lease account is not yet public knowledge. However, the press is aware of our attempts to initiate discussions and failure in this regard may cause considerable public comment in the near future. The use by the Soviet Government of U.S. merchant vessels without charge in competition with the U.S. merchant marine and the merchant marines of other countries which have purchased or returned U.S. vessels may require a public statement in the near future.

W[ILLIAM] L. C[LAYTON]

861.24/12-1746

*The Lend-Lease Administrator (Lane) to the Chairman of the the Government Purchasing Commission of the Soviet Union in the U.S.A. (Eremin)*

WASHINGTON, December 17, 1946.

DEAR MR. EREMIN: Your letter of December 16, 1946,<sup>51</sup> in reference to mine of November 27th, has just been received.

As you are aware, the request of my letter of November 27th was that your Government make available the necessary funds not later

\*The amount shown represents aid rendered to V-J Day, September 1945. Disposition of most of the residual materials in the U.S.S.R. lend-lease "pipeline" (\$244,000,000) was effected under an agreement dated October 15, 1945. [Footnote in the original.]

<sup>51</sup> Not printed; but see footnote 47, p. 858.

than December 15, 1946. This was not a casually selected date, but bore a direct relation to the very acute problems of the Treasury Department in working out a method of making possible continued delivery of pipeline goods after December 31st. For your information, each of the other governments concerned has already given its answer to my proposal, and made the deposit of the necessary funds.

In any further consideration given to the matter by your Government, either here or in Moscow, there should be kept clearly in mind the fact that no further deliveries whatsoever of these pipeline goods can be made after December 31, 1946, unless and until the Treasury Department has been furnished with the necessary deposit of 2½% of the procurement cost of the goods to be delivered. This applies even to goods of which your government is prepared to take delivery at factory or warehouse, and of course includes any portion of the refinery equipment which may still be undelivered as of that date.

Also, in order to enable the Treasury Department to make plans for the number and type of personnel which will be retained after December 31, 1946, we will have to begin immediately a careful consideration of the question of cancellation of contracts on which production is not expected to be completed by that date.

You will of course understand from my letter of November 27th that entirely apart from the 2½% of procurement cost required to be deposited to cover Treasury administrative expenses, the Treasury Department must also be put in funds in advance for any accessorial expenses which it may be called on to incur after December 31, 1946. One such expense which, from a practical point of view, it appears necessary for the Treasury to handle on your behalf is the expense of storage; and present Treasury estimates are that storage charges, during the initial period, will run in the neighborhood of \$50,000 a month. Funds to cover storage for a period of two months should be put up with the Treasury Department, on the understanding that upon determination of actual charges appropriate adjustments will be made, either by refunds to your Government or by additional payments by your Government to the Treasury, as the case may be.

Yours sincerely,

CHESTER T. LANE

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861.24/12-2346 : Telegram

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

TOP SECRET

WASHINGTON, December 23, 1946—6 p. m.

2170. From Clayton. USSR having failed to respond our note of September 14 and *aide-mémoire* of Oct 31 proposing early initiation negotiations Washington regarding lend-lease settlement and dis-

position of lend-lease merchant vessels, and requesting return three naval ice-breakers, unless you perceive good reason to contrary Secretary desires you make vigorous representations these matters earliest opportunity with highest level Foreign Office.<sup>52</sup>

[Here follows text of the United States note of September 14, 1946, printed on page 854.]

*Aide-Mémoire* handed Soviet Chargé by Clayton on Oct 31 reviewed note of Sept 14 and asked when a reply might be expected.

[Here follows the fifth paragraph of the memorandum of December 3, 1946, by Under Secretary of State for Economic Affairs Clayton, printed on page 858.]

Presently impossible to revert to previous position since loan of billion dollars to USSR a remote prospect. We must insist on separate discussion lend-lease settlement.

Total lend-lease aid to USSR amounted approximately \$11 billion, second largest amount rendered any nation. This amount represents aid rendered to V-J Day, September 1945. Disposition of most of residual materials in USSR lend-lease "pipeline" (\$244,000,000) was effected under an agreement dated October 15, 1945. Reverse lend-lease aid from USSR was negligible, amounting to about \$3,000,000. Settlements have been effected with the UK, France, India, Belgium, Australia, New Zealand, and Turkey. Negotiations are now in progress for settlements with Netherlands, Norway, and Union of South Africa.

USSR has never provided inventory of lend-lease articles as of V-J Day notwithstanding our several requests, but we have not insisted since US estimates regarded here as adequate for settlement purposes and we do not want preparation of inventory statement to provide USSR with excuse for delaying settlement.

If your representations of no avail, full publicity would be given to the details of our efforts to arrange the initiation of settlement discussions under agreement of June 11, 1942, and to lack of cooperation of USSR regarding merchant vessels and the ice-breakers.

Return of both merchant and naval vessels is a statutory requirement, although sale of merchant vessels can be effected after their constructive return pursuant to applicable statutes. Certain naval vessels also can be sold if declared surplus by US Navy after return. If representations of no avail the President would be requested to declare the emergency ended for purposes of article V of the Soviet Master Agreement so that the legal position would be perfected for demand-

<sup>52</sup> Ambassador Smith replied in telegram 4472, December 27, noon, from Moscow, that he had asked for an appointment with Foreign Minister Molotov and would advise the Department as early as possible of the result. He agreed on the need for pressing for an answer. (861.24/12-2746)

ing the return of lend-lease naval and merchant vessels. The right of recapture by US extends technically to all lend-lease articles not lost, consumed, or destroyed. General exercise of this right would of course be impracticable.

The Amer press is generally aware of US invitation of Sept 14 to begin lend-lease settlement discussions and is expected shortly to press for statement of progress.

Additional background is contained in economic section of policy and information statement for USSR as of Sept 16, forwarded to Durbrow by Hilton on September 19, 1946. More complete background and copies of documents are being forwarded by air pouch.

The Foreign Office may confront you with some comment about undelivered "pipeline items" under the agreement of October 15, 1945. Department regards failure of last deliveries under Pipeline Agreement irrelevant to initiation of lend-lease settlement discussions, but following information given you as background.

Congress in appropriating funds for lend-lease purposes last July included a proviso prohibiting use of any funds so appropriated for any expenditure incident to shipment abroad of any lend-lease articles after Dec 31, 1946. In order to continue deliveries USSR was asked by letter dated Nov 27 to provide funds for accessorial charges and administrative expenses and informed that unless these funds are provided deliveries must cease on Dec 31 and outstanding contracts will be cancelled. USSR representatives have indicated that their reply will be made known on Dec 23 or 24. You will be advised. The value of articles expected to remain undelivered on Dec 31 is estimated at between 20 and 30 million dollars including refineries now in the process of delivery. The cessation of deliveries may be construed by USSR as a violation of the Oct 15 agreement. However, agreement provides that "All articles and services undertaken to be provided by the Govt of the US under this Agreement shall be made available under authority and subject to the terms and conditions of the Act of Congress of March 11, 1941, as amended, and any acts supplementary thereto." Also door remains open for additional action by next Congress. Also any damages to USSR claimed as result of cessation of deliveries may be taken into account in settlement negotiations. We regard the Nov 27 proposal to USSR as reasonable and free of hardship on USSR. [Clayton.]

BYRNES

861.24/12-2446

*The Chairman of the Government Purchasing Commission of the Soviet Union in the U.S.A. (Eremin) to the Lend-Lease Administrator (Lane)*

WASHINGTON, December 24, 1946.

DEAR MR. LANE: In connection with your letters of November 27 and December 17, 1946, I am authorized to communicate to you that, in accordance with instructions, the Government Purchasing Commission of the Soviet Union in the USA is prepared to meet the request of the American party as outlined in the letters mentioned above and to deposit for administrative expenses of the Treasury Department the fund of 2½% of the procurement cost of the goods and equipment which are incompleated in production or undelivered from factories after December 31, 1946. Provided that such sum deposited will be deducted from the sum billed to my Government for the first payment of the interest under Agreement of October 15, 1945, payment of which is due on July 1, 1947.

The Government Purchasing Commission of the Soviet Union in the USA is also prepared to furnish the Treasury Department with the fund of \$100,000.00 to cover the storage charges for goods and equipment, with the understanding that, upon the determination of actual charges, appropriate adjustment will be made, either by refunds to my Government or by additional payments to the Treasury Department, as the case may be.

It is understood that the Treasury Department will continue after December 31, 1946, as it has to the present, to fulfil its functions in connection with the delivery to the Soviet Union of the goods and equipment provided for in the agreement of October 15, 1945, and the Government Purchasing Commission of the Soviet Union in the USA will pay upon presentation of invoices for the actual storage expenses, transportation and accessorial charges incident thereto.

The Government Purchasing Commission of the Soviet Union in the USA deems it necessary that the Treasury Department will take the required steps to expedite the dates of completion of production and shipment of the goods and equipment, and that the specified dates of the deliveries will be agreed upon with the Purchasing Commission.

Yours sincerely,

I. A. EREMIN

861.24/12-2646

*The Lend-Lease Administrator (Lane) to the Chairman of the Government Purchasing Commission of the Soviet Union in the U.S.A. (Eremin)*

WASHINGTON, December 26, 1946.

DEAR MR. EREMIN: I am pleased to note that your letter dated December 24, 1946 indicates that your Government is prepared to meet the request contained in my letters of November 27 and December 17, 1946, in connection with payment of administrative and accessorial expenses incident to delivery and shipment of material under agreement of October 15, 1945. We cannot however accept the proviso that the sum deposited by your Government for this purpose will be deducted from the sum due for the first payment of interest under the October 15 agreement, payment of which is due on July 1, 1947. We are willing to discuss with you at a later convenient date the exact method of readjusting the charges to your Government for the material covered by this arrangement. If you agree to such later discussion of this point, please mail immediately to the Lend-Lease Fiscal Operations Office, Treasury Department, Washington 25, D.C., a check payable to the Treasurer of the United States in the amount of \$725,000. This amount represents (a) \$100,000 to cover the cost of storage charges for two months plus (b) 2½ percent of \$25,000,000 which our records indicate is the cost of material procured by the Treasury Department that will not have been delivered to your Government from factory or warehouse before January 1, 1947. Under this arrangement your Government will make payment of transportation and accessorial charges (other than for storage on material in warehouse on December 31, 1946) directly to railroads and other parties. We are advising the railroads and other parties accordingly.

As pointed out in my previous letter, immediate payment is essential.

Sincerely yours,

For Chester T. Lane

ALDEN W. BOYD

861.24/12-2846

*The Chairman of the Government Purchasing Commission of the Soviet Union in the U.S.A. (Eremin) to the Lend-Lease Administrator (Lane)*

NEW YORK, December 28, 1946.

DEAR MR. LANE: With reference to your letter of December 26, 1946, I wish to inform you that a check in the sum of \$725,000.00 will be mailed on December 30, 1946, to the Lend-Lease Fiscal Operations

Office, Treasury Department, Washington, 25, D.C., payable to the Treasurer of the United States.<sup>53</sup>

The aforementioned amount represents: (a) \$100,000.00 to cover the cost of storage charges for two months; and (b) 2½ percent of \$25,000,000.00 as the cost of material procured by the Treasury Department that will be incompleated and undelivered from the factory, or warehouse as point of origin, after December 31, 1946.

We are willing to discuss with you, at your earliest convenience, the exact method of readjusting the charge to our Government for the material covered by this arrangement. We should appreciate your advising us of the date when we may meet for this discussion.

Sincerely yours,

I. A. EREMIN

861.24/12-3146

*The American Ambassador in the Soviet Union (Smith) to the Minister for Foreign Affairs of the Soviet Union (Molotov)*

Moscow, December 31, 1946.

DEAR MR. MOLOTOV: Confirming our conversation of yesterday evening and because of considerations which I mentioned at that time, my Government considers it of the first importance that negotiations be initiated in Washington by the representatives of the Soviet Union and those of the United States on the final settlement contemplated by the master Lend-Lease agreement executed by the two Governments on June 11, 1942, the disposition of Lend-Lease merchant vessels and the return of United States naval vessels now in the custody of the Soviet Union. I must mention that no reply has yet been received to the Note from my Government of September 14 and *Aide-Mémoire* of October 31 on the above subject, and I have accordingly been instructed to request your consideration as a matter of urgency. I will be very grateful if you will inform me at the earliest possible moment of the decision of the Soviet Government.

I am, my dear Mr. Molotov,

Sincerely yours,

W. B. SMITH

861.24/1-247: Telegram

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

TOP SECRET

Moscow, January 2, 1947—5 p. m.

[Received January 2—8:56 a. m.]

6. I talked with Molotov on lend-lease settlement before receiving

<sup>53</sup> Ambassador Smith was informed in telegram 2198, December 31, 1946, 5 p. m., to Moscow, that "our November 27 proposal regarding remaining deliveries under pipeline agreement of October 15, 1945" had been accepted, and therefore was no longer an issue (861.24/12-2746).



your 2198 on pipe line.<sup>54</sup> However he stated that he understood that this was proceeding satisfactorily. His general attitude toward lend-lease settlement was of course noncommittal as it is impossible for Soviet official, even of status of Molotov, to make direct decision in Moscow without other consultations. I presented the US point of view as vigorously as possible and followed my conversation with an *aide-mémoire*<sup>55</sup> confirming my discussion and asking for the earliest possible decision from Soviet Govt. I would hardly expect reply from Molotov before 2 weeks at best but I will follow up my *aide-mémoire* in about 10 days. We will be alert for any premature news break.<sup>56</sup>

SMITH

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**AGREEMENT ON THE ORGANIZATION OF COMMERCIAL RADIO TELETYPE COMMUNICATION CHANNELS BETWEEN THE UNITED STATES OF AMERICA AND THE UNION OF SOVIET SOCIALIST REPUBLICS**

[For text of the agreement signed at Moscow May 24, 1946, see Department of State, Treaties and Other International Acts Series (TIAS) No. 1527, or 60 Stat. (pt. 2) 1696.]

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*Editorial Note*

There is a report entitled "American Relations with the Soviet Union" included as Appendix A in the book by Arthur Krock, *Memoirs: Sixty Years on the Firing Line* (New York: Funk and Wagnalls, 1968), pages 419-482.

President Truman had directed his Special Counsel, Clark M. Clifford, to have prepared for him a summary of American relations with the Soviet Union. In the preparation of this report, Mr. Clifford consulted several persons, among whom were the Secretary of State, the Secretary of War, the Secretary of the Navy, the Attorney General, the Director of Central Intelligence, and the Joint Chiefs of Staff. The contributions received from these sources who had special knowledge in this field were assembled and summarized in the final report submitted to the President. Mr. Krock states that this report was placed on the President's desk on September 24, 1946 (page 223). A copy of the report has not been found in the files of the Department of State.

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<sup>54</sup> Not printed, but see footnote 53, p. 865.

<sup>55</sup> *Supra*.

<sup>56</sup> In reply the Department informed the Embassy in telegram 6, January 2, 7 p. m., that it proposed to tell the press on January 3 that the Embassy had taken up the question of a lend-lease settlement with the Soviet Government, and that no further announcements were contemplated before receipt of the Soviet reply. (861.24/1-247) Concerning the Department's announcement, see *New York Times*, January 4, 1947, p. 5, col. 8.

## YUGOSLAVIA

EFFORTS BY THE UNITED STATES TO ACHIEVE FRIENDLY RELATIONS WITH YUGOSLAVIA; FINAL ESTABLISHMENT OF DIPLOMATIC RELATIONS WITH YUGOSLAVIA; EFFORTS OF THE UNITED STATES TO ASSURE THE ADMINISTRATION OF THE ALLIED ZONE OF OCCUPATION IN VENEZIA GIULIA IN THE INTERESTS OF PEACE AND SECURITY; INCIDENTS OF THE DOWNING OF AMERICAN AIRCRAFT OVER YUGOSLAVIA; HARASSMENT OF AMERICAN REPRESENTATIVES IN YUGOSLAVIA

711.60H/1-446 : Telegram

*The Ambassador in Yugoslavia (Patterson) to the Secretary of State*

SECRET

BELGRADE, January 4, 1946—3 p. m.

[Received January 5—9: 15 p. m.]

11. Vice Premier Kardelj and Minister of Information Kosanovic told Fraleigh<sup>1</sup> and me "semi-officially" on Tuesday night that Marshal Tito<sup>2</sup> would like to go to America for talks with President and the other American officials. They said Marshal believes that these talks would enable him to iron out many difficulties and misunderstandings between US and Yugoslavia. Kosanovic said Marshal thought good time for visit from his point of view would be soon after formation of new Yugo Republican Govt which will be completed by February first. Kosanovic said he thought Tito would like him to go too although naturally who made up Tito's party would depend on nature of invitation from US Govt. Assistant Fon Min Velebit told Fraleigh today that Tito had spoken to him all about projected trip to America. Velebit added that both he and Marshal thought it would be helpful. According to Velebit primary purpose would be to discuss American conditions for loan to Yugo as well as to present Yugo point of view on political and economic questions.

PATTERSON

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<sup>1</sup> William N. Fraleigh, Second Secretary of Embassy.

<sup>2</sup> Josip Broz Tito, Marshal of Yugoslavia, Prime Minister and Minister of National Defense in the Yugoslav Provisional Government, March 1945-January 1946 and in the Yugoslav Central Government formed February 1, 1946; General Secretary of the Yugoslav Communist Party and President of the Central Committee of the People's Front of Yugoslavia.

711.60H/1-446 : Telegram

*The Acting Secretary of State to the Ambassador in Yugoslavia  
(Patterson)*

SECRET

WASHINGTON, January 12, 1946—10 a. m.

26. We can understand the desirability from Tito's standpoint of a visit to the US at this time for the purposes stated urtel 11 Jan. 4. However, we feel such a visit would create an impression in this country wholly inconsistent with views toward his regime in Yugoslavia expressed in Deptel 468 Dec 22<sup>3</sup> and would serve to excite unnecessary conflict among contending factions of Yugoslav-American opinion here. Moreover, as the US Govt does not intend to extend any financial credit to Yugoslavia until political conditions there improve, we would not be in a position to comply at this time with his desire for a loan.

The foregoing is for your background information. In your discretion you may inform interested Yugoslav Govt inquirers "semi-officially" that we do not believe a visit by Marshal Tito to this country now would serve a useful purpose and we consequently do not contemplate extending him such an invitation for the time being.

The President has approved the transmission to you of instructions in this sense.<sup>4</sup>

ACHESON

740.00119 EW/4-1846

*The Yugoslav Prime Minister (Tito) to President Truman*<sup>5</sup>

[Translation]

BELGRADE, February 19, 1946.

EXCELLENCY: I take this opportunity to send you in my name, as well as in the name of the peoples of Yugoslavia, cordial greetings and wishes. It is my desire to assure you of the great sympathies and gratitude of the peoples of Yugoslavia towards your country, not only for its great contribution to the victory of the United Nations over the common enemy, but also for the daily help it is giving in order to heal the wounds inflicted upon us by the war.

<sup>3</sup> Not printed; the telegram set forth the Department's instructions to Ambassador Patterson; for text of the instructions, see Department of State *Bulletin*, December 23, 1945, p. 1020.

<sup>4</sup> The substance of these instructions was given in a memorandum of January 10 by the Acting Secretary of State to President Truman. The President's handwritten endorsement on the memorandum is dated January 11. (711.60H/1-1046)

<sup>5</sup> Copy of translation sent to the Department "for attention and appropriate action" under cover of a memorandum of April 18, 1946, from William D. Hassett, Secretary to the President, not printed.

It is my sincerest wish, and it is at the same time the wish of our peoples, that the relations between our two countries should be the best possible. It is my intention that the fullest economic and cultural relations should be established between the United States and Jugoslavia.

Excellency! You know how much our country suffered from various occupiers, and you are also acquainted with its contribution to the victory over the common enemy. Therefore, I am expressing here not only my own hope, but also the hope of all our peoples, that you will give us your support when our justified claims, affecting our country, that is in the first place the question of the Julian March etc., come up for decision.

I am convinced that there is nothing between our two countries to hamper our most friendly collaboration.

With kindest regards

[File copy not signed]  
*Prime Minister*  
*of the Federative Peoples Republic*  
*of Jugoslavia*  
*Minister of National Defence*  
*Marshal of Jugoslavia*

860H.51/2-2246

*Memorandum of Conversation, by Mr. Kingsley W. Hamilton, Assistant to the Assistant Secretary of State for Economic Affairs (Clayton)*

[WASHINGTON,] February 22, 1946.

Participants: Mr. Clayton  
 Yugoslav Ambassador <sup>6</sup>  
 Mr. Hamilton

Mr. Simic called this afternoon to say good-bye and to inquire regarding the procedures for and possibility of Yugoslavia's obtaining a loan from the Export Import Bank.

Mr. Clayton said that it was doubtful whether the Export Import Bank would be in a position to make a general country loan to Yugoslavia. The Bank might be able to make a small loan for some specific purpose. However, although he was not familiar with the details of the problem, he understood that there were certain political questions at issue between Yugoslavia and the United States, particularly with respect to Venezia Giulia. It might be difficult to make any loan in such circumstances.

With some vigor Mr. Simic denied that there was any problem regarding Venezia Giulia. The area had been divided into two zones.

<sup>6</sup> Stanoje Simić.

Yugoslavia was responsible in its zone and the United States was not concerned. There was the question of the final frontier between Yugoslavia and Italy but this was a question between Yugoslavia and Italy. It did not concern the United States. It particularly had no relation to commercial relations between the United States and Yugoslavia. If the United States tried to link economic and political questions, it was using pressure. This would be difficult to tolerate. Yugoslavia could get along without a loan. It could wait. It would like to develop commercial relations with the United States, but it could wait, if necessary. If the United States was unable to grant a loan for political reasons, it would also probably have to withdraw UNRRA <sup>7</sup> aid.

Mr. Clayton assured the Ambassador that our readiness to extend aid and relief where needed was one thing, to grant loans was quite another. There was no question of ceasing UNRRA aid to Yugoslavia. He was sorry the Ambassador was leaving Washington in the morning because it would be desirable to pursue the question further with the assistance of our political people.<sup>8</sup>

Mr. Simic said he could continue the discussion with Ambassador Patterson in Belgrade and the new Yugoslav Ambassador to Washington would also take the matter up further.

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711.60H/2-2746 : Telegram

*The Secretary of State to the Ambassador in Yugoslavia (Patterson)*

SECRET

WASHINGTON, February 27, 1946—7 p. m.

118. For your information I took occasion of call on Feb. 20 by Yugos Ambassador Simic, who has since left for Belgrade where he will take up appointment as ForMin, to discuss following Yugos affairs.

I referred to our note of Dec 21 [22]<sup>9</sup> requesting confirmation of continued recognition by the Yugos Republic of treaties and agree-

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<sup>7</sup> United Nations Relief and Rehabilitation Administration.

<sup>8</sup> On February 27, the Yugoslav Chargé, Sergei Makiedo, called upon Walworth Barbour, Assistant Chief of the Division of Southern European Affairs, to inquire further for the reasons the United States was unwilling to grant credits to Yugoslavia. Barbour's memorandum of this conversation concludes as follows: "I further stated that our unwillingness to grant credit to Yugoslavia at this time is predicated not only upon those developments in Venezia Giulia but also upon the larger consideration of the political situation in Yugoslavia of which recent events in Venezia Giulia form only a part. We have seen no improvement in the general tactics of the Tito regime of which we expressed our disapproval in the instructions to Ambassador Patterson made public at the time of our offer to recognize and establish relations with that regime at the end of December, 1945. We also are concerned at the measures taken by that regime which are resulting in the confiscation without compensation of American interests in Yugoslavia." (860C.51/2-2846)

<sup>9</sup> For text of note, see Department of State *Bulletin*, December 23, 1945, p. 1021.

ments in force between the U.S. and Yugos and expressed regret that no answer to that note had been received. Simic inquired as to the necessity of such reassurances, indicating that the Yugos Government had at San Francisco committed itself to carrying out certain obligations, but I told him that I saw no reason why any newly established Government should not state whether or not they would continue to recognize treaties and agreements which have previously been in existence.

I next turned to the situation of American interests in Yugoslavia, mentioning particularly the American-Yugoslav Electric Company, Socony-Vacuum Oil Company, and Corn Products Refining Company, and, in urging consideration of the problems of those companies, expressed the hope that in his new capacity the Ambassador could do something to achieve a fair and equitable settlement of the matter, just compensation being paid where due. Simic assured me he would do so, as the Yugos constitution obliges them to protect interests of American citizens.

I then expressed surprise and disappointment over the movement of Yugos troops into the Venezia Giulia area. I informed him that in London I had, in an effort to compose the opposing views, suggested in the CFM the formation of a Commission to investigate this situation, giving consideration to the ethnic and economic views of the people. In moving troops into the area the Yugos Government is not assisting the Commission to make the calm and judicious decision that should be made but is on the contrary endeavoring to influence the action of the Commission and to stir up demonstrations. There would not be much use in the Commission proceeding with an investigation if such an investigation could not be made as the Commission pleases but instead is to have demonstrations thrust upon it and have troops brought in to frighten the people. Simic stated that he did not know why the divisions were being moved in and mentioned the movement of Polish troops in Trieste. In the latter connection I reviewed the manner of the presentation to the United Nations in London of the Yugos Government's memorandum in that regard and, in noting that the Yugos Government had not previously inquired of us concerning the charge that the Polish troops were to replace American troops, I stated that had the Yugos Government made such an inquiry we would have informed it that that allegation is untrue and it would thus have been unnecessary to raise the matter with the United Nations. I remarked on the 600,000 troops which the Yugos Government has under arms and the Ambassador exclaimed that they had only 300,000. He went on to summarize the previously expressed Yugos view that they could not demobilize large numbers of troops

which are engaged in various aspects of the rehabilitation program of Yugoslavia.

In conclusion Simic assured me that in his new office as ForMin he would see to it that this country is kept fully informed on all matters of interest to it.

Repeated to Rome and to London for Dunn.<sup>10</sup>

BYRNES

860H.00/3-246: Telegram

*The Chargé in Yugoslavia (Shantz) to the Secretary of State*

URGENT

BELGRADE, March 2, 1946.

[Received March 2—5: 25 p. m.]

248. Following is text of note from FonOff dated March 2:

“With reference to the conversation between the State Secretary Mr. G. [J.] Byrnes and the Yugoslav FonMin Mr. Simic,<sup>11</sup> the Yugoslav MinFonAff has the honor to communicate hereunder to the Govt of the USA the view of the Govt of the Federative People’s Republic of Yugoslavia regarding the obligations of the FPRY.

“The Govt of the FPRY did not consider it necessary to declare expressively in separate documents its readiness to recognize, in principle, the international obligations to which she had been bound by the former Governments of this country since she had considered that this principle originates from the juridical continuity of the sovereign State of Yugoslavia. Furthermore she has never stated the contrary, i.e. that she would not recognize these obligations and considered therefore unnecessary to emphasize particularly its readiness to recognize them.

“In this respect the Govt of the FPRY expresses the only reservation in connection with the decision passed by the AVNOJ on its 2nd session on November 29, 1943 which, in its para 3, reads: ‘. . . that all international agreements and obligations concluded on behalf of Yugoslavia by the emigrant “Government” abroad, should be examined as to find out their necessity and to see whether they were to be abolished, concluded again or confirmed and that no international agreement and obligation should be recognized which might be concluded in the future by the emigrant so-called “Government” . . .’

“In fact this means that the Govt of the FPRY reserves the right to submit to revision certain obligations of financial nature which had been taken over by the emigrant ‘Governments’ for the purpose of helping the Quisling movement in Yugoslavia and any secret obligation of political or economic character, which are unknown to the Govt of the FPRY and which she might consider harmful to Yugoslavia.

“At the same time the Govt of the FPRY expresses its readiness to discuss with the respective Representative of the USA Govt any

<sup>10</sup> Repeated to Rome as telegram 459 and to London as telegram 1835. James C. Dunn, Assistant Secretary of State, was serving in London as Deputy for the Secretary of State on the Council of Foreign Ministers.

<sup>11</sup> See telegram 118, February 27, to Belgrade, *supra*.

case of that kind which might appear involving the interests of citizens or Institutions of the USA for the purpose of finding out the best solution.

"In connection with this question the Govt of the FPRY emphasizes that its Representatives have, in conversations with Representatives of the USA Govt, declared officially on many occasions, that the Govt of the FPRY was prepared to respect the interests of USA citizens in Yugoslavia and proposed that the problem of these interests be definitively solved in agreement by means of a special Parity Commission which should have to examine all disputed cases."

SHANTZ

740.00119 Control (Italy)/3-546: Telegram

*The United States Political Adviser at Allied Force Headquarters  
(Kirk) to the Secretary of State*

TOP SECRET

CASERTA, March 5, 1946—9 a. m.

URGENT

[Received 10:35 a. m.]

259. Reference our 240 of 27 February 2 p. m.<sup>12</sup> General Harding<sup>13</sup> has telegraphed SAC that there has been a noticeable deterioration of civilian morale in Zone A of Venezia Giulia during past week. Many responsible citizens, according to his information, are fearful of outbreaks of disorder and even urged intervention by Yugoslav forces in near future. There has been some talk in civilian quarters of a run on the banks and large scale evacuation by Italian population.

General Harding points out that it is of course inevitable that at this stage there should be some talk of this kind and he points out that a good deal can and is being done locally to regain confidence. At the same time he feels that our hands would be greatly strengthened in attempts to allay civilian fears if a joint high level statement were made by US and British Govts that it is their firm intention to maintain their present position in Zone A until an agreed political settlement has been reached and ratified by them.

He strongly recommends that prior to arrival of Boundary Commission<sup>14</sup> statement along foregoing lines be issued. General Harding also states that he considers it important in interest of military security and public safety in the area under his command that Boundary Commission should both collectively and individually refrain from expressing any official or private opinion concerning what will be future settlement. He would urge that nothing be made public until

<sup>12</sup> Not printed.

<sup>13</sup> Lt. Gen. Sir John Harding, British Commanding General, XIII Corps in Italy.

<sup>14</sup> The Commission of Experts for the Investigation of the Italo-Yugoslav Boundary, established at the direction of the Council of Foreign Ministers, visited Venezia Giulia between March 12 and April 2, 1946. Documentation relative to the establishment of the Boundary Commission and the consideration of its report of April 5 is included among the papers of the Council of Foreign Ministers, vol. II.



four powers charged with task of preparing Italian peace treaty have reached agreement.

He strongly recommended to SAC that British and American Govts be urged to instruct their representatives accordingly and to do all possible to insure similar reticence by representatives of other two powers concerned.

In this connection please see Naf 1118 of March 4 from SAC to CCS<sup>15</sup> urging that joint statement be made by British and US Governments as indicated above.

Repeated Rome 211 and to London for Dunn as 34.

KIRK

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[At the meeting of the Secretaries of State, War, and Navy on March 6, 1946, Secretary of War Patterson said that he was very much disturbed about recent messages concerning the situation in Venezia Giulia, and he urged that consideration be given to dealing with all possibilities in the area. Secretary Byrnes agreed and spoke of the deplorable effect that the rapid American demobilization was having on the Venezia Giulia matter and similar situations. The records of the meetings of the Secretaries of State, War, and Navy are filed under 811.002/1-2446.]

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860H.01/3-246

*Memorandum by the Director of the Office of European Affairs  
(Matthews) to the Secretary of State*

[WASHINGTON,] March 6, 1946.

MR. SECRETARY: A communication dated March 2 from the Yugoslav Foreign Ministry and reported by the Embassy at Belgrade in its telegram no. 248, March 2, attached,<sup>16</sup> has been confirmed by the Acting Foreign Minister as the Yugoslav Government's reply to our note of December 21 [22], 1945 concerning the recognition of the Federal Peoples' Republic of Yugoslavia.<sup>17</sup>

The Embassy in Belgrade finds the assurances contained in that note as to the Yugoslav Government's continued recognition of the treaties and agreements in effect between the United States and Yugoslavia unacceptable. However, after careful consideration, EUR feels that the note does contain categoric assurance in the sense we desire, although the language is somewhat obscure in parts and the Yugoslav Government reserves the right to "submit to revision" certain obligations of a financial nature undertaken by the former Government-in-Exile which it accuses of having assisted the Quisling movement in

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<sup>15</sup> Not printed.

<sup>16</sup> *Ante*, p. 872.

<sup>17</sup> Department of State *Bulletin*, December 23, 1945, p. 1021.

Yugoslavia. To make sure that there is no misunderstanding of our position, we could in an acknowledgment summarize the substance of the Yugoslav note unambiguously, a procedure similar to that we adopted in the case of the Rumanian assurances,<sup>18</sup> and indicate that we have no secret political and economic agreements which the Yugoslavs say they would also wish to revise.

At the same time we have received the attached note from the Yugoslav Embassy<sup>19</sup> here asking the agreement of this Government to the appointment of Mr. Sava N. Kosanovic as Yugoslav Ambassador in succession to Ambassador Simic.

Other things being equal, we would suggest that we accept the Yugoslavs' note on the basis indicated above and give our agreement to the appointment of Mr. Kosanovic. However, in view of the bearing our action in this matter will have on our general position in relation to the Russians, we feel that you may wish to consider whether we should postpone any reply to the Yugoslavs for the time being or whether we might accept the Yugoslav note, thus concluding the recognition we offered in December, and at the same time delay our reply in regard to Mr. Kosanovic pending further developments.<sup>20</sup>

I might add that there is a possible connection between this Yugoslav situation and the steadily deteriorating status of our people in Albania. Mr. Jacobs has indicated that the Albanian authorities are likely to be influenced in their attitude by the progress of our relations with Yugoslavia.<sup>21</sup> It is possible, therefore, that if we accept the Yugoslav note as satisfactory, similar assurances might be forthcoming from the Albanians.

H. FREEMAN MATTHEWS

740.00119 Control (Italy)/3-846 ←

*Memorandum by the Acting Chairman of the State-War-Navy  
Coordinating Committee (Matthews) to the Secretary of State* ←

TOP SECRET  
SWN-3995

WASHINGTON, 8 March 1946.

Subject: Situation in Venezia Giulia.

The State-War-Navy Coordinating Committee has received the following from the Joint Chiefs of Staff: ←

<sup>18</sup> For documentation regarding establishment of diplomatic relations between the United States and Rumania, see pp. 555 ff.

<sup>19</sup> Dated March 1, 1946, not printed.

<sup>20</sup> Notation by the Secretary of State reads: "H.F.M. I would withhold action pending clarification of army movements into Venezia Giulia reported by Army. When that is clarified I approve your recommendation. JFB"

<sup>21</sup> Joseph E. Jacobs was head of the informal United States mission in Albania. For documentation regarding the decision of the United States not to extend diplomatic recognition to the Albanian regime, see pp. 1 ff.

"The Joint Chiefs of Staff are concerned over the continued unfriendly attitude of Yugoslavia in view of existing agreements and recognition of that government by the United States. Intelligence reports indicate a strengthening of Yugoslav forces in the Yugoslav occupied zone of Venezia Giulia and the possibility of unfavorable action by Tito's forces should they consider the peace terms with Italy not satisfactory.

"General Morgan<sup>22</sup> has now submitted to the Combined Chiefs of Staff an analysis of the situation in Venezia Giulia and has recommended that a joint statement be made by the British and United States Governments to the effect that it is their firm intention to maintain their position in Zone A<sup>23</sup> until an agreed political settlement has been reached and ratified by them. The statement in effect reiterates the intention of the U.S.-British forces to fight on the Morgan Line<sup>24</sup> in case the Yugoslavs advance. General Morgan considers that such a statement would do much to allay civilian fears and to strengthen our own position.

"Redeployment of both U.S. and British forces from Europe have depleted military strength to the point where adequate forces are not available to cope with a major incident. At present only three divisions and three regiments of British and U.S. troops are available to the Supreme Allied Commander, Mediterranean (SACMED) and these forces are largely deployed along the Morgan Line extending from Trieste to the Austrian border in positions which would be untenable in the face of strong attack. There are, in addition, three Polish divisions and certain Italian forces in northern Italy. From the military point of view an advance into the allied occupied zone of Venezia Giulia by strong Yugoslav forces might necessitate a withdrawal of allied forces to better positions. Such a withdrawal would result in the loss of the British Line of Communications from Trieste to Austria, which is not, however, essential from a military standpoint, and considerable loss of prestige to both the United States and Great Britain. It must be recognized that provision of troops to assure adequate military force on the ground to implement the proposed joint statement may require either additional U.S.-British troops or utilization on the Morgan Line of Polish forces. The Joint Chiefs of Staff recognize the political difficulties involved in use of the Poles.

"The Joint Chiefs of Staff consider that if the political decision continues to be that the U.S.-British forces fight in case of a Yugoslav advance, then it is militarily desirable that the joint statement be issued. The issuance of the proposed joint statement would be of considerable assistance to General Morgan. The Joint Chiefs of Staff

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<sup>22</sup> Gen. William Morgan, Supreme Allied Commander, Mediterranean Theater.

<sup>23</sup> Zone A was that portion of the territory of Venezia Giulia under the command and control of the Supreme Allied Commander, Mediterranean Theater, and occupied by American and British forces under the terms of the Anglo-American-Yugoslav agreement respecting the provisional administration of Venezia Giulia, signed at Belgrade, June 9, 1945. Zone B of Venezia Giulia was that portion occupied by Yugoslav forces. For text of the Belgrade Agreement, see Department of State Executive Agreement Series No. 501, or 59 Stat. (pt. 2) 1855.

<sup>24</sup> Line dividing the zones of Anglo-American and Yugoslav administration and occupation of Venezia Giulia under the terms of the Belgrade Agreement of June 9, 1945.

request political guidance from the State Department to assist them in the action which will probably develop in the Combined Chiefs of Staff on the matter.<sup>25</sup>

It is requested that the views of the Department of State on the above subject be furnished the State-War-Navy Coordinating Committee.

For the State-War-Navy Coordinating Committee:  
H. FREEMAN MATTHEWS

740.00119 Control (Italy)/3-1046: Telegram

*The United States Deputy Political Adviser at Allied Force Headquarters (Byington) to the Secretary of State*

TOP SECRET

CASERTA, March 10, 1946—10 p. m.  
[Received March 11—9:42 a. m.]

287. Reference our 261 March 5, 11 a. m.<sup>25</sup> De Gasperi<sup>26</sup> brought to Allied Commissioner's<sup>27</sup> attention reported concentration of Yugoslav troops in Zone B which according to Italian Army intelligence was as follows: 15,000 men in two units centered around Aidussina and Longatico as potential threat to Gorizia and Trieste; 25,000 men in four units centered in area Tolmino, Circhina, Chiapovano, Idria, all northeast of Gorizia and northern reaches Isonzo; 6,000 to 7,000 men in area north Dignano as threat to Poya and also as reinforcements for 15,000 men in two units centered in Umago and Bistera which are potential threat to Trieste from south.

Prime Minister stated to Admiral Stone that if Yugoslavs attack in strength, his understanding of plan was that XIII Corps would retire to Isonzo. He urged strongly that if hostilities take place involving violation of Italian frontier, units of Italian Army should be employed under Allied command, and that failure to employ Italian units would be damaging to Italian prestige, military and civil morale.

British military authorities proposed that a rather abrupt answer be sent to Stone for transmission to De Gasperi. When consulted I objected and stated that in my opinion De Gasperi's fears were quite justified by recent Yugoslav troop movements and by general policy of intimidation which had consistently been followed by Yugoslavs in Venezia Giulia.<sup>28</sup> British military authorities then agreed to draft

<sup>25</sup> Not printed; it reported on Yugoslav troop movements along the Morgan Line (740.00119 Control (Italy)/3-546).

<sup>26</sup> Alcide de Gasperi, President of the Council of Ministers of the Italian Government.

<sup>27</sup> Rear Adm. Ellery W. Stone.

<sup>28</sup> Telegram 84, March 12, to Caserta, stated that the Department agreed with and approved Byington's action (740.00119 Control (Italy)/3-1046).

message to Stone from SAC for De Gasperi that General Morgan was [aware of?] recent developments in Venezia Giulia and that Allies would continue to exercise all vigilance to preserve balance at present existing there.

Although he signed this message, SAC expressed some considerable indignation over attitude of Italians which he termed hysteria. He admitted, however, that he would certainly want all the troops he could get, including Italians, if Yugoslavs should attack.

Sent Dept as 287, repeated Rome as 238 and London for Dunn as 44.

BYINGTON

SWNCC Files

*Memorandum by the Acting State Member of the State-War-Navy Coordinating Committee (Matthews) to the Committee*

TOP SECRET

[WASHINGTON,] March 14, 1946.

Subject: Situation in Venezia Giulia.

The Secretary of State has carefully considered the memorandum of the Joint Chiefs of Staff relating to the situation in Venezia Giulia, which was contained in SWN 3995 of 8 March 1946, and requests that the following views be transmitted to the Joint Chiefs of Staff.

The Secretary of State shares the concern of the Joint Chiefs of Staff over recent developments in Venezia Giulia, and desires to confirm that the political decision continues to be that the U.S.-British forces fight if the Yugoslavs advance. In this circumstance, the Department considers that from the political point of view, a public statement along the lines proposed by General Morgan, as referred to in the memorandum from the Joint Chiefs of Staff, would be desirable. It is the Department's view, however, that at the present time, when the American and British Governments are participating in the deliberations of the Council of Foreign Ministers on the Italian Treaty, and when a Commission of Inquiry, including British and American representatives, has just begun its studies in Venezia Giulia on the question of the Italo-Yugoslav frontier, this statement should preferably be issued by the Supreme Allied Commander, Mediterranean, in the name of the two Governments, rather than by the Governments themselves. Accordingly, the Department proposes that a statement along the lines of the attached draft <sup>29</sup> be issued by General Morgan.

H. FREEMAN MATTHEWS

<sup>29</sup> Not printed; it was identical with the statement quoted in telegram 93, March 20, to Caserta, p. 882.

860H.001 Peter II/3-1946

*The Former King of Yugoslavia (Peter II) to the Secretary of State*<sup>30</sup>

LONDON, 19 March, 1946.

DEAR MR. BYRNES: In consequence of the political processes which have been at work since my country entered the war against Germany in 1941, and as a result of financial dispositions made by my Father, King Alexander,<sup>31</sup> and my guardian, Prince Paul,<sup>32</sup> at a time when the prospects of a complete constitutional change in my country had not been envisaged, it has now become impossible, in the present circumstances adequately to maintain my family, household and dependents.

Accordingly, I set forth hereunder a brief exposé of the conditions which have brought about this state of affairs, having in mind the hope that the Government of the United States might give sympathetic consideration to the possibility of releasing some small, but adequate part of the large funds held by them on behalf of Yugoslavia, perhaps in the form of a periodical increment to be paid against such securities as I have to offer in return for such a benefit.

You will doubtless recall that before the occupation of Yugoslavia the then Yugoslav Government, at my insistence, transferred the State funds to the United States, of which a portion, prior to the signing of the Tripartite Pact with Germany was transferred to Brazil. Another portion was supposed to be transferred from the United States to the Argentine, but this transference was happily stopped by the United States Government because at that time the Zvetkovich Government<sup>33</sup> had signed the Pact with Germany.<sup>34</sup> Shortly after March 27, 1941, all the Yugoslav funds lodged in the United States were freed, as a result of which the subsequent free Yugoslav Governments in London were able to make withdrawals for state purposes. The funds placed in Brazil remained frozen throughout the war.

As you are aware, after my Father's death, and for seven years during my minority, I was under the guardianship of Prince Paul into whose hands was placed the responsibility for the administration of my Father's estate. During this period no payment in money was made to me. No funds were placed at my disposal, or set aside for

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<sup>30</sup> This letter was neither answered nor acknowledged by the Department. However, in a letter of April 3, 1946, Ambassador Patterson assured King Peter that the Department would give the matter careful study (Belgrade Embassy Files: 800.1 King Peter).

<sup>31</sup> Alexander I, King of Yugoslavia, 1921-1934.

<sup>32</sup> Prince Regent of Yugoslavia, 1934-1941.

<sup>33</sup> Dragiša Cvetković, Yugoslav Minister President, February 1939-March 1941.

<sup>34</sup> Yugoslavia adhered to the Tripartite Pact on March 25, 1941.

me for use at a later date. I have knowledge of the fact, however, that my Mother, Queen Marie, was made an allowance, and that Prince Paul himself benefited to some considerable extent. I have a strong impression that no small part of the funds available to Prince Paul for his administration was placed abroad, but I have no information how or where he invested it. He has failed, in response to a request by me, to furnish me with any such information.

In 1941, when I left Yugoslavia at the time of the German invasion,<sup>35</sup> my appanage was paid directly to me. Upon arrival in England my Mother, Queen Marie, requested me to pay her the sum of three thousand five hundred pounds sterling each month as her portion of my appanage. I understood at the time that she would place the major portion of that sum in reserve for future needs of the family. This, in fact, has not been the case. In point of fact, between June, 1941, and July, 1944, I paid into her account a total of 139,960 pounds sterling. In addition to these regular payments to my Mother I made a monthly disbursement of 1,000 pounds sterling to each of my two brothers as a reserve fund for their benefit at a later date. Between June, 1941 and October, 1945 I paid a total of 88,500 pounds sterling into their account for this purpose. My personal share of the appanage has been disbursed in payments to members of my staff, pensions to relatives and former members of my household, so that a very small percentage remains for my personal savings.

It is unnecessary to point out that since the radical constitutional changes have been effected in Yugoslavia under conditions with which I am known profoundly to disagree, changes which are recognised and accepted by the Government of the United Kingdom, I no longer receive financial support from Yugoslav state funds. As a consequence of this, together with the circumstances related above, I am reduced to living on the interest from my attenuated capital, and am making extensive inroads upon the capital itself. Needless to observe, I have taken every possible step to reduce my expenditure to a minimum, but I have certain basic demands upon my purse made by close relations, and by those of my entourage who have remained loyal to me, which I feel bound to meet faithfully whatever my financial circumstances may be.

As I indicated earlier, I do not make this approach to the Government of the United States unmindful of the fact that security for such payments would be necessary. It is a matter of public knowledge that King Alexander possessed considerable property in Yugoslavia his title to which, of course, has never been disputed, and which is set forth in a judgment of the Belgrade District Court. I quote this

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<sup>35</sup> Germany invaded Yugoslavia on April 6, 1941.

judgment since it is the most complete inventory extant of his possessions, and is still in the archives of this court.

My title, as heir of King Alexander to these estates and properties is placed beyond doubt, in my view, by the relevant clause of the Agreement signed in Belgrade in December, 1944, between Marshal Tito, as head of the then Provisional Government on the one hand, and by Dr. Ivan Subasitch, the Prime Minister of my Government at that date on the other.<sup>36</sup> The complete agreement is, without doubt, in the possession of the State Department, and I will accordingly content myself merely by quoting the relevant clause:

The relevant clause is:

Property of H.M. the King and the Regency Council.

1. H.M. King Peter II can dispose of his estates and property in the country during his absence. The superintendence of the Royal Estates will for that period be under the supervision of the Regency Council.

So far as I am concerned that Agreement still remains valid. I have made every effort to implement that Agreement, and am happy to leave you to judge if, on the evidence available to you at the hands of your Ambassador, an equally sincere effort has been made by the present ruler of my country. I will spare you, at this stage, a recapitulation of the history of the signing of the Agreement and the importance which its signature assumed in the minds of those directing the affairs of the Great Allies at the time.

I place this memorandum before you in the hope that you will take my circumstances into your sympathetic consideration, and will find that my request, both from the standpoint of the moral and political conditions prevailing throughout the entire period from the entry of Yugoslavia into the war to the present time, is actuarially sound.

I cannot pretend that this memorandum is by any means exhaustive, but if it serves to open up the possibility of further exchanges on the subject between myself and your Ambassador I shall be happy to give any further information that may be required. At all events, I will abide by your judgment in the matter.

Yours very sincerely

PETER II R.

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<sup>36</sup> For text of the agreement of December 7, 1944, between Ivan Šubašić, President of the Yugoslav Government in Exile, and Josip Broz Tito, President of the National Committee of Liberation of Yugoslavia, regarding the property of King Peter and the Regency Council, see *Foreign Relations, The Conferences at Malta and Yalta, 1945*, p. 253. For additional documentation regarding the interest of the United States in the internal developments in Yugoslavia, see *Foreign Relations, 1944*, vol. iv, pp. 1330 ff.



740.00119 Control (Italy)/3-546: Telegram

*The Secretary of State to the United States Deputy Political Adviser  
at Allied Force Headquarters (Byington), at Caserta*

SECRET

WASHINGTON, March 20, 1946—7 p. m.

93. Your 251[259], Mar 5. Agreement has been reached with UK Govt that SAC should be directed through CCS<sup>37</sup> to issue statement along following lines:

“Recent troop movements have occurred in the area of Venezia Giulia under Yugoslav military administration. At the same time there has been renewed and unwarranted criticism from abroad of Allied Military Government in Zone A. Attempts have been made to create incidents detrimental to public order in AMG territory.

There should be no question as to what attitude the Allies will take in the circumstances.

The Allied Military Government authorities will continue as in the past to administer the territory in Zone A in the interests of peace and security. The troop reinforcements in the Yugoslav zone have been described as defensive in character. But the only claimant to this area with armed forces in Zone A is Yugoslavia itself. Defensive measures are obviously not necessary against the only other forces in Zone A—the British and American forces—stationed there to maintain order pending the peace settlement.

The representatives of the Soviet Union, France, the United States, and Great Britain are now at work preparing a just and fair peace settlement.

Until this settlement is achieved, our obligations and our responsibilities are clear. Public order will be enforced with justice, and in our zone we shall tolerate no attempt to prejudice in any way the final disposition of the territory. To this end the American and British Governments have authorized me to declare that it is their firm intention to maintain their present position in Venezia Giulia until an agreed settlement of the territorial dispute has been reached and put into effect.”

UK Govt has questioned advisability of including substance of of third para of statement, but has agreed that it might be retained in draft statement for further consideration at AFHQ in light of existing situation. If in view thereof SAC feels that this para should be deleted, Dept would not interpose objection, although it is felt here that it would be preferable to include it.<sup>38</sup>

BYRNES

<sup>37</sup> In message Fan 653, March 25, not printed, the Combined Chiefs of Staff authorized General Morgan to issue the statement quoted here.

<sup>38</sup> Telegram 367, March 27, from Caserta, reported that Allied military authorities at Allied Force Headquarters at Caserta had decided to issue to the press without delay as a statement by the Supreme Allied Commander the statement quoted above. It would include the third paragraph, but the following textual additions were made: 1. the words “and to undermine the authority of public security agencies in Venezia Giulia” were added after the words “AMG territory”

[For text of note from the Chargé in Belgrade to the Yugoslav Foreign Ministry, delivered on March 30, 1946, regarding the capture of General Draža Mihailović, see Department of State *Bulletin*, April 21, 1946, page 634. Instructions regarding delivery of this note were contained in telegram 182, March 27, 1946, to Belgrade (860H.00/3-2746). The Yugoslav reply was contained in a note from the Yugoslav Foreign Ministry dated April 4 which was handed to the Chargé in Belgrade on April 5 and was transmitted to the Department in telegram 389, April 5, from Belgrade (860H.00/4-546). For text of the Yugoslav note, see Department of State *Bulletin*, April 21, 1946, page 669.]

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860H.01/4-246

*The Yugoslav Chargé (Makiedo) to the Secretary of State*

Pov. Br. 407

The Chargé d'Affaires, a.i., of the Federal People's Republic of Yugoslavia presents his compliments to the Honorable the Secretary of State and has the honor to inform that the Government of the Federal People's Republic of Yugoslavia, after having studied all the questions concerning the recognition of Yugoslavia's international obligations in conformity with the decisions of the Second Session of the Anti-Fascist Council of National Liberation in Jajce in November, 1943, which were mentioned in the note of March 2, 1946, Br. 2286,<sup>39</sup> sent by the Yugoslav Ministry of Foreign Affairs to the Ambassador of the United States in Belgrade, hereby gives an affirmative answer to the note of the Department of State of December 22, 1945, concerning the international obligations of the former Yugoslav Governments.

With this it is understood that the Government of the Federal People's Republic of Yugoslavia withdraws its note of March 2, 1946.

WASHINGTON, April 2, 1946.

MAKIEDO

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at the end of the first paragraph; 2. the words "and to uphold the authority of the civil police" were inserted after the words "peace and security" at the end of the first sentence in the third paragraph. (740.00119 Control (Italy)/3-2746) The statement was issued to the press by General Morgan on March 27.

<sup>39</sup> For text, see telegram 243, March 2, from Belgrade, p. 872.

860H.01/4-246

*Memorandum by the Secretary of State to President Truman*<sup>40</sup>

[WASHINGTON,] April 9, 1946.

Subject: Recognition of Federal Peoples' Republic of Yugoslavia and the Exchange of Ambassadors Between the United States and Yugoslavia

The Yugoslav Chargé d'Affaires ad interim has informed me that the Yugoslav Government "gives an affirmative answer to the note of the Department of State of December 22, 1945 concerning the international obligations of the former Yugoslav Governments."<sup>41</sup> This communication supersedes an equivocal note addressed to the United States Embassy in Belgrade on March 2 in this connection which is now withdrawn.

Meanwhile, a request has been made for the agreement of this Government to the appointment of Mr. Sava Kosanovic as Yugoslav Ambassador to this country to replace Ambassador Simic who has now become Minister for Foreign Affairs.<sup>42</sup> A biographic summary concerning Mr. Kosanovic, furnished by the Yugoslav Embassy here, is enclosed.<sup>43</sup> It will be noted that Mr. Kosanovic was in the United States from 1941 to 1945 as Minister Without Portfolio in the Yugoslav Government-in-Exile. During that period he engaged actively in propaganda activities from his office in New York and he has numerous contacts with various groups throughout the United States, particularly the United Committee of South Slavic Americans in which Louis Adamic is active. Mr. Kosanovic is a controversial figure among Yugoslav-Americans and may be expected to acerbate the divergencies between the various contending Yugoslav-American factions. However, he was a moderate who became converted to the Partisans and retains a measure of independence of view. As such, he is probably as good a representative to this country as is likely to be nominated by the Tito regime at this time.

I suggest that, with your approval, we notify the Yugoslav Government that the assurances they have now given are acceptable and that the appointment of Mr. Kosanovic is agreeable to this Government.<sup>44</sup>

<sup>40</sup> This memorandum appears to have been approved by the President, but the record of that approval has not been found in Department files.

<sup>41</sup> See note of April 2 from the Yugoslav Chargé, *supra*.

<sup>42</sup> The request referred to was set forth in a note of March 1, 1946, from the Yugoslav Chargé to the Secretary of State (701.60H11/3-146).

<sup>43</sup> Not attached to file copy of memorandum.

<sup>44</sup> In a note to the Yugoslav Chargé on April 16, 1946, the Secretary of State stated that the appointment of Kosanović was agreeable to the United States Government (701.60H11/3-146). Ambassador Kosanović presented his credentials to President Truman on July 18, 1946.

At the same time, in accordance with our note of December 22, 1945, it is further suggested that, if you approve, we issue the necessary letters of credence reaccrediting Ambassador Patterson as United States Ambassador to the present Yugoslav regime, thus completing our recognition of the Yugoslav Republic and the Government at present in power there. We would also make public our action in this sense.<sup>45</sup>

JAMES F. BYRNES

860H.7962/4-946 : Telegram

*The Chargé in Yugoslavia (Shantz) to the Secretary of State*

BELGRADE, April 9, 1946.

[Received April 13—11:58 a. m.]

399. Following is substance Foreign Office note dated April 2.

Toward end of 1944 it was agreed orally that USA military aviation could set up at Zemun airdrome radio installations to make air traffic safer, on condition installations would be turned over to Yugo air authorities when personnel were qualified to operate them. Yugoslav personnel now sufficiently trained.

At end of 1945 Yugoslav air authorities set up their own installations necessary to safety air navigation and these will serve Yugoslavs and foreign aviation.

Above agreement was made in view of war needs. Since now only civil aircraft are used and liaison for flight safety conforms to international code, Yugoslav military authorities no longer see necessity for special American station at Zemun.

Therefore Yugoslav aviation command desires that US withdraw their air personnel from Zemun and that British personnel turn over radio installations to Yugoslav personnel as orally agreed.

Note closes with thanks of Yugoslav General Staff to US Army for services rendered Yugoslav aviation at Zemun.

Foreign Office probably meant American personnel where word British used above. British received similar note (AmEmbassy Paris please transmit this message ATC).

Sent Department 399, repeated AmPolAd Caserta 39, AmEmbassy Paris 30, AmLegation Bern, Switzerland 4.

SHANTZ

<sup>45</sup> The revised letter of credence for Ambassador Patterson was signed by President Truman on May 11, 1946.

860H.00/3-246 : Telegram

*The Secretary of State to the Chargé in Yugoslavia (Shantz)*

SECRET

WASHINGTON, April 17, 1946—7 p. m.

US URGENT

238. Immediately following telegram contains text two notes delivered to Yugos Chargé April 16 and being made public April 18.<sup>46</sup> For your information Yugos note of April 2 withdrew equivocal note of March 2 handed to you by Velebit (urtel 248, March 2).

In delivering these two replies, Dept took occasion to inform Yugos Chargé 1) that we have not seen that material improvement in Yugos implementation of Yalta assurances on freedoms which we had anticipated and we hope steps will be taken by Yugos Govt to give Yugos people substance of democracy, 2) that we have investigated charges made in recent Yugos notes against Allied administration in Venezia Giulia which are without foundation and, while we will reply to those notes within next few days, Yugos Govt should know that we deplore their making such unjustified allegations as we deplore statements such as that attributed to Tito in regard to the movement of truckloads of "fascist bandits" into Allied zone of Venezia Giulia, 3) that we hope Yugos Govt will wholeheartedly cooperate with you in reaching early satisfactory solution of Vasilenko case,<sup>47</sup> 4) that we are concerned over developments affecting US property and interests in Yugos and that we solicit Yugos Govt's earnest consideration this matter, and 5) that we would welcome some indication of Yugos willingness to make appropriate arrangements to permit establishment

<sup>46</sup> For texts of the notes of April 16, 1946, from the Secretary of State to the Yugoslav Chargé regarding the establishment of diplomatic relations with Yugoslavia, see Department of State *Bulletin*, April 28, 1946, p. 728.

<sup>47</sup> Red Army Private Ivan Ivanovich Vasilenko was slain in Belgrade on February 7, 1946. The five American servicemen present at the time of Vasilenko's death were subsequently held in custody in Italy where one was placed before a military court martial on charges arising from Vasilenko's death. Sergeants Chester B. Scott, Theodore Nelson, and Kenneth E. Schussel were mistakenly identified by Yugoslav authorities as having been implicated in Vasilenko's death. Beginning in February 1946, the Yugoslav Government repeatedly demanded that Sergeants Scott, Nelson, and Schussel be handed over for questioning in connection with the slaying. The United States could not allow the three enlisted men to be surrendered to the Yugoslav authorities for investigation in connection with an incident in which they were not involved. They were therefore given residence in the Embassy in Belgrade while Embassy officers repeatedly sought to obtain exit permits for them to leave Yugoslavia. In September 1946, it was eventually arranged between the United States and Yugoslav Governments for Sergeants Scott, Nelson, and Schussel to leave Yugoslavia. In return, the Yugoslav authorities were furnished a copy of the indictment against the individual actually awaiting court martial proceedings in Italy, and a Yugoslav observer was to be allowed to be present during the court martial. In addition, the United States authorities turned over to the Yugoslavs a Yugoslav national in American custody in Italy. Papers on this topic are in file 860H.00. The American soldier accused of manslaughter in connection with Vasilenko's death was tried in a general court martial in Naples, Italy, at the end of November 1946 and was found not guilty (Belgrade Embassy File-822).

U.S. commercial air routes through Yugos in connection with which we have never had reply to our offer of April, 1945 of bilateral air agreement.

BYRNES

740.00119 Control (Italy)/4-1746

*The Secretary of War (Patterson) to the Secretary of State*

CONFIDENTIAL

WASHINGTON, April 17, 1946.

DEAR MR. SECRETARY: Because of the continued unfriendly attitude of Yugoslavia and the possibility of offensive action by Yugoslav forces in the Venezia Giulia area, the U.S. and British Governments have authorized General Morgan to issue a joint statement reiterating the Allies' intention to fight on the Morgan Line if the Yugoslavs attempt to advance across it.

The War Department is concerned over the amount of equipment which may be used for military purposes that has been turned over to the Yugoslav Government by UNRRA to date, and UNRRA's plans for turning over more in the near future.<sup>48</sup> As of the end of January 1946, 10,401 trucks and 3300 trailers, predominantly from U.S. sources, have been turned over, as well as other material and equipment of actual or potential military value. The War Department has noted the pending delivery by UNRRA to the Yugoslav Government of three C-47's and the contemplated delivery of five more. In light of the Venezia Giulia situation, the recent reports that the Yugoslavs are requesting the end of British and ATC service in their country and the stiffening attitude in increasing the restrictions in flights to and through Yugoslavia of our planes, it seems hardly likely that the turn-over of transport airplanes even for the intended use of UNRRA will induce the Yugoslav government to adopt a more cooperative attitude. This action results in our assisting the Yugoslav armed forces, at least to the extent of releasing to them resources that would otherwise be required to support their national economy.

<sup>48</sup> In a memorandum to the Secretary of State dated March 7, 1946, Secretary Patterson had earlier expressed his concern over the further extension of assistance to Yugoslavia. The memorandum read in part as follows:

"It would seem to me that we should examine all forms of assistance that we are now giving to Yugoslavia, including the possible loan of minesweepers and our contributions to the program of feeding Yugoslavia through UNRRA, in the light of the menacing movements of their Army against our troops in Venezia-Giulia which is an unfriendly act. At the same time we are giving various kinds of assistance and aid to Yugoslavia.

I suggest that consideration be given to informing Yugoslavia that they will get nothing from us unless they stop military demonstrations against our troops." (740.00119 EW/3-746)

The War Department realizes that UNRRA is an international organization and that the State Department cannot determine the ultimate disposition of property turned over to this organization. It feels strongly, however, that inasmuch as surpluses of military application are made available to UNRRA by the Foreign Liquidation Commission, over which the State Department has jurisdiction, the military implications involved should be carefully considered before any future turn-over is made. The War Department, therefore, strongly recommends that the Department of State adopt the necessary measures to prevent material which has potential military value from being turned over to Yugoslavia, either directly or indirectly.<sup>49</sup>

Sincerely yours,

ROBERT P. PATTERSON

860H.7962/4-946 : Telegram

*The Secretary of State to the Chargé in Yugoslavia (Shantz)*

SECRET

WASHINGTON, April 19, 1946—6 p. m.

244. Reurtel 400 Apr 9.<sup>50</sup> Reply to FonOff note of Apr 2 should be made along following lines:

Dependence of American elements of Allied Control Council for Hungary and Rumania as well as Amembassy, Belgrade, upon air supply service provided by means of air communications channels, which were delimited in cooperation with U.S.S.R. Govt, renders it essential that U.S. aircraft continue to enjoy utilization of Zemun Airdrome, which is essential link in above mentioned air communications system. Use of Zemun is in turn dependent upon continued maintenance by American personnel of navigation aids installed by them.

U.S. Govt fully recognizes understanding reached with Yugo authorities whereby U.S. agreed to turn over to Yugoslavia without charge navigation facilities installed by U.S. at Zemun at such time as efficient operation of such facilities by Yugo nationals proved feasible, and U.S. Govt takes this occasion to reaffirm its intention of fulfilling its obligations at such time as terms which were agreed upon have been fulfilled. On this point, however, there unfortunately appears to be a disparity in views. It is considered opinion of qualified American technicians that efficient operation must of necessity include maintenance and operation of a homing beacon and of air-to-ground communications by voice in English during daylight hours and maintenance and operation of point-to-point communications

<sup>49</sup> In a reply dated May 17, 1946, Acting Secretary of State Acheson suggested that Secretary Patterson designate a member of his staff to meet with C. Tyler Wood, an officer of the Department of State and First Alternate United States Member of the UNRRA Council, to discuss the question of improving procedures for ascertaining the propriety of UNRRA requisitions for supplies to Yugoslavia procured with United States funds (740.00119 Control Italy/4-1746).

<sup>50</sup> Not printed (860H.7962/4-946); it suggested the text of a reply to the Yugoslav note of April 2, substance of which is contained in telegram 399, April 9, p. 885.

between Belgrade and Budapest and between Belgrade and Bucharest. (At this point additional or amended specific conditions arrived at with local ATC commander may be inserted.) U.S. Govt is prepared to continue its assistance to Yugo Govt in training its nationals to assume this responsibility, and, at such time as desired standards are attained, American equipment installed at Zemun will be turned over to Yugo operation.

However, until such time as adequate service for flights of U.S. aircraft can thus be provided, American aircraft will continue to require services of American technicians at the airdrome. Furthermore, conditions governing service in U.S. armed forces require replacement of personnel from time to time. Failure of Yugo Govt since last autumn to grant necessary permission for entry of replacement personnel has seriously threatened continued maintenance of necessary air navigation aids at Zemun. U.S. Govt is certain that clear understanding by Yugo Govt of these difficulties will be sufficient for it to assent to continued work of American personnel assigned to Zemun and to their replacement on a man-for-man basis as circumstances may require.<sup>51</sup>

For Emb info: Continued operations by ATC after May 1 will be exceedingly difficult unless these points are cleared up at once and above reply should be presented concurrently with forceful oral representations.

Repeated to Bucharest as Depts 258, to Budapest as Depts 408, to Sofia as Depts 118, to Bern as Depts 1042, to Berlin as Depts 921, to Ampolad, Caserta as Depts 120, 1042, to Amembassy Paris as Depts 1764.

BYRNES

811.79640/5-646: Telegram

*The Chargé in Yugoslavia (Shantz) to the Secretary of State*

SECRET

BELGRADE, May 6, 1946—6 p. m.

PRIORITY

[Received May 9—2:20 a. m.]

462. Re Department's 998, April 15, 4 p. m. to Bern, repeated to Belgrade as 231.<sup>52</sup>

Upon Deak's arrival inquired of General Velebit as to status of pending civil aviation matters. He stated question still undecided and

<sup>51</sup> In telegram 463, May 6, from Belgrade, the Chargé reported that he had presented a note, together with strong oral representations, on April 25 to the Yugoslav Foreign Ministry pursuant to the instructions contained in this telegram (860H.7962/5-646).

<sup>52</sup> Not printed; it directed Francis Deak, Civil Air Attaché in the Legation in Bern, to proceed to Belgrade at an early date to endeavor to arrange through the Embassy for at least transit rights over Yugoslav territory for the Pan American Airways route connecting Vienna with Istanbul. Mr. Deak was also to investigate the possibility of negotiating a bilateral air agreement with Yugoslavia. (811.79640/4-1546) Mr. Deak, though resident in Bern, was also assigned as Civil Air Attaché to Belgrade, Berlin, Bucharest, Budapest, Praha, Sofia, and Vienna.



suggested conference with Lazarovic, head of Consular Section and in charge of civil aviation questions in Foreign Office.

In conference with latter Deak suggested unless Yugoslavia wants to miss opportunity becoming important Balkan air traffic center, Yugoslav Government should as interim measure (1) allow without delay entry ATC and AACS personnel to operate existing facilities, install necessary additional equipment and train local nationals; (2) grant at least simple transit right over Yugoslavia for certified US air carrier, preferably with at least 10 traffic stops at Zemun airport. Otherwise CAB may be forced to reroute PAA by-passing Yugoslavia. Lazarovic promised to report immediately to General Velebit and to arrange conference for May 6 with him and General Jovanovic,<sup>53</sup> recently put in charge of civil aviation matters. Today we were informed General Velebit discussed Deak's suggestions with Air Force but everybody was busy with May 9 liberation festival and projected conference unlikely to take place for several days, however matter would be pressed by Foreign Office.

Survey of situation leads Deak to following conclusions in which I concur:

1. Yugoslavia apparently not willing to discuss civil aviation matters, due either to Soviet influence or their own inability to make up their minds or both. Our April 1945 proposal for bilateral agreement remains unanswered despite Embassy's repeated urgings and inquiries orally and in writing. British request for civil air agreement negotiations failed to bring results, like proposals from Sweden, Switzerland, Netherlands evoked only verbal promise that whole question would be decided in near future.

2. There is no way to press or force issue there being no known responsible person or agency with whom air agreement, non traffic stops or even simple transit right can be discussed. Authoritative policy making is not as generally assumed in Tito or Government, but in Yugoslav version of Political Bureau composition which is secret. Foreign Office is simple letterbox and Foreign Minister now in Paris lacks real authority. Upon my inquiry May 4 Velebit stated that no civil aviation authority has yet been established.

3. Assuming Yugoslavs could be induced to discuss bilateral agreement, Department's hesitation to grant reciprocal rights is fully justified. Government being under Soviet domination, nationalized Yugoslav airline as matter of course serves Soviet interests. Technically we can protect ourselves by article VI of proposed draft reserving right withhold operation rights from company where ownership and substantial control not in nationals of other contracting party. However this protection illusory for Yugoslavs would doubtless specify letter of condition while cheerfully violating spirit. (Their ability to do so amply illustrated by successful concealment of

<sup>53</sup> Col. Gen. Arso Jovanović, Chief of the General Staff of the Yugoslav National Liberation Army.

use of UNRRA gifts such as trucks, lubricants, even food for purposes other than relief and rehabilitation.)

4. In view of above it seems unlikely that effort to secure air rights in Yugoslavia could succeed for time being. To press for reciprocal rights under original bilateral agreement draft seems inadvisable for two reasons, first, in view of Department's apprehension over possible misuse of such rights by foreign hostile interest; second, because Embassy note No. 15, January 12 (pursuant to Department's 18, January 8<sup>54</sup>) requesting reply by January 17 was left unanswered by Yugoslav Foreign Office (see Embassy's 68, January 19.<sup>54</sup>) New start by requesting interim nontraffic landing or simple transit rights possible; but written proposal would fare as previous ones.

5. Landing or even transit rights in Yugoslavia would be of no practical value without adequate navigational aids and facilities and trained personnel to operate them. No reply to Embassy's note of April 25. (Re Department's 244, April 19, 6 p. m.). Yugoslavs having forced withdrawal of ATC and AACCS personnel, ATC now operates into Belgrade using British navigational aids and only with wholehearted cooperation of RAF unit. It is doubtful such operation can be continued for long and that British could remain if ATC forced to close down completely. If both ATC and British forced out, no facilities left to safely separate US aircraft, military or civil, into or through Yugoslavia. Yugoslavians claim they can provide services for safe operations is ridiculous.

6. Unless Department deems it appropriate to bring serious pressure on Yugoslav Government to adopt more cooperative attitude, conclusion is inescapable that hope for making any satisfactory arrangement for PAA to operate certified route through Balkans be abandoned for time being.

7. To render operations from Vienna onward possible, it may therefore be unavoidable to temporarily reroute PAA via Rome-Athens to Turkey. In such case wide publicity of fact that rerouting made necessary by Yugoslav's uncooperative attitude may be effective. Department and CAB may wish further to consider formally striking out, with appropriate publicity, Belgrade as intermediary stop on national interest route, including therein only upon clamor of Yugoslav delegation at Chicago Conference.<sup>55</sup>

Sent Department as 462 repeated Moscow for Kennan as 15.

SHANTZ

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[On May 7, 1946, the Chargé in Belgrade delivered to the Yugoslav Foreign Ministry a note containing a renewed request that the

<sup>54</sup> Not printed.

<sup>55</sup> Reference presumably to the First Interim Assembly of the Provisional International Civil Aviation Organization which met in Montreal, Canada, May 21-June 7, 1946. The Provisional International Civil Aviation Organization carried on the functions of the International Civil Aviation Organization pending the formal establishment of the latter body as provided under Convention on International Civil Aviation concluded at Chicago on December 7, 1944. For documentation concerning the Chicago Conference, see *Foreign Relations, 1944*, vol. II, pp. 355 ff.

Yugoslav Government make arrangements for individuals and groups in the United States who wished to testify on behalf of General Mihailović in his forthcoming trial. Instructions regarding delivery of the note were contained in telegram 263, May 1, to Belgrade (860H.00/5-146). For text of note, see Department of State *Bulletin*, May 26, 1946, page 909.]

865.00/5-846: Telegram

*The United States Deputy Political Adviser at Allied Force Headquarters (Byington) to the Secretary of State*

SECRET

CASERTA, May 8, 1946—5 p. m.  
[Received May 8—1:10 p. m.]

501. Re my 496, May 3, 3 p.m.<sup>56</sup> AFHQ has been informed by XIII Corps that there is increased evidence of Italians organizing into action squads and some cases of aggression against pro-Slavs have been reported. On May 1 approximately 15 Italians stopped a jeep and killed Giuseppe Ravnikar (suspected OZNA agent). There has also occurred the stabbing of a pro-Slav named Grisdarcic whose condition is reported serious.

XIII Corps contrasts this tendency with present PCG policy of law and order. PCG is making considerable propaganda value out of these incidents. Line intercepts show that whereas information concerning the above attacks was passed by pro-Slavs to Tanjug and Lavoratere civilian police were not informed and thus handicapped in investigations.

While I was in Trieste Gen. Harding referred to the above developments and expressed some concern that Italians were getting out of hand since their recent upswing of confidence and successful demonstration during visit of Boundary Commission.<sup>57</sup> He said that Italians should be warned that further activities of organized groups such as these recent occurrences could not but have harmful effect on entire situation in Venezia Giulia and would reflect badly upon previous good record of Italians in that area.

I discussed this question with Greene who felt that control of Italians in Venezia Giulia by Italian Govt was so ineffective that any warning informal or otherwise to Italian Govt would serve no useful purpose. He felt that the only way to meet situation if it continued

<sup>56</sup> Not printed; it reported that in general the May Day celebrations in Trieste had passed quietly (800.00B International Red Day/5-346).

<sup>57</sup> The Commission of Experts for the Investigation of the Italo-Yugoslav Boundary, established at the direction of the Council of Foreign Ministers, visited Venezia Giulia between March 12 and April 2, 1946. For the Commission's report, document C.F.M. (46) 5, April 27, 1946, see vol. II, p. 140.

to develop was to take firm action in each individual instance.<sup>58</sup> I am repeating this message to Rome for Embassy views (repeated Rome as 375).

BYINGTON

740.00119 EW/5-346

*President Truman to the Yugoslav Prime Minister (Tito)*<sup>59</sup>

WASHINGTON, May 9, 1946.

MY DEAR MARSHAL TITO: I have pleasure in acknowledging the receipt of your note of February 19, 1946, which Ambassador Patterson delivered to me upon his return to Washington. Speaking for myself and on behalf of the people and Government of the United States, I wish to reciprocate your friendly greetings and to convey to you my appreciation of your kind expressions of gratitude.

The United States has followed with sympathetic interest the efforts of the valiant people of Yugoslavia to achieve the difficult transition from war to peace, and sincerely hopes that this transition may soon be completed with a minimum of additional hardships. It has been, and will continue to be, the desire of the United States, in accordance with the obligations it assumed at Yalta, to render all appropriate assistance to the Yugoslav people in their attainment of this objective.

I can assure you that the United States is, by the same token, desirous of seeing the question of Venezia Giulia solved in a manner consistent with the best interests of all the parties concerned.

I trust that the recent regularization of the formal relations between Yugoslavia and the United States will prove conducive to the early, mutually beneficial developments of those fruitful political and economic contacts between our two countries which I am sure we both desire to see.

Very sincerely yours,

HARRY TRUMAN

[On May 20, 1946, the American and British Chargés in Belgrade presented virtually identical notes to the Yugoslav Foreign Ministry—protesting against Yugoslav obstruction of Allied Military Government in Venezia Giulia. For text of the American note, see Department of State *Bulletin*, September 1, 1946, page 409.]

<sup>58</sup> Telegram 139, May 10, to Caserta, gave the Department's views as follows: "Dept agrees there is no basis for approach to Ital Govt re activities of Italians in Venezia Giulia, since administration of territory is solely Allied responsibility and Ital Govt is not in position to exercise any authority therein. Dept also believes situation can be met by firm and tactful action on part Allied local authorities." (865.00/5-846)

<sup>59</sup> This letter, which was prepared by the Department of State, was referred to President Truman on April 25, and was signed by him on May 3, 1946.

124.60H6/5-2746 : Telegram

*The Chargé in Yugoslavia (Shantz) to the Secretary of State*

US URGENT

BELGRADE, May 27, 1946.

[Received May 28—5:45 p. m.]

528. Following is substance of FonOff note dated May 24, received today.

When necessary communications were lacking in Yugos as result of war damages, Yugos authorities agreed Embassy could have its own aircraft at Zemun Airdrome. As communications in Yugos are now reestablished it is neither necessary nor justified for Foreign Missions to use special aircraft in Yugos.

After June 1 next aircraft now at disposal of Embassy cannot be used on Yugos territory and Embassy can use regular communication by railway or airway as other Missions of Allied and friendly countries do. Embassy should prepare withdrawal of its special courier aircraft and all personnel who serve and manage them at date proposed by Embassy.

Ministry refers to its note of April 2 concerning withdrawal of US air personnel and navigation facilities from Zemun and "insist that enforcement of corresponding measures should start immediately" so that staff should be withdrawn by June 1 to make it possible for Yugos organs to take over locality and installations at determined date and begin reorganizing of whole airdrome service.

British received similar note.

Repeated Vienna 56, Caserta 48, London 46, Paris 39, Moscow 20, Bern 11.

SHANTZ

860H.00/6-146 : Telegram

*The Chargé in Yugoslavia (Shantz) to the Secretary of State*

SECRET

BELGRADE, June 1, 1946—1 p. m.

[Received June 2—1:25 p. m.]

546. Kosanovich called May 29 to ask for air transport to US. We told him it depended on his Government whether US planes could leave Belgrade next week.

He is not well and was jittery about going to Washington. When he suggested our relations were bad, we heartily agreed. He asked me "as a friend" whether I would advise him to go. I was non-committal and suggested he travel leisurely by sea.

I told him I thought Foreign Minister Simic's speech in Parliament (see A-122, May 25<sup>60</sup>) about our second Mihailovich trial note went

<sup>60</sup> Not printed.

beyond bounds of decency even in these days of tough diplomacy. He said he entirely agreed but insisted that speech was extemporaneous and given without knowledge of Tito and Kardelj. Since Simic is experienced diplomat we cannot credit this explanation.

Harassment of our Embassy through official malice, stupidity or both continues daily. On May 30, Major Coombs arranged dignified official opening of US cemetery for war dead. Serb engineer, Nikolich, who was in charge of its construction, and who had personally rescued 23 US airmen, was arrested by plain-clothes men as he was about to enter Coombs' car at close of ceremony.

Chief Yeoman of Naval Attaché's office married Yugoslav girl at Cathedral May 30. Just before ceremony, OZNA ordered best man not to take part and warned choir against singing at ceremony.

SHANTZ

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860H.7962/5-2946 : Telegram

*The Secretary of State to the Ambassador in the United Kingdom  
(Harriman)*

SECRET

WASHINGTON, June 1, 1946—3 p. m.

4412. Urtel 5570, May 29.<sup>61</sup> Retaliatory measures suggested by Brit seem to us likely to be ineffective as Yugos planes could fly Soviet zones Germany and Austria and Soviet planes could transport most Yugos officials freight and mail throughout Europe. It is Dept's view that preferable approach to matter would be for US Emb Belgrade to deliver to Yugo FonOff note along following lines, similar parallel representations being made by Brit Emb there

"With reference to Yugo note of May 24 requesting withdrawal of ATC personnel at Zemun airfield by June 1 and grounding Emb aircraft on same date,<sup>62</sup> Yugo Govt no doubt recalls that over a year ago (i.e. in April 1945) US Govt addressed note to Yugo Govt containing certain proposals re civil aviation but that as yet Yugo Govt has not seen fit to reply to that note. Yugo Govt should also recall that in its note of April 25, 1946 US Govt pointed out that AmEmb Belgrade as well as American elements of Allied Control Commissions for Hungary and Rumania were dependent upon use of Zemun airdrome

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<sup>61</sup> Not printed; it reported that unless the Yugoslav Government expressed willingness to reach a mutually satisfactory arrangement on the use of the Zemun airfield, the British Foreign Office was considering the desirability of retaliation in the form of forbidding the flight of Yugoslav aircraft over British territory and British zones of occupation, as well as the forbidding of the movement of Yugoslav officials, freight, and mail by British aircraft (860H.7962/5-2946).

<sup>62</sup> The substance of the Yugoslav Foreign Ministry's note of May 24 was transmitted to the Department in telegram 528, May 27, from Belgrade, p. 894.

by American aircraft.<sup>63</sup> Yugo Govt has likewise not replied to that note.

Yugo Govt in its note of May 24, 1946 (which, it appears relevant to point out, was not received by AmEmb Belgrade until May 27) demands that Embs remaining air link with its Govt be severed on date arbitrarily set by Yugo Govt without replacement by any Amer civil air service. Peremptory nature of Yugo note and its statement that Emb aircraft cannot be used in Yugo after June 1 strongly suggests that Yugo Govt does not wish to discuss a matter which US Govt considers of vital importance to efficient functioning of AmEmb Belgrade. US Govt has assigned number of aircraft to its diplomatic missions abroad without question having arisen as to use of such planes. Contrary to opinion expressed by Yugo Govt, US Govt considers that use by AmEmb Belgrade of Emb aircraft is particularly necessary for at least so long as adequate US civil air facilities are lacking. In absence such facilities Emb is dependent upon its own aircraft for communications and transport of its official supplies and personnel.

Attitude of Yugos Govt this matter cannot but, in US view, be said to fall short of that wholehearted cooperation which the US on its part desires to exercise. In recognizing and establishing relations with present Yugo Govt, US Govt proceeded on assumption that there are no unsurmountable obstacles to maintenance of cordial and mutually profitable relations between US and Yugo provided there exists mutual good will and willingness to settle disagreements by frank and friendly consultation. Good will of US Govt and people towards Yugo has been manifested in many ways, not least of which has been major contribution of US to UNRRA activities in Yugo, a contribution of which Yugo Govt is fully aware.

US Govt hopes that Yugo note under acknowledgment does not reflect an intention on the part of that Govt to render impossible the proper functioning of AmEmb Belgrade. US Govt will welcome assurances in that sense and with view to mutually satisfactory solution this matter proposes that negotiations be undertaken between the FonOff and the US Emb Belgrade without delay in regard to all aspects of general question of US-Yugo aviation, with particular reference to US civil aviation in Yugo and operation Emb aircraft. US further proposes that such negotiations take place before the end of the current month and requests that, pending outcome of such discussions, Yugo Govt defer the demands contained in its note of May 24. It is the US hope that this problem will accordingly be resolved in that spirit of cooperation which can alone contribute to mutually beneficial development of relations among states."

Emb Belgrade would also be authorized inform FonOff orally that pending satisfactory solution this and other problems presently outstanding in US-Yugo relations Dept thinks Amb-designate Kosanovic

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<sup>63</sup> For substance of American note presented to the Yugoslav Foreign Ministry April 25, see telegram 244, April 19, 6 p. m. to Belgrade, p. 888.

should defer departure for US.<sup>64</sup> US Amb Patterson would similarly postpone return Belgrade.<sup>65</sup>

Brit comments on foregoing will be appreciated.

Sent London, rptd Belgrade, Caserta, Moscow and Bern.<sup>66</sup>

BYRNES

123 Patterson, Richard C. : Telegram

*The Chargé in Yugoslavia (Shantz) to the Secretary of State*

SECRET

BELGRADE, June 6, 1946—4 p. m.

URGENT

[Received June 7—3:33 p. m.]

564. Regarding final paragraph unnumbered, Department, June 1, 3 p. m.,<sup>67</sup> operation US aircraft in Yugoslavia:

We think it advisable to defer Ambassador's return whether or not British agree and whether or not we tell Yugoslavian Government.

We are confronted currently by numerous harassing problems, most of which could be easily settled or would never have arisen were Yugoslavian Government genuinely desirous of cooperating in spirit of good will. Indications are plain that country's rulers are determined to render ineffective our representation here. Although Ambassador's return should be interpreted as evidence of good will and desire to reach settlement of problems, those in power have indicated they do not understand good will nor wish settlement of problems, which they have in large part created and might construe his return as evidence of weakness and warrant for fresh encroachments. We foresaw in advance their demands to eliminate Embassy's air and radio communications, and I believe it only question of time before they attempt to oust USIS.

We do not believe Ambassador's personal contacts with Tito will help matters. As Subasic<sup>68</sup> told Hohenthal<sup>69</sup> in Zagreb recently, Tito must be regarded as having no more power than a Russian officer of Marshal's rank.

US and British Embassies have now served purpose for which regime originally desired their presence; namely, to show that they

<sup>64</sup> Telegram 559, June 5, from Belgrade, reported that the Chargé had submitted the note to the Yugoslav Foreign Ministry as prepared by the Department, but he had not informed the Foreign Ministry orally as suggested in this last paragraph (860H.7962/6-546).

<sup>65</sup> Ambassador Patterson was on leave in the United States.

<sup>66</sup> Repeated to Belgrade as 342, Caserta as 154, Moscow as 1006, and Bern as 1313.

<sup>67</sup> Reference is to telegram 4412, June 1, 3 p. m., to London, repeated to Belgrade as 342, *supra*.

<sup>68</sup> Ivan Subašić, Prime Minister of the Yugoslav Government in Exile in London, May 1944–March 1945; Minister for Foreign Affairs in the Yugoslav Provisional Government from March 1945 until his resignation in October 1945.

<sup>69</sup> Theodore H. Hohenthal, Consul at Zagreb from January 1946.



condone country's subjection to status of slave province. Having served this purpose we are being branded as enemies of the people and every effort is made to hasten our departure. We believe that we should stay as long as possible but that if we must continue to suffer indignities, it is better not to do so on an Ambassadorial level.

SHANTZ

860H.00/6-646: Telegram

*The Secretary of State to the Chargé in Yugoslavia (Shantz)*

US URGENT

WASHINGTON, June 6, 1946—7 p. m.

RESTRICTED

357. Representatives of "Committee for a Fair Trial for Draja Mihailovich" called at Department today and presented copies of: (1) report of Committee's commission of inquiry; (2) 580 page transcript of testimony taken by commission; and (3) photostats of annexed exhibits. Representatives requested that two sets of documents be sent Embassy and that Embassy make one set available to United States correspondents in Belgrade and that other set be forwarded to Yugoslav Government. Documents are being sent by fastest air pouch and you are authorized to comply with Committee's wishes.

Meanwhile, in view of possibility documents arrival Belgrade may be delayed, note along following lines should be delivered to the Ministry of Foreign Affairs:

"The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs and under instructions from its Government has the honor to refer to its note of May 7,<sup>70</sup> to which a reply has not yet been received, and to previous correspondence, concerning the scheduled trial of General Draja Mihailovich.

As Yugoslav Government may be aware, a Committee for a Fair Trial for Draja Mihailovich was recently formed by private individuals in the United States and a Commission of inquiry sponsored by that Committee has recently been engaged in taking the testimony of various individuals in the United States having knowledge pertinent to this case. Representatives of the Committee have delivered to the Department of State copies of Commission's report, transcript of evidence and certain exhibits with request that these documents be transmitted to Yugoslav Government for information and such use as the appropriate court may see fit to make of them. The Committee has had the transcript duly notarized by the Yugoslav Consulate General in New York with a view to facilitating its use by such court. The Embassy has been informed that abovementioned documents are being forwarded to it by air and upon their receipt will not fail to forward them to the Ministry of Foreign Affairs.

In informing the Ministry of Foreign Affairs of foregoing, the Embassy has also been instructed to express hope that the Ministry

<sup>70</sup> See bracketed note, p. 891.

of Foreign Affairs will be good enough to indicate to the Embassy action the Yugoslav Government may be disposed to take with respect to the Committee's request in order to enable the United States Government to make appropriate reply to Committee."<sup>71</sup>

BYRNES

SWNCC Files : SWNCC 313 Series

*The Supreme Allied Commander, Mediterranean Theater (Morgan)  
to the Combined Chiefs of Staff*<sup>72</sup>

SECRET

[CASERTA,] 20 June 1946.

FX 68001. Naf 1159. 1. Uneasiness amounting to grave anxiety has become apparent among Italian population of Pola enclave since British and U.S. Governments indicated that they were prepared to accept French proposal for Italo-Yugoslav frontier and particularly since British Foreign Secretary's statement in Commons on 5th February.

2. This state of mind, which materially increases difficulty of administering Allied Military Government and maintaining military security, is chiefly due to uncertainty of extent to which interests and property of Italian population will be safeguarded.

3. I therefore recommend for your consideration that an early statement should be made by Allied governments to the effect that before sovereign rights over territory in Venezia Giulia are assumed either by Yugoslavia or Italy, all guarantees will be given of fair treatment for residents therein, including facilities for the evacuation of themselves and their property prior to the area being handed over to Yugoslavia or Italy.

4. On the basis of past experience with the Yugoslav Government and the failure of that Government to carry out provisions of the Belgrade Agreement,<sup>73</sup> such as the return of Italians deported from Venezia Giulia, I consider that any declaration in the above sense would not be effective in preserving public confidence in Pola unless

<sup>71</sup> The note was delivered to the Yugoslav Foreign Ministry on June 8, 1946. On June 19, the Yugoslav Foreign Ministry informed the Embassy in Belgrade that the material in question would be transmitted to the competent court (860H.00/6-2046). General Mihailović was tried before a military court during July 1946, was sentenced to death and executed on July 17, 1946.

<sup>72</sup> This message was forwarded to the State-War-Navy Coordinating Committee by the Joint Chiefs of Staff on June 24 with request for the basis of a reply (SWNCC 313 Series). The message was referred to the State-War-Navy Coordinating Subcommittee for Europe for study and the preparation of a draft reply (SWNCC 313/D).

<sup>73</sup> The Anglo-American-Yugoslav agreement signed at Belgrade, June 9, 1945; for text of the Belgrade agreement, see Department of State Executive Agreement Series No. 501, or 59 Stat. (pt. 2) 1855.

it provides for evacuation of persons and property prior to actual handover of territory.

5. I anticipate that numerous applications will shortly be made to the Allied Military Government authorities for permission to move industrial plant from Pola to other parts in Zone A. Movement of plant or industrial facilities from one part of Venezia Giulia to another in anticipation of final partition of territory, while not contrary to Morgan-Jovanovic agreement,<sup>74</sup> might be interpreted as contrary to spirit of that agreement. On other hand, by refusing such permission, we may in actual fact without legal right be obstructing Italians in Pola from lawfully protecting their property, particularly if guarantee in paragraph 3 is not given. Your instructions as to policy to be followed in dealing with these applications are requested. In the meantime I have ordered that permission will not be granted.

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740.0011 EW/6-2846 : Telegram

*The Supreme Allied Commander, Mediterranean Theater (Morgan),  
to the Combined Chiefs of Staff*<sup>75</sup>

TOP SECRET

[CASERTA,] 25 June 1946.

FX 68284. Naf 1166. 1. I have just completed a tour of inspection - in Venezia Giulia. The situation is comparatively quiet at present but, if the current negotiations in Paris<sup>76</sup> lead to a frontier solution which is unfavourable to the Yugoslavs, an immediate deterioration in the situation would certainly take place. This may take the form of a campaign of terrorism and sabotage designed to demonstrate to the world that the local Slovenes and Communists find the solution intolerable. Any inability on our part to maintain order would present - an excuse for intervention by Yugoslav armed forces to protect their friends and brother Slavs. If on the other hand, Paris negotiations

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<sup>74</sup> Agreement between the Supreme Allied Commander, Mediterranean Theater of Operations, and the Supreme Commander of the Yugoslav Army, signed at Duino on June 20, 1945, by Lieutenant General Morgan and Yugoslav Lieutenant General Arso Jovanović, implementing the Anglo-American-Yugoslav Agreement of June 9, 1945.

<sup>75</sup> In a memorandum to the State-War-Navy Coordinating Committee dated June 28, the Joint Chiefs of Staff requested guidance "as a matter of urgency" on the political implications of complying with General Morgan's requests contained in this telegram. By informal action on July 2, the State, War, and Navy Departments agreed that the contents of telegrams OCD 26 and OCD 27, July 1, from General Lincoln to the War Department, pp. 905 and 907, would constitute the guidance requested by the Joint Chiefs of Staff. (740.0011 EW/6-2846)

<sup>76</sup> Reference is to the negotiations taking place in the Council of Foreign Ministers. For documentation regarding the Paris session of the Council of Foreign Ministers, April 25-May 15 and June 15-July 12, 1946, see vol. II, pp. 88 ff.

break down, the forces at my disposal are inadequate to maintain law and order indefinitely under existing conditions.

2. XIII Corps is at present disposed as follows: —

A. 56th Division less one brigade covering Trieste from the east and north; one brigade at Pola.

B. 88th Division less one regiment covering Gorizia; one regiment in upper Isonzo Valley and Tarvisio.

C. 6th Armored Division immediately west of the Isonzo facing the large gap between the left of 56th Division and the right of 88th Division.

D. One Polish Brigade, shortly to be demobilized, guarding Allied installations on the line of communications west of the river Tagliamento to inclusive Venice.

3. Although morale and condition of the American and British troops is excellent they consist mainly of young soldiers without battle experience. British units are much below strength and are very short of officers and noncommissioned officers (NCOs). U.S. units are already short of officers and combat efficiency will shortly be seriously affected by redeployment of NCOs and key specialists. Very wide frontages are held and practically no reserves are in hand either locally or in the theatre. As the available troops may have to be kept in a high state of readiness almost indefinitely, I am convinced that we should immediately take certain steps to strengthen the existing insecure military position.

4. I recommend that the following steps be taken:

A. The RCT which I requested as a reinforcement in Naf 1156<sup>77</sup> should be moved to Italy as soon as possible and should remain at my disposal. It is required to strengthen the left flank of 88th United States Division by covering the approaches to the vital airfields and installations at Udine and as a possible reserve.

B. The Yugoslav Government should be pressed to withdraw their detachment in Zone "A". This detachment is a grave source of embarrassment owing to constant breaches of our orders, interference in local affairs and the hostile and defiant attitude of the officers and men. It is farcical to continue the pretense that it is under my command.

C. Provisions should now be made for the accommodation on a more tactical basis of troops of XIII Corps, plus the RCT requested in subparagraph 4 A above. This will involve an extensive hutting program which must be put in hand immediately. Details are being forwarded to the War Department and War Office separately. The only alternative would be to requisition a large number of schools and

<sup>77</sup> In his cable Naf 1156, June 15, to the Combined Chiefs of Staff, General Morgan pointed out the possibility of a Yugoslav *coup de main* in Venezia Giulia and requested that he be reinforced forthwith by one regimental combat team (RCT) from United States forces in the European Theater (740.0011 EW/6-2846).

public buildings which are now in full use. This would have serious repercussions on the civil life of the country thereby increasing the military commitment.

5. From a purely military point of view I should very much like to withdraw our garrison from Pola. Its position is militarily indefensible and it would in any case have to be withdrawn immediately hostilities break out. I therefore request that, as a threatening situation may develop at very short notice, I be given permission to withdraw the Pola garrison at my discretion.

6. Finally, unless the measures I recommend above are taken, it is my duty to report that the United States and United Kingdom Governments are in my view taking grave military risks in Venezia Giulia.

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740.00119 Control (Italy)/6-2646: Telegram

*The United States Deputy Political Adviser at Allied Force Headquarters (Byington) to the Secretary of State*

TOP SECRET

CASERTA, June 26, 1946—4 p. m.

[Received 5:28 p. m.]

622. Re my 610, June 21, 2 p. m.<sup>78</sup> Please see Naf 1166 from SAC to CCS date June 25 in which he makes following recommendations in order to strengthen present insecure military position:

[Here follows a summary of numbered section 4 of telegram FX 68284, Naf 1166, June 25 from General Morgan to the Combined Chiefs of Staff, *supra*.]

Together with my British colleague<sup>79</sup> at discussions here regarding above recommendations which originally included proposal for immediate withdrawal of Pola garrison, I pointed out that from political point of view withdrawal of garrison from Pola prior to decision establishing Venezia Giulia frontier or an open breach with Yugos would inevitably be regarded by Yugos as sign of weakness and would encourage them to intensify their activities in Trieste area. I also expressed view that withdrawal of garrison from Pola would appear difficult to explain in light of SAC's statement in March reaffirmed on June 23 (see my 615 of June 22, 3 p. m.<sup>80</sup>) which emphasized that both US and UK firmly intend to maintain present position in Venezia Giulia until an agreed settlement about future of territory has been reached and put into effect. We pointed out in conclusion that there had been no official announcement that Pola was to be awarded to

<sup>78</sup> Not printed; it summarized recommendations contained in General Morgan's telegram Naf 1159, June 20, to the Combined Chiefs of Staff, p. 899.

<sup>79</sup> Philip Broad.

<sup>80</sup> Not printed.

Yugos and we questioned whether either US or UK Delegations at Paris would welcome psychological effect of a military move apparently abandoning Pola while Paris discussions over Venezia Giulia boundary were still going on. Furthermore it would seem certain that withdrawal of Pola garrison would lead to requests from Italian inhabitants for permission to evacuate city (see my 582, June 11, 2 p. m.<sup>81</sup>).

In discussion of military situation in Venezia Giulia with Field Marshal Montgomery during his visit here yesterday this proposal was brought up. The Field Marshal was obviously impressed by arguments for withdrawal from Pola which are unquestionably sound from military point of view and he might very well support any such move.

If Dept agrees that political objections to removal of Pola garrison outweigh advisability of this move from military view point it would be well for SAC's instructions from CCS to indicate clearly that Pola garrison is not to be withdrawn except as a last resort and upon reliable evidence of imminent Yugo aggression.

In my immediate following telegram I shall take up SAC's request to withdraw Yugo detachment.<sup>82</sup>

Sent Dept as 622, repeated Rome 459.

BYINGTON

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740.00119 Council/6-2746 : Telegram

*The Acting Secretary of State to the Secretary of State, at Paris*<sup>83</sup>

TOP SECRET

WASHINGTON, June 27, 1946—3 p. m.

3116. Secdel 355. For the Secretary. War Dept has been requested to repeat to Lincoln<sup>84</sup> for the Secretary's info Naf 1166 of June 25

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<sup>81</sup> Not printed; it reported that Allied occupation authorities believed that application would be received in the near future from residents in Pola to move plants and machinery from that area to Trieste. Byington expressed the opinion that in view of the consistent lack of cooperation by the Yugoslavs with Allied military authorities, the United States should not raise any objections to such transfers. (740.00119 EW/6-1146) In telegram 164, June 14, to Caserta, the Department expressed the belief that it would be unwise to permit removals of plants and machinery from Pola to Trieste at the current time. The Department hoped to obtain treaty provisions safeguarding the transfer of persons who did not desire to remain in Italian or Yugoslav territory following the boundary settlement. (740.00119 EW/6-1146)

<sup>82</sup> In telegram 623, June 26, from Caserta, Byington reported that the Yugoslav detachment located within Zone A presented a serious military problem in planning the defense of Zone A. The Yugoslav detachment occupied high ground adjacent to Duino and might have as its first task, in event of a Yugoslav attack, the assignment of capturing XIIIth Corps Headquarters. (740.00119 Control-Italy)/6-2646)

<sup>83</sup> The Secretary of State was in Paris attending the Second Session of the Council of Foreign Ministers, Second Part, June 15-July 12, 1946.

<sup>84</sup> Military Adviser on the United States delegation at the Council of Foreign Ministers.

from SAC to CCS re withdrawal of Allied garrison from Pola and of Yugo detachment from Zone A. Ampolad has also been instructed to repeat his 622 and 623 June 26<sup>85</sup> to Dept re discussion these subjects at AFHQ.

Dept has informed War Dept that no move should be made in this matter without your approval, as Allied withdrawal from Pola would be contrary to announced Allied policy of maintaining position in Venezia Giulia until final settlement is reached, and would afford Yugos excuse to move into Pola to maintain order following Allied withdrawal. Yugo move into Pola would be tantamount to settlement by force of that part of territorial dispute, and would likely lead to violence between Itals and Yugo which might spread throughout Venezia Giulia.

As regards withdrawal Yugo detachment from Zone A, Dept's view is that SAC should instruct Yugo commander that orders must henceforth be faithfully carried out, and that any further disregard of SAC's authority will require restriction of Yugo detachment to area in which they are quartered pending settlement of matter between Yugo and US and UK Govts.

ACHESON

740.0011 EW/6-2846 : Telegram

*The Military Adviser on the United States Delegation at the Council of Foreign Ministers (Lincoln) to the War Department*<sup>86</sup>

TOP SECRET

PARIS, 28 June 1946.

TT 6575. For Norstad<sup>87</sup> from Lincoln.

1. This concerns Warx 92658<sup>88</sup> which contained substance of Naf 1166. Byrnes views are:

a. As to Pola our forces should remain there since sudden withdrawal would cause disorders and also since such action would in effect prejudice the issue. However Byrnes pointed out U.S.-British and French have already indicated acceptance of a line which would give Pola to the Yugoslavs. Hence no responsible person should mislead the people of Pola on this point or interpose obstacles in the way of Italians who wish to leave the city.

b. As to the Yugoslav detachment in Zone A which is an integral part of the Morgan agreement, Byrnes considers it diplomatically infeasible to press Yugoslavs on this matter at this time.

<sup>85</sup> Latter not printed, but see footnote 82, p. 903.

<sup>86</sup> This message was referred to the State-War-Navy Coordinating Committee by the Joint Chiefs of Staff as bearing on the problem raised by the Joint Chiefs in their memorandum of June 28; see footnote 75, p. 900.

<sup>87</sup> Maj. Gen. Lauris Norstad, Assistant Chief of Air Staff, Army Air Forces.

<sup>88</sup> Not printed.

c. As to move of regimental combat team (RCT), Byrnes considers that some definitive action on Trieste, either disposition or deadlock, will occur here in a short time. Hence he wishes no action for 2 or 3 days. From the political standpoint he now considers he could probably sustain such a movement. His thought is that he would tell Molotov personally and the press exactly what we were doing and that the purpose is to handle possible disorders, in the area of our responsibility which are most likely to arise in the period immediately after a reasonably firm decision is taken.

2. From the political standpoint Byrnes does not agree that in case negotiations break down the situation would be unmanageable in immediate future, as indicated in last sentence of paragraph 1 a of Naf 1166.

3. Byrnes proposes to tell Bevin that movement of Poles from Italy should be slowed during this period of tension and that it should be made clear to Morgan that these troops are available in case of emergency.

4. I have made clear to Byrnes that his solution in paragraph 1 above, even if eventual action is to move RCT from USFET does not meet minimum requirements which Morgan is now seeking to avoid "grave military risks", and that the line now being taken by AFHQ requires that we look into the future as to troops and other resources in relation to our future intentions in the Trieste area. This point will probably come up in 48 to 72 hours when Byrnes indicated he would probably give an answer on the 14th Regimental Combat Team. At that time it may be most desirable to indicate to Byrnes the extent of the military commitment in men and money which different policies and actions will involve and the requirement for specific State Department support in obtaining them.

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SWNCC Files : SWNCC 313 Series : Telegram

*The Military Adviser on the United States Delegation at the Council of Foreign Ministers (Lincoln) to the War Department*

TOP SECRET

PARIS, 1 July, 1946.

OCD 26. For COS for Norstad personal.

1. Given below is a suggested draft message in reply to Naf 1166 which is Byrnes view and which has been read and agreed by Bevin. I have inserted phraseology to make it a military directive if it is accepted by JCS and CCS. Bevin is sending this draft to Foreign Office and British chiefs as his political view with suggestion that instructions be sent to British Staff Mission. Lee is here and probably



will ask for a copy of draft to take with him when he returns to Caserta tomorrow.

2. Reasons for suggested action in succeeding paragraph will be sent in separate message.

3. Follows the substance of suggested directive.

(a). State Department and Foreign Office view is that withdrawals of troops from Pola, unless coincident with general Yugoslav attack, would create a gravely adverse political situation. Hence you should not withdraw except on direction of the CCS or upon development of what you estimate to be a general organized Yugoslav attack against our lines.

(b). As to Yugoslavia in zone A, State Department and Foreign Office point out: Yugoslavia is an ally, and a member of United Nations and detachment is present on basis of Morgan-Jovanovic agreement. Hence a request for withdrawal is politically impracticable, at least until detachment has failed to obey orders of such substance as to be comprehensible to world public opinion. Even then it may not be politically desirable to open the matter since Yugoslavia would probably reject the request or might use it as an excuse to reopen whole Morgan-Jovanovic agreement.

(c) As to move of RCT, political estimate is that gain therefrom is not commensurate with risk that Yugoslavs will maintain or even increase tension by countering with reinforcement of zone B for which Yugoslavs have a certain capability which we cannot match. Taking account the unlikely probability of a general Yugoslav attack the CCS have decided the RCT will not be moved at this time.

(d). It is considered that a general organized Yugoslav attack is unlikely. It is a possibility however. Your plans and preparations for such a possibility should be on basis that all forces available in Italy, including Poles and such Italians as you estimate can be utilized, will be available for your operations in any area. Prior to development of such a general attack you are authorized to use Poles and Italians in any areas of Italy except zone A and the portion of Udine claimed by the Soviets for Yugoslavia; until development of such a possible general attack you should use Poles in forward areas as sparingly as possible, consulting frequently with your political advisers on the problem.

(e). In the event of a general attack by the Yugoslav Army, while making every effort to hold in general the status quo, (reference Fan 653<sup>89</sup>), your course of action should be consistent with maintaining the Allied forces tactically intact.

(f). On the basis of your previous directives and the foregoing, you should prepare plans for the initial operations in the unlikely possibility of a general Yugoslav attack coordinating with USFET, BTA and CINCMED, who will be furnished copies of this directive with appropriate instructions by their respective chiefs of staff.

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<sup>89</sup> Not printed, but see footnote 37, p. 882.

SWNCC Files : SWNCC 313 Series : Telegram

*The Military Adviser on the United States Delegation at the Council of Foreign Ministers (Lincoln) to the War Department*

TOP SECRET URGENT

PARIS, 1 July 1946.

OCD 27. For WARCOS for Norstad.

1. At 1st July meeting, Molotov agreed to French ethnic line as western border of Yugoslavia; to internationalizing area of Trieste which is west of ethnic line as far north along coast as Duino (now XIII Corps Hqtrs); and to giving remainder of disputed area to Italy. Byrnes and Bevin made no commitment but agreed to discuss matter tomorrow.

2. Byrnes view on move of RCT is that advantage is not worth risk of Yugoslav counter moves in Zone B which we could not match in a "War of Nerves". He also states he considers general Yugoslav attack most unlikely and that, if it develops, it will, in his opinion, arise out of disorders in Trieste. I have gone over situation in Venezia Giulia at length with Colonel Smith, G-3 from MTO, and we have both seen Byrnes. As a result message containing Byrnes' views has been agreed by British representatives and is now being considered by Bevin. It may be dispatched tonight. It provides for use of Poles and Italians and proposes to change certain impracticable aspects of Morgan's present directive.

3. At Smith's urgent request, I have informed General Lee and himself, who are both in Paris, of Molotov's agreement at meeting. Smith's thought is that a few hours' notice, of news which may cause disorders, will be of greatest help to AFHQ. Matthews concurred in this action.

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Caserta Mission Files : Lot 52 F 17 : 711.9 VG 1946 : Telegram

*The Combined Chiefs of Staff to the Supreme Allied Commander, Mediterranean Theater (Morgan)*

TOP SECRET

[WASHINGTON,] 5 July, 1946.

W 93570. This is message Fan 678. Naf 1156<sup>90</sup> and Naf 1166 refer.

1. Political estimate is that gain from movement at this time of a Regimental Combat Team from US Forces, European Theater would not be commensurate with risk that Yugoslavs will maintain or even increase tension by countermoves which we can not match. With

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<sup>90</sup> Not printed, but see footnote 77, p. 901.

consideration of the unlikely probability of a general Yugoslav attack, the Combined Chiefs of Staff have decided that the RCT will not be moved at this time.

2. As to the Yugoslav detachment, it is desired to point out that, since Yugoslavia is an ally, a member of the United Nations, and the detachment is in Zone "A" as a result of the Morgan-Jovanovic Agreement, any request for withdrawal is considered politically impracticable at this time. Meanwhile, you should forward a report of constant breaches of orders, interference, et cetera, reported in paragraph 4 B of Naf 1166.

3. Accommodation. We agree that if we are forced to remain in Venezia Giulia throughout the winter it will be necessary to provide hutted camps. We feel, however, that a decision on this should be deferred until we can gauge from the results of current Paris Conference whether the requirement is likely to arise.

4. Withdrawal from Pola. There are the following strong objections to permitting withdrawal from Pola at your discretion:

(a) Withdrawal from Pola would be regarded as prejudging any decision on the future of Venezia Giulia.

(b) It would be regarded by Italians as a sign that we were giving way to the Yugoslav demands.

(c) It would be contrary to your own statement that it is firm intention of British and Americans to maintain present position in Venezia Giulia until agreed settlement has been reached.

(d) It would strengthen military position of the Yugoslavs and give them free use of the port of Pola.

(e) In general, it would greatly encourage Yugoslavs to intensify intransigent attitude.

5. Whereas we agree that Pola is militarily untenable once hostilities have broken out, we consider that on all grounds our garrison should remain there as long as possible. You should therefore make such arrangements now as you consider necessary for evacuation of Pola but should not carry out evacuation without our prior approval unless hostilities break out, in which case you may withdraw garrison without our prior approval if you consider it militarily necessary to do so.

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865.00/7-646 : Telegram

*The United States Deputy Political Adviser at Allied Force Headquarters (Byington) to the Secretary of State*

SECRET

CASERTA, July 6, 1946—noon.  
[Received July 6—11:32 a. m.]

636. Re Dept's 139, May 10, 4 p. m.<sup>92</sup> General Harding has sug-

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<sup>92</sup> Not printed, but see footnote 58, p. 893.

gested on a number of occasions to AFHQ that an approach be made to Italian Government along lines indicated in paragraph 3 of my 501, May 8, 5 p. m. When consulted here I have consistently expressed Department's views indicated in its 139 under reference.

At his meeting yesterday SAC himself raised this question saying that General Harding had inquired of him whether an informal approach could be made to De Gasperi, pointing out need for restraint in statements by Italian Government and on part of Italian elements in Venezia Giulia.

British Ambassador said that he had already taken this line with De Gasperi on a completely informal basis. I pointed out that Department did not hold the opinion that there was any basis for an approach to Italian Government regarding activities in Venezia Giulia and expressed view that there should be consultation between the two Governments before any approach should be made to the Italian PriMin. SAC decided that no approach on this matter should be made by Admiral Stone to De Gasperi and it should rest to the Embassies to consider what further steps should be taken.

Sent Dept 636; repeated Rome 472.

BYINGTON

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SWNCC Files : SWNCC 313 Series

*Memorandum by the Representatives of the British Chiefs of Staff to the Combined Chiefs of Staff*<sup>83</sup>

SECRET  
C.C.S. 957

6 July 1946.

#### TREATMENT OF RESIDENTS IN VENEZIA GIULIA

1. The questions raised by the Supreme Allied Commander, Mediterranean (SACMED) in his telegram Naf 1159 (Enclosure "B")<sup>84</sup> have been considered in London, and the views of the Foreign Office, with which the British Chiefs of Staff are in agreement, are as follows.

2. The issue of a statement of the kind contemplated by SACMED would aggravate the situation by focusing Yugoslav attention on it and would have the disadvantage of committing the United States and British Governments to action which the time factor and other con-

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<sup>83</sup> This memorandum was forwarded to the State-War-Navy Coordinating Committee by the Joint Chiefs of Staff on July 9 for consideration in connection with the preparation of a reply to General Morgan's message Naf 1159, June 20, to the Combined Chiefs of Staff, p. 899. On July 10, the State-War-Navy Coordinating Committee referred this memorandum to the State-War-Navy Coordinating Subcommittee for Europe for recommendation regarding the draft message in enclosure "A" thereof.

<sup>84</sup> Enclosure "B" not printed here; for Naf 1159, see p. 899.

siderations might make it difficult for them in the end to implement. It seems in any case clear that if Pola is awarded to Yugoslavia, Italian residents are going to lose such property as they have not been able to move.

3. It is suggested, therefore, that in the circumstances it would be advisable for SACMED to abide rather rigidly by the letter of the Morgan-Jovanovic Agreement and to permit transfer of plant[s] and machinery so long as it is not taken out of Zone A. There should, of course, be no question of the military authorities doing anything to encourage such activities.

4. Further, a statement on the lines proposed by SACMED would be interpreted by the Italians as an indication that we had already decided to give Pola to the Yugoslavs, and it would at the same time cause an outcry from the Yugoslavs, who would complain that we were depriving them of their rights in anticipation of the decision in Paris.

5. It is suggested, therefore, that a reply to SACMED be dispatched in the above sense. A draft telegram is attached (Enclosure "A") for the consideration of the United States Chiefs of Staff.<sup>95</sup>

860H.00/7-1246 : Telegram

*The Chargé in Yugoslavia (Shantz) to the Secretary of State*

BELGRADE, July 12, 1946.

[Received July 12—10:33 p. m.]

673. Urtel 441, July 10.<sup>96</sup> Foreign Office note July 4, acknowledges ours June 4.<sup>97</sup> Following is body of text translated from French, omitting articles:

Principal obstacle to solution of question of Embassy's airplane and other aviation problems in suspense is caused by constant flights over Yugoslav northwest frontier by Allied combat and transport airplanes. In spite of reiterated requests, flights over Yugoslav territory continue unceasingly.

Yugoslav Government considers it certainly desirable that attainment of mutual goodwill be reached, not by restriction privileges, but by elimination obstacles which are source of misunderstandings.

On other hand, request of Yugoslav Government concerning mari-

<sup>95</sup> The enclosed draft telegram, not here printed, was virtually identical with numbered paragraphs 2, 3, and 4 of this memorandum. On July 30, the State-War-Navy Coordinating Committee approved the recommendation of the State-War-Navy Coordinating Subcommittee for Europe (SWNCC 313/2, July 27, 1946) that the Joint Chiefs of Staff accept this draft message subject to the deletion of a paragraph which repeated the language of paragraph 4 of this memorandum. The deletion had been made necessary inasmuch as the Council of Foreign Ministers had reached a decision on the Italo-Yugoslav boundary. (SWNCC Series 313).

<sup>96</sup> Not printed.

<sup>97</sup> For substance of Embassy's note of June 4, see telegram 4412, June 1, to London, p. 895.

time and river navigation and rail communications have not, after more than year, received from Allies favorable reception which Yugoslav Government believed it could expect.

Yugoslav Government has not, up to now, succeeded in recovering units of its merchant marine.

As regards river navigation, 166 Yugoslav units are still above Linz and have not yet been restored to Yugoslavia which has not been able to use them for reconstruction of country.

On subject of rail communications, question of traffic across American and English zones occupation in Austria have not yet received favorable solution.

Nevertheless, these three questions have vital importance for Yugoslavia. It is, therefore, hardly fair to demand from Yugoslav Government solution only of question of civil aviation so long as those of other communications which have primary interest for Yugoslavia are neglected.

SHANTZ

860H.00/7-1246 : Telegram

*The Secretary of State to the Chargé in Yugoslavia (Shantz)*

SECRET

WASHINGTON, July 18, 1946—7 p. m.

474. Urtel 673 12th. Dept considering general reply FonOff note July 4 concerning aviation and will instruct you appropriately as soon as possible. In meantime view urgency matter as result refusal Yugos permit flight reported MA's tel 713 July 16<sup>98</sup> and anticipated similar reaction request contemplated Deptel 457<sup>99</sup> feel you should make further urgent representations separately in regard to operation Emb aircraft. Unless you perceive objection inform FonOff that while maintenance Emb airplane is as indicated your note June 4 part of general aviation problem which this Govt is most anxious on its side to settle expeditiously to mutual satisfaction Yugos and US it nevertheless is in certain respects different from question regular civil air service inasmuch as it directly involves ability US Emb to maintain free and unrestricted communication with its Govt and with other places where performance of its functions necessitate, a privilege obviously essential to proper conduct of satisfactory diplomatic relations between the two States.

(You may set forth as example if you consider desirable that Amb Patterson hopes use Emb aircraft in proceeding UK to Yugo and he also plans several trips to Austria, Germany and Italy to attend to problems joint Yugo US interest but that if he cannot use Emb plane his plans must be revised or cancelled.)

<sup>98</sup> Not printed.

<sup>99</sup> Not printed; it reported that Ambassador Patterson and his family planned to sail for Europe on July 28 and would appreciate arrangements being made for Embassy plane to meet him at Southampton for the flight to Belgrade (123-Patterson, Richard C.).

State that as regards general aviation matters reply to FonOff note July 4 will be forthcoming without delay but you hope Yugos will in interests of furtherance cordial relations between Emb and Yugos Govt be disposed to accede to our desire continue operation Emb aircraft regardless future determination broader problem. You may reiterate importance we attach to this matter as set forth Deptel 342 June 1<sup>1</sup> and in referring again to fact that such aircraft are maintained by us at number diplomatic missions abroad you may assure Yugos courtesy requested this instance is one which we would have no hesitancy in extending on reciprocal basis to Yugos Emb in US should it be so desired.

It is understood that, following representations Amb Patterson, Amb Kosanovic has telegraphed Belgrade urging favorable consideration in matter this airplane.

BYRNES

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811.2360H/11-646 : Telegram

*The Military Attaché in Yugoslavia (Partridge) to the War Department*

SECRET

BELGRADE, 19 July, 1946.

719. Following status of military air transport service Vienna-Belgrade: Air travel between Vienna-Belgrade has now been taken over by EATS,<sup>2</sup> who desire to run only two trips per week. Yugo foreign office requested that all ATC personnel leave this country by 1 June. At present there are 4 ATC personnel in Belgrade; 3 of whom are in protective custody of Embassy and are refused exit visas by Jugs, the fourth is Major Gurley, ATC detachment commander, who is being transferred to Paris as soon as the property for which he is charged here in Belgrade is straightened out. When he departs, there will be no EATS or ATC personnel available in Belgrade to take care of incoming planes. In order for airplanes to make trip Vienna-Belgrade and return, it is required that we submit to Ministry of National Defense 48 hours in advance a request for each separate flight. Requests must include full names of each crew member, passport number, and number of the aircraft. We have protested this qualification on grounds that unforeseen operational difficulties in Vienna will not allow them to fulfill this requirement in all cases, and we feel that such failure would lend itself to possibility of further incidents at the Belgrade airport. As yet the Jugs have refused to budge from their position with regard to these requirements.

<sup>1</sup> Same as telegram 4412, June 1, to London, p. 895.

<sup>2</sup> European Air Transport Service, successor to Air Transport Command.

Jugs now demanding we turn over to them all radio equipment and radios sound sets which are ATC property on Zemun airport. They quote as their authority for such demand, verbal agreement made by Capt Beaumont, original ATC detachment commander. Such verbal agreement, unfortunately was recognized in writing by State Department on 25 April 46 and now it is believed that Yugoslavia not only wants the radio equipment but such things as air corps supply which are on the airfield. In the meantime they are stealing equipment as rapidly as possible and refusing to let us put the equipment in safer spot on the airdrome. One month ago Major Gurley submitted request for export permit for all supplies, other than radio equipment, on the airdrome.

To date in spite of frequent inquiries such has not been received. In order to have some one available in Belgrade to meet incoming EATS planes, handle baggage, passengers, freight, etc., we are attempting to secure two EATS enlisted personnel to be attached to the MA office. No great hope held for this as Jugs have already refused British on same.

Negotiations regarding American civil aviation rights in Yugo are at stand still and no progress being made. In all respects our situation here closely parallels the British. They are allowed 3 planes per week operating between Belgrade and Bari. Same kind of clearances required of them by Jugs. Jugs also demanding some British radio equipment be turned over to them and their staging post personnel be removed from country. They have not been able to negotiate any civil aviation agreements. The Yugoslavs have demanded that British MAA and American MAA aircraft be removed from country. Grounds are that communications are improved to such a point that such airplanes are no longer required.

On 18th July Jugs demanded that EATS aircraft flying between Vienna and Belgrade enter Yugoslavia over city of Subotica. This necessarily requires that airplanes fly over Hungary for which Russian permission is required. Application has been made to Russians thru Jugs for permission. Have also asked Jugs to allow us to fly old route (Vienna-Belgrade) until Russian permission arrives. No answer received yet.

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811.2360H/8-946: Airgram

*The Chargé in Yugoslavia (Shantz) to the Secretary of State*

SECRET

BELGRADE, August 9, 1946.

[Received August 28—8:49 a. m.]

A-201. Aircraft and personnel clearances. We concur fully with facts set forth in Civil Air Attaché's memo transmitted with Budapest



Legation's despatch No. 1797, August 5, 1946,<sup>3</sup> and endorse suggestion to establish coordinating office for aircraft and personnel clearance matters. As correctly pointed out in memo under reference, Yugoslavia presents in form, though not in substance, problems different than in other Soviet satellites but application of strict reciprocity principle fully justified and desirable. Concretely I urge following immediate actions:

1. U.S. aircraft landing at Zemun airport are immediately surrounded by heavily armed guards, passengers and crew are escorted by armed guards to and from terminal building, crew not allowed to approach aircraft until again cleared for departure. Whole procedure gives impression of handling criminals rather than allies. This conduct of Yugoslavs is plainly discriminatory against U.S. and British since procedure not followed in regard to Soviet, Polish, Czech and other satellite aircraft.

I recommend that Yugoslav aircraft authorized to land at U.S. controlled airdromes in our occupation zones in Germany or Austria should be treated precisely in same manner as our aircraft are treated by Yugoslav authorities at Zemun.

2. Yugoslav customs officials make it a practice to search thoroughly and with deliberate impudence luggage of Foreign Service personnel provided with diplomatic and special passports. Only exception is Ambassador himself. Inspector Cochran's and other F. S. personnel's luggage was painstakingly searched on their arrival at Zemun August 7 with first EATS plane cleared by Yugoslavs since July 21. Our protests against this conduct contrary to international customs of no avail. Our treatment in this respect cannot be explained or excused by primitive mentality of customs officials employed by present regime since Soviet and satellite nationals are treated with consideration though not necessarily with courtesy.

I recommend that Yugoslav officials, bearers of diplomatic or special (service) passports, arriving in U.S. receive at U.S. ports of entry precisely same treatment and their personal luggage be thoroughly examined.

To render both actions effective, it would be desirable to make it clear in each instance, especially in case of protest or complaint, that treatment is simply same as our aircraft and personnel receive at hands of Yugoslav authorities.

SHANTZ

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<sup>3</sup> Not printed.

811.2360H/8-1146 : Telegram

*The Chargé in Yugoslavia (Shantz) to the Secretary of State*

BELGRADE, August 11, 1946.

[Received August 11—3:57 p. m.]

780. Assistant Foreign Minister Velebit handed me note dated 10th energetically protesting continued violation Yugoslav territory by repeated flights Allied aircraft principally American over northwest Yugoslavia and zone B.<sup>4</sup> Note states between July 16 and August 8 unauthorized flights over Yugoslavia territory made by 172 aircraft included 87 bombers, 40 fighters and 45 transports.

On August 9 American C-47 circling Ljubljana airport ignored requests to land and was forced down by Yugoslav fighters. Aircraft carried eight army personnel and two civilians. Investigation ordered. Yugoslav Govt requests US Govt take immediate steps to prevent further violations.<sup>5</sup>

Sent Dept 780; repeated Caserta 77, Vienna 80, Berlin 44.

SHANTZ

860H.00/8-1246

*The Chargé in Yugoslavia (Shantz) to the Secretary of State*

SECRET

No. 471

BELGRADE, August 12, 1946.

[Received September 4.]

SIR: I have the honor to present below some information about the Yugoslav Communist Party, derived from our observations during more than a year in Belgrade, and from information given us by many well-informed non-Communists, such as Milan Grol and Dragoljub Jovanovich. We have been able to draw very little information from the Communists themselves, for they remain, as before the war, a closely-knit, tight-lipped, secret organization. They even resent being referred to by others as Communists, and never allude to themselves in public in that way.

<sup>4</sup> Text of the Yugoslav note No. 9470, August 10, 1946, was transmitted to the Department in despatch 475, August 13, 1946, not printed.

<sup>5</sup> For text of the report of August 19, 1946, by the pilot of the downed C-47 aircraft, Capt. William Crombie, see Department of State *Bulletin*, September 1, 1946, p. 416.

A visitor to Belgrade would find the only public indications of the existence of the Communist Party to be the Madera Building, on the Boulevard of the Red Army, known as the headquarters of the Communist Party, and the newspaper *Borba*, which declares itself to be the organ of the Communist Party. *Borba* is circulated also in Croatia and Slovenia.

The only important Communist here who publicly refers to himself as a member of the Party is Milovan Djilas, who used the phrase in a recent speech, "We other Communists." He went to Czechoslovakia to represent the Yugoslav Committee at a Communist conference. Tito himself speaks only of "our (i.e., the people's) Communist Party."

Nevertheless, the Communists, who hold all the important political posts and most of the power in this country, insist that no other groups be secret. Secret organizations other than Communist Party are treated as enemies of the State. Any other political party wishing to participate in the political life of the country must declare its leaders and its program for approval by the Government. Any candidate wishing to run for election in any electoral district must first be approved by fifty persons, who are obliged to appear in person before the local authorities to give their signatures on his behalf. There was a similar ruling before the war, but the signatories did not have to appear in person, and were not likely to be interrogated.

*Leadership—The "Polit-Buro"—*

In spite of the secrecy surrounding the Party, it is possible to determine with a fair degree of accuracy some facts concerning its leadership and organization. Theories have been advanced by some persons that Tito is not the real leader of the Yugoslav Communist Party, but a "front man"; that the real power lies in someone else—Rankovich,<sup>6</sup> chief of the secret police, being frequently mentioned, as well as Kisiljev, head of the Russian Military Mission in Belgrade. We feel confident that we can discard these theories. Tito makes decisions which show that he usually has the final authority, even though he is bound by the will of the Party and the advice of other important figures.

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<sup>6</sup> Aleksander Ranković, Yugoslav Minister of Interior in Government formed February 1, 1946.

We think the power in the Party—the “Polit-Buro”— can be divided, with a high degree of assurance, into the following pyramid:

Tito—Head of the government, general secretary of the Party, national hero—Croat.		
Rankovich—Internal affairs, courageous, cruel, national hero—Serb.	Kardelj <sup>7</sup> —External affairs, teacher, doctrinaire, theo- retician—Slovene.	
Zhujuvich <sup>8</sup> —Finance, and Serbian affairs, one of oldest mem- bers of the Party— Serb.	Hebrang <sup>9</sup> —Plan- ning Commis- sion—calm, clever—Hun- garian Jew.	Djilas <sup>10</sup> —Party af- fairs, young and forceful—Mon- tenegrin.
Kidrich <sup>11</sup> —Industry and Eco- nomic Council, passionate and inexperienced—Slovene.		

Just below this level, without power but with plenty of influence, we would place Mosha Pijade,<sup>12</sup> the *Scribe*, chief of the “republic.” On the basis of what is decided by the leaders, he writes the laws. He is the *porte-parole*—the Goebbels; he doesn’t decide anything but he synthesizes and expresses all. He is a Jew, has spent an aggregate of 16 years in prison. During his imprisonment he read all he could of Marxism and Communism, teaching the other prisoners, as he once told us, “under the protection of King Alexander.”

The Chief of Staff of the Army, Lt. Gen. Kocha Popovich, also is believed to be one of the leaders, with considerable influence on Tito on military affairs. He is a doctrinaire Communist, who served with distinction in guerilla fighting in Spain and in the Yugoslav mountains.

#### *The Executive or Central Committee—*

All members of the “Polit-Buro”, including Pijade and Popovich, are members of the executive or central committee. Tito is the gen-

<sup>7</sup> Edvard Kardelj, First Vice President and President of the Control Commission.

<sup>8</sup> Sreten Žujović, Yugoslav Minister of France; Secretary General of the People’s Front of Yugoslavia.

<sup>9</sup> Andrija Hebrang, Yugoslav Minister of Industry, February to June, 1946, and President of the Planning Commission.

<sup>10</sup> Milovan Djilas, Minister without Portfolio in the Government formed February 1, 1946.

<sup>11</sup> Boris Kidrić, Minister of Industry from June 1946 and Chairman of the Economic Council.

<sup>12</sup> Moša Pijade, Chairman of the Agrarian Council and Vice President of the Yugoslav National Assembly.

eral secretary or, in Communist terminology, the real leader. Djilas is probably the Party President.

All Presidents of Council for the Federal States are members of the Central Committee: i.e., Blagoje Neshkovich, in Serbia; Vladimir Bakarich, Croatia; Miho Marinko, Slovenia; Rodoljub Colakovich, Bosnia-Herzegovina; Blazho Jovanovich, Montenegro; and Lazar Kulishevski, Macedonia.

The Presidents of State Parliaments, of the Federal Parliament and Praesidium are not Communists, but are comparatively unimportant figures from other political parties.

The Communist Ministers in the Federal and State Governments probably are members of the executive committee. In the National Government, other than those already mentioned, these are Todor Vujasinovich, Minister of Transportation; Nikola Petrovich, Minister of Foreign Trade; Bane Andreev, Minister of Mines; Vuchko Krstulovich, Minister of Labor; and Dimitar Nestorov, Minister Without Portfolio.

In the government of Serbia, Tsana Babovich, Minister of Labor, is known to be a member of the central committee. She also is president of the women's organization, F.A.Z., for Yugoslavia. During the war she organized the rescue of Rankovich from a Belgrade hospital, where he was being held by the Gestapo.

The principal Communists in Macedonia, where the Party is believed to be not very strong, are Bane Andreev, Dimitri Vlahov, Vice-Premier of the National Parliament, and Dimitar Nestorov.

Two others thought to be members of the central committee are Joshe Vilfan, ambassador-at-large, and Dr. Josip Hrnchevich, chief public prosecutor.

#### *Pre-War Leaders—*

Immediately before the war, the Yugoslav Communists, unlike the Bulgarian Communists, had no known leaders. Tito was known to virtually no one outside the Party. He first appeared in 1941, when some saw him at a conference, in March, called to decide what attitude the various parties would take to the government's adherence to the tri-partite pact. Tito was there, brought by Zhujevich, but no one knew him or what his position was in the Party. Dragoljub Jovanovich saw him for the first time in early 1942.

In the '20's and '30's the leader of the Yugoslav Communists was known to be Dr. Sima Markovich. He was an idealist, who did not agree with Stalin on the question of the importance of nationality. He was called to Russia and died there under mysterious circumstances. It is thought that he was liquidated.

*Lower Party Organization and Numerical Strength—*

From lower echelons in the Party, members work their way up, much as in any other organization. The Communists hold the leading posts in each sub-division of the local government, down to the smallest village. Often there are only one or two Communists in an entire community, but they hold the power, in secret. The peasants usually know who they are.

In all Yugoslavia there are estimated to be from 100,000 to 150,000 Communists. Tito told Dragoljub Jovanovich in December 1944 that, unlike the Communist Parties in Italy and France, the Party in Yugoslavia was not and had no desire to be a "party of the masses". Tito said it is a party of "cadres"; i.e., groups, largely military. It is thus a small minority ruling clique, as in Russia.

Much of its power is based on the secret police, the army and the fellow-travelers. As the ruling element in the government, it has a strong control over office-holders and workers. Many fellow-travelers are obliged to go along to hold their jobs. Since the government is everywhere in business and industry, it is virtually impossible for someone who is dissatisfied to give up his job and find one somewhere else. It is difficult and even dangerous to offend the government. As is well-known, the authorities keep a secret "kararakteristika" (personal description) on everyone. The organization of people's committees, street and house secretaries, commissars in the army, and all the well known paraphernalia of Communist dictatorship contribute to the power of the organization.

An example of a man obliged to go along with the Communist Party for fear of his past and to hold his job is Milosh Moskovljevič, Minister of Forests in the Serbian Government. He signed an anti-Communist statement under the Nedich regime<sup>13</sup>—an act similar to that for which Lazar Markovich was sentenced to six years hard labor at the Mihailovich trial. (Moskovljevič has a daughter to marry off, and an enterprising wife.) Men such as Moskovljevič, without clear Communist records, are likely to be expelled from the Party unless they are particularly scrupulous in following the Party line.

*Russian Interference in Yugoslav Affairs—*

We have frequently heard that there are Russian "observers" in local ministries of the government, and that a high degree of control is exercised by these observers on the operations of the government. We doubt that in the main this is true. We think that the only ministries in which there may be direct Russian agents are those of Finance, Interior and National Defense. It is quite possible that there

<sup>13</sup> Gen. Milan Nedić was Minister President of the Serbian regime under German occupation, 1941-45.

are Russian counsellors in other Ministries. Russian engineers are employed by the Ministry of Mines and other Ministries, and probably have much influence in them. It is known that the Russian secret police, NKVD, has a secret organization and headquarters in Belgrade. It is thought there are no important Russian officials connected with the Ministry of Foreign Affairs, although there may be Russian specialists available to all Ministries. There are special Russian experts attached to the army, of course, and here General Kisiljev, chief of the Russian Military Mission, finds his real importance.

It is hoped that this brief sketch will add to an understanding of the Communist Party in Yugoslavia, which is the only party presently organized on a nation-wide basis. It has full control of the country, largely by virtue of the use of fear and secrecy, and bids fair to retain its control for a long time.

Respectfully yours,

HAROLD SHANTZ

811.2360H/8-1146: Telegram

*The Acting Secretary of State to the Chargé in Yugoslavia (Shantz)*

US URGENT

WASHINGTON, August 13, 1946.

534. Today's press attributes to you statement "State Dept rep from Zagreb<sup>14</sup> was told at the scene today that he could not see the interned passengers or crew members". If this is fact you are authorized to inform FonOff that we are investigating this and other cases mentioned in FonOff note of Aug 10 (Embtel 780 11th) but that refusal of Yugo authorities to permit Amer consular officer access to plane crew and passengers is not only impeding US Govt in this endeavor but is also contrary to accepted principle of international law inherent in friendly relations between states whereby recognized consular officers have free right of access to their nationals within country in which stationed.<sup>15</sup>

ACHESON

811.2360H/8-1346: Telegram

*The Acting Secretary of State to the Chargé in Yugoslavia (Shantz)*

US URGENT

WASHINGTON, August 14, 1946—6 p. m.

RESTRICTED

538. Pending further investigation concerning incidents referred to in Yugo note of Aug 10 urtel 780 11th Dept desires make every effort

<sup>14</sup> The American Consul at Zagreb, Theodore J. Hohenthal.

<sup>15</sup> Telegram 789, August 14, from Belgrade, reported that Chargé Shantz had protested orally to Acting Foreign Minister Velebit on August 12, had sent a written protest to the Yugoslav Foreign Ministry on August 13, and had sent a second written note, along the lines set forth in this telegram, on August 14, all without result (811.2360H/8-1446). Texts of the Embassy's notes of August 13 and 14 were transmitted to the Department in telegrams 866 and 867, September 1, neither printed.

amicable disposition without delay of case involving plane and passengers forced down at Ljubljana and believes a preliminary reply to note with particular reference to this incident should be addressed to FonOff containing following points but with exact language to be drafted by you to accord with representations you have already made (urtel 786 13th <sup>16</sup> and Deptel 534 13th).

Note should state (1) US regrets that plane inadvertently passed over Yugo territory despite standing instructions to avoid such territory and (2) that on basis preliminary info available circumstances of flight were that plane on routine trip from Vienna to Italy encountered bad weather over Alps, lost its way and had descended to lower altitude where it was circling in effort to gain bearings when forced down by Yugo planes. Note should add (3) that in absence possibility contacting pilot foregoing is all info available, (4) that this Govt disturbed by reports that US Consul Zagreb refused access to crew passengers and plane which action would imply persons involved are being detained incommunicado but (5) that it is assumed there is some misunderstanding and that no violation of accepted principle of international law of this nature is intended. Note should solicit Yugo Govt early clearance for relief plane to proceed Yugoslavia to evacuate passengers and crew and request that grounded plane which is understood to be damaged be turned over to MA for disposition. In conclusion note should say that a further communication in reply to FonOff note will be forthcoming as soon as the investigation of this and other cases cited can be completed but that Yugo early action on foregoing lines will be appreciated in meantime.<sup>17</sup>

ACHESON

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[On August 15, 1946, the Chargé in Belgrade delivered to the Yugoslav Foreign Ministry a note protesting against the entry of Yugoslav military forces into Zone A of Venezia Giulia. For text of the note, see Department of State *Bulletin*, September 1, 1946, page 414.

On August 20, 1946, Ambassador Patterson on the instruction of the Department communicated to the Yugoslav Foreign Ministry a note protesting the action and the attitude of the Yugoslav Government in connection with the forcing down of the American C-47 air-

<sup>16</sup> Not printed; it reported that the Yugoslav authorities in Ljubljana had refused Consul Hohenthal access to the passengers, crew, and plane forced down on August 9 (811.2360H/8-1346).

<sup>17</sup> Telegram 798, August 16, from Belgrade, reported that the note along the lines set forth in this telegram was sent to the Yugoslav Foreign Ministry on August 16. On August 15, Consul Hohenthal was informed that he could talk to the passengers and crew of the downed plane. (811.2360H/8-1646) For Hohenthal's report of August 19 on the results of his investigations, see Department of State *Bulletin*, September 1, 1946, p. 416.



craft on August 9, 1946. For text of the note, which was made public in Washington on August 20, see Department of State *Bulletin*, September 1, 1946, page 415.]

811.2360H/8-1946: Telegram

*The Acting Secretary of State to the Ambassador in Yugoslavia  
(Patterson)*<sup>18</sup>

SECRET US URGENT  
NIACT

WASHINGTON, August 20, 1946—7 p. m.

552. Urtel 809 Aug 19.<sup>19</sup> When you see Tito you should emphasize seriousness with which this Govt regards Yugos attacks on US aircraft. You should leave with him copy note delivered FonOff accordance Deptel 545 Aug. 19.<sup>20</sup> You should reiterate that US Govt has previously made clear to Yugos Govt that despite difficulty of the terrain and consequent danger to US aircraft such aircraft have been instructed to avoid Yugoslav territory and have in all instances done so except when forced by stress of weather to seek less hazardous conditions over Yugoslavia. You may also give Tito transcript press conference excerpts contained immediate following tel.

At same time we feel you might likewise mention failure Yugos Govt to recognize reciprocal immunities for US official personnel in Yugos with particular reference to the Wedge case<sup>21</sup> and might point out such other difficulties as the Emb has experienced in recent months in regard to freedom of movement, freedom of access to Amer citizens (Deptel 522 Aug 9<sup>22</sup>). In conclusion you may state that the general attitude of Yugos authorities as reflected in these difficulties contrasts markedly with the material assistance to the Yugoslav people given by the US freely and without thought of political advantage during and since the cessation of hostilities.

ACHESON

<sup>18</sup> Ambassador Patterson arrived in Belgrade from Rome on August 16.

<sup>19</sup> Not printed; it reported that Ambassador Patterson was scheduled to meet with Prime Minister Tito on August 23 at Bled, Yugoslavia (811.2360H/8-1946).

<sup>20</sup> Not printed; for text of the note delivered to the Yugoslav Foreign Ministry on August 20, 1946, see Department of State *Bulletin*, September 1, 1946, p. 415.

<sup>21</sup> On May 1, 1946, William Wedge, an Embassy guard, while driving an Embassy jeep without authorization and under the alleged influence of alcohol, ran into and killed a Yugoslav Partisan officer. Another Yugoslav bystander was injured. Wedge was tried in a Yugoslav court in Belgrade and was sentenced on September 10, 1946 to 8 years' imprisonment at hard labor.

<sup>22</sup> Not printed.

811.2360H/8-2046 : Telegram

*The Acting Secretary of State to the Ambassador in Yugoslavia  
(Patterson)*

US URGENT

WASHINGTON, August 20, 1946.

553. Following are excerpts regarding Yugoslavia from transcript press conference I held this morning :

"ACTING SEC. We have this morning a note which has been delivered to the Yugoslav Government in which we protest very vigorously against the action which it took in regard to this C-47 which was brought down on August 9 in Yugoslavia and reports of another such episode which has taken place.<sup>23</sup> We point out here, as I told you the other day, that we have been briefing our crews very carefully indeed that they should not fly over Yugoslav territory. I pointed out to you the other day how difficult that is on account of a slight jut of Yugoslav territory which goes across the direct route from Vienna to Rome, and on account of bad weather. We recite the facts of this particular flight and point out that instead of a plane which was lost and trying to get its bearings being given help, as it would in practically every other part of the world, the plane is attacked and shot down, which seems to us to be an outrageous performance.

We point out that there is another plane which has not been heard of, and when last heard of reported itself under machine-gun fire. It might interest you to have the pilot's report on this particular flight, which has just been cabled to us by the military attaché.

We also have a report from the Consul who, with the assistant military attaché was permitted to see four crew members and three United States passengers, including one civilian, at 5:00 p.m. August 16 in the presence of a Yugoslav Fourth Army officer.<sup>24</sup> The Consul reports that the United States personnel stated that they were getting the best treatment and only objected to being under close guard. The co-pilot told the Consul that aircraft that had appeared in front of the plane bore markings resembling British, and they thought they were over Udine and did not understand the signal of the other plane, but the United States plane rocked wings in reply. The co-pilot thought only two planes attacked. According to other testimony, there were three planes around them. Then the rest of this gives about the same report as I read you.

Q. What was the name of the pilot?

A. The pilot is Captain William Crombie.

<sup>23</sup> For text of note delivered to the Yugoslav Foreign Ministry by Ambassador Patterson on August 20, see Department of State *Bulletin*, September 1, 1946, p. 415. Telegram 1139, August 19, 7 p. m., from Vienna, and telegram 708, August 19, 5 p. m., from Caserta, informed the Department of State and the Secretary of State in Paris of the downing of a second C-47 aircraft over Yugoslavia on August 19 (811.2360H/8-1946).

<sup>24</sup> For Consul Hohenthal's report of August 19, see Department of State *Bulletin*, September 1, 1946, p. 416.

Q. Mr. Secretary, in connection with the note to Yugoslavia about the airplane incidents, do we have any detailed information regarding the reported incident yesterday of a plane being shot down?

A. I think not. Let's see what we say about that. The only thing it said in the note is that, after talking about the first incident, we say, 'Meanwhile it is reported from Trieste that a second United States plane en route to Italy from Austria is missing after having last reported itself under machine-gun attack.' We have no further information. Planes have been sent out looking for that plane which has not turned up.

Q. In that connection, Sir, are there any plans under consideration for giving planes flying that route more means of self-defence?

A. I haven't heard of it. They have cut out all flights over Yugoslavia this morning.

Q. Mr. Secretary, the paper this morning speaks of the Yugoslav Foreign Ministry having filed several protests with the United States against American planes flying over Yugoslav territory. Did the State Department ever answer those protests? Are they a matter of record?

A. I don't want to rely on my memory. We have had correspondence about this matter for some time. As I said to you before, this is not the kind of a matter which in normal circumstances and in other parts of the world leads to friction between governments. The only flights which have taken place over Yugoslavia are those of planes which are lost and through inadequate radio beaming cannot find out where they are, and when they come out of the overcast they are several miles into Yugoslav territory. It is the kind of thing which would happen on the Mexican border or the Canadian border, between many countries. Nobody shoots down planes that are lost between clouds and are trying to get home. That isn't the ordinary aid to navigation with which they are familiar.

Q. Mr. Secretary, in this connection has the Yugoslav Government given any indication at all as to why they are so sensitive about this particular area? Are there troop concentrations?

A. Not that I know of.

Q. Any allegations that they need military security?

A. Not that I know of.

Q. What is the basis of their objections? Why do they object?

A. Any nation has a right, of course, to say that planes of no other nation, without its permission, shall fly over its territory, and nobody wants to fly over anybody else's territory without permission. But as we have constantly pointed out, in flying you get lost, particularly on borders.

Q. Mr. Secretary, has there been any negotiation or discussion of a possible reciprocal air treaty with Yugoslavia such as we have with many other countries?

A. I don't know. I will be glad to find out and answer that correctly. My memory wouldn't be good.

Q. Mr. Secretary, have we ever asked Yugoslavia for permission to fly over Yugoslav territory?

A. I can't answer that. I mean I can't answer it because I don't

know. I would be glad to answer it if I did, and I will try to find out the answer.

Q. A moment ago you referred to this as an 'outrageous performance'. I wonder if we would be allowed to quote you directly on that?

A. Sure, it is."

ACHESON

811.2360H/8-2046 : Telegram

*The Ambassador in Yugoslavia (Patterson) to the Secretary of State*

US URGENT

BELGRADE, August 20, 1946.

[Received August 20—9:34 p. m.]

813. Foreign Office note, received 5:30 p. m., 20th again protests unauthorized flights over Yugoslav territory and mentions 44 instances—since August 10.<sup>25</sup>

It states on August 19 American aircraft over Bled was invited to land by continuous signals between 0850 and 0902 hours. Aircraft refused compliance. Yugoslav fighters forced it to land when aircraft got afire and crashed. Two members of crew parachuted out. There are signs that unfortunate victims fell in this incident.

Yugoslavs deeply regret unhappy accident but point out responsibility lies with independent authorities of US Government, since Yugoslav Government has repeatedly drawn attention to unauthorized flights and consequences which might arise. Responsibility also lies with crew who failed follow clear landing invitation. Yugoslav Government immediately started investigation to ascertain all details regrettable accident. Yugoslav Government again insists US Government issue strict orders no flight over Yugoslav territory without clearance, so that such unfortunate accidents might be avoided.

Sent Dept, repeated Paris, Vienna, Caserta.

PATTERSON

811.2360H./8-2046 : Telegram

*The Secretary of State to the Acting Secretary of State*<sup>26</sup>

SECRET

PARIS, August 20, 1946—9 p. m.

US URGENT

[Received August 21—1:52 p. m.]

4128. For Acheson from the Secretary. Following receipt of Dept's

<sup>25</sup> Verbatim text of Yugoslav note No. 9880, August 20, 1946, was transmitted to the Department in telegram 844, August 27, from Belgrade, not printed.

<sup>26</sup> The Secretary of State was chairman of the United States delegation to the Paris Peace Conference, July 29–October 15, 1946. Messages from the Secretary were transmitted via the Embassy in Paris and carried Embassy numbers.

4210 of August 20<sup>27</sup> and information concerning second attack on American transport aircraft, I asked Kardelj, head of Yugoslav Delegation and Vice Prime Minister, to call upon me. I read to him the note sent to the Yugoslav Government as set forth in your telegram under reference and told him that the US could not understand why these innocent passengers and crew were still in detention in Yugoslavia. No matter what the actual facts are, the position of this passenger airplane had been the result of bad weather. I requested him furthermore, to ascertain immediately the whereabouts of the second airplane which had reported a further attack on August 19 and subsequently unheard of.

Kardelj stated he was not familiar with details of these two particular cases but repeated allegations of continued violation of Yugoslav territory by American military aircraft. I told him that these planes in question were passenger-carrying transport planes and not military aircraft and again impressed upon him the seriousness with which the US Government viewed these attacks on American aircraft which had been forced from their designated route by bad weather. I asked him to communicate immediately with his Govt in order to obtain the release of the detained passengers and crew of the airplane and to give an explanation under what charge they have been held in custody for 11 days, and also to obtain as soon as possible information concerning the whereabouts of the second aircraft. I told him then that upon the receipt of this information from him the US Government would have to consider what steps it should take in the circumstances but that we could not tolerate the shooting down of American planes or the detention of American citizens in this manner. Kardelj promised to communicate immediately with his Government and let me know as soon as possible.

Repeated Belgrade 41 for the Ambassador.

[BYRNES]

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[On August 21, 1946, at 5 p. m., Acting Secretary of State Acheson delivered a note to the Yugoslav Chargé regarding the shooting down by Yugoslav planes of a second American C-47 aircraft; for text of note, see Department of State *Bulletin*, September 1, 1946, page 417.]

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<sup>27</sup> Not printed; it transmitted the text of the note which Ambassador Patterson communicated to the Yugoslav Foreign Ministry on August 20. See bracketed note, p. 921.

811.2360H/8-2246 : Telegram

*The Secretary of State to the Acting Secretary of State*TOP SECRET      US URGENT  
NIACTPARIS, August 22, 1946—6 p. m.  
[Received August 22—2: 45 p. m.]

4172. For Acheson from the Secretary. Please consult Joint Chiefs of Staff and if they agree send following to Yugoslav Embassy for delivery. Release to press when delivered.

“Referring further to your message regarding attacks upon American planes this is to advise that the service upon the Vienna-Udine Route, which for the past 48 hours has been stopped, will on Friday, August 23, be resumed.

“Our pilots will be instructed as heretofore that in flying from Klagenfurt to Hermagor they should carefully avoid getting off the route and flying over the line of Yugoslav Territory.

“Our planes will be escorted by fighter aircraft. ←

“If when they reach Klagenfurt, weather is such as to justify belief that planes may be forced off the route and over Yugoslav Territory, the planes will be sent back.

“If the weather does *not* justify such belief the planes will proceed.

“The pilots and crews will be instructed that if Yugoslav fighter planes leave their territory and enter upon the route from Klagenfurt to Hermagor they must, in the light of recent experiences, take all necessary measures to protect our planes.

[BYRNES]

740.00119 Council/8-2246 : Telegram

*The Acting Secretary of State to the Secretary of State, at Paris*TOP SECRET      US URGENT  
NIACT

WASHINGTON, August 22, 1946—8 p. m.

4301. Secdel 730. For Secretary Byrnes from Acheson. This afternoon I consulted with Generals Eisenhower, Spaatz, and Handy, Admiral Ramsey (in lieu of Admiral Nimitz), and the Secretary of War.<sup>28</sup> Admiral Leahy<sup>29</sup> has also seen this message and concurs in the view of the other Chiefs of Staff. The following advice of the Joint Chiefs is founded on the assumption that you consider it desirable, for reasons other than the military necessity of the flights involved, that they should be resumed and that such resumption

<sup>28</sup> General of the Army Dwight D. Eisenhower, Chief of Staff, U.S. Army, and member of the Joint Chiefs of Staff; Gen. Carl Spaatz, Commanding General, Army Air Forces and member of the Joint Chiefs of Staff; Gen. Thomas T. Handy, Deputy Chief of Staff, U.S. Army; Adm. D. C. Ramsey, Vice Chief of Naval Operations; Fleet Adm. Chester W. Nimitz, Chief of Naval Operations and member of the Joint Chiefs of Staff; Robert P. Patterson, Secretary of War.

<sup>29</sup> Fleet Adm. William D. Leahy, Chief of Staff to the Commander in Chief of the Army and Navy and member of the Joint Chiefs of Staff.

involving combat craft meets with the approval of the President. They advise that they consider it much preferable that the flights should be by armed bombers rather than by transport planes with fighter aircraft. This is for the reasons, first, that any action by such armed bombers will be clearly defensive and can be established as such and, second, that much greater assurance of remaining on course will be provided. The War Department is instructing General McNarney<sup>30</sup> to let you know the number and types of armed bombers available for such service if it should be inaugurated. They raised the further point that, since there is a possibility that offensive action against such planes may spread and involve General Morgan,<sup>31</sup> you should coordinate your plans with Bevin.<sup>32</sup> The considerations mentioned by the Joint Chiefs in reaching these conclusions are generally along the lines of those expressed by General Eisenhower to General Bonefield<sup>33</sup> in his telegram today Numbers 98229 and 222062.

In view of the foregoing I interpret your instructions to mean that I am not to deliver the communication contained in your 4172 and therefore await further instructions from you.

Admiral Leahy had sent a copy of your 4172 to the President prior to my conversation with him. He is sending a copy of my present telegram to you to the President with his personal recommendation that the President give you full discretionary authority in this matter.<sup>34</sup>

ACHESON

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[In his unnumbered telegram from Bled, August 22, 9 p. m., Ambassador Patterson reported on his conversation with Prime Minister Tito. In his unnumbered and undated telegram from Bled, received in Washington on August 24, 12:22 a. m., Ambassador Patterson reported on his visit to the scene of the crash outside Bled of the second C-47 aircraft forced down on August 19. In his unnumbered telegram from Belgrade, August 23, midnight, Ambassador Patterson transmitted the text of a letter from Prime Minister Tito replying to the United States note of August 21. These messages together with

<sup>30</sup> Gen. Joseph T. McNarney, Commanding General, United States Forces, European Theater.

<sup>31</sup> Gen. William Morgan, Supreme Allied Commander, Mediterranean Theater.

<sup>32</sup> Ernest Bevin, British Secretary of State for Foreign Affairs.

<sup>33</sup> Presumably the reference is to Col. Charles H. Bonesteel, Chief, Strategy Policy Section, Operations Division, General Staff, War Department, and Military Adviser to the United States delegation at the Paris Peace Conference.

<sup>34</sup> Telegram 4314, August 23, 3 a. m., to Paris, for the Secretary of State, stated that President Truman had approved the suggestion of the Chiefs of Staff and had given his authority in advance for any action in the matter that the Secretary might consider necessary (740.00119 Council/8-2346).

a statement from the Department of State were released to the press on August 24; for texts, see Department of State *Bulletin*, September 1, 1946, pages 418-419.]

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811.2360H/8-2546 : Telegram

*The Secretary of State to the Ambassador in Yugoslavia (Patterson)*

TOP SECRET  
US URGENT

PARIS, August 25, 1946—1 p. m.

45. For Ambassador Patterson from the Secretary. In accordance with the instructions of your Govt you delivered a written note to the Yugoslav Govt regarding the shooting down of American planes without warning by Yugoslav aviators.<sup>35</sup>

Your account of your conversation with Marshal Tito and the reports of newspaper correspondents of the statements made to them by Marshal Tito would indicate that the Yugoslav Govt expressed its regrets regarding the loss of American lives and had issued instructions that would insure that such incidents would not recur.<sup>36</sup>

You should immediately make clear to Marshal Tito that it is necessary that the assurances given by him to you and newspaper correspondents in this regard would be communicated to the US Govt in writing in order to enable the American Govt to determine its future course and to avoid any misunderstanding as to the course which may be expected from the Yugoslav Govt in the event that American planes, despite precautions taken, should be forced by weather conditions over Yugoslav territory. In view of the fact that the American note to the Yugoslav Govt was in writing, it is impossible not to attach significance to the omission from any written reply received from the Yugoslav Govt of any reference to the regrets expressed to you by the Yugoslav Govt regarding the loss of American lives or to the orders you were advised were given by the Yugoslav Govt that no foreign planes are to be shot at, that planes forced off course by weather trouble, loss of direction or mechanical difficulties in reasonable numbers are not to be molested, and that means for signalling distress by such planes be worked out. It is the hope of the American Govt that this omission will be promptly rectified.

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<sup>35</sup> For text of note, see telegram 856, August 30, from Belgrade, p. 933.

<sup>36</sup> Ambassador Patterson's report of his conversation with Marshal Tito was contained in telegram of August 22, 9 p. m., from Bled, printed in Department of State *Bulletin*, September 1, 1946, p. 418.



If Ambassador is away this approach should be made by Chargé.<sup>37</sup>  
Sent Belgrade as 45; repeated to Dept as 4229.

[BYRNES]

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740.00119 Council/8-2846 : Telegram

*The Secretary of State to the Acting Secretary of State*

SECRET

PARIS, August 28, 1946—4 p. m.

[Received August 28—2:26 p. m.]

4300. Delsec 867. From the Secretary for Clayton.<sup>38</sup> In the light of recent developments I want you to do everything that we properly can to stop further shipments of supplies of any sort by UNRRA for Yugoslavia. I think you will realize the implications of an organization to which the United States contributes 73% continuing to supply a government guilty of such outrageous and unfriendly conduct as Yugoslavia.<sup>39</sup>

[BYRNES]

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740.00119 Council/8-2846 : Telegram

*The Secretary of State to the Acting Secretary of State*

SECRET

PARIS, August 28, 1946—6 p. m.

[Received August 29—6:03 a. m.]

4304. Delsec 869. From the Secretary. We have sent a message directing Patterson to withhold presentation of credentials for the time being pending certain written assurances from Tito confirming his oral statements in which he expressed regrets for the loss of American lives and said that he had issued instructions to insure that such incidents would not recur. Tito's earlier letter to Patterson<sup>40</sup> was largely a repetition of charges that American flights had violated Yugoslav territory and the omission from any written reply of any reference to the above assurances we considered significant. In the circumstances, I would hope that Ambassador Peake<sup>41</sup> might delay

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<sup>37</sup> In telegram 98, August 27, from Belgrade, the Chargé (Shantz) reported that after many fruitless efforts he had delivered the message orally to Acting Foreign Minister Velebit. Mr. Velebit had promised to inform Marshal Tito, who was traveling in various areas of Yugoslavia, as soon as possible. (811.2360H/9-746)

<sup>38</sup> William L. Clayton, Under Secretary of State for Economic Affairs.

<sup>39</sup> Telegram 4329, Delsec 872, August 29, from Paris, reported that Secretary Byrnes had requested that the War Department be asked to halt the transfer of any ammunition whatsoever to the Yugoslavs (740.00119 Council/8-2946).

<sup>40</sup> For text of Marshal Tito's letter of August 22 to Ambassador Patterson, see Department of State *Bulletin*, September 1, 1946, p. 419.

<sup>41</sup> The appointed British Ambassador, Charles Brinsley Pemberton Peake, arrived in Belgrade on August 15, 1946 (123 Patterson, Richard C.).

presentation of his credentials until these written assurances are received.

Sent London 658; repeated Department as 4304, Belgrade 49.

[BYRNES]

860H.24/8-2146

*The Acting Secretary of State to Senator William F. Knowland  
of California*

[WASHINGTON,] August 28, 1946.

MY DEAR SENATOR KNOWLAND: In answer to your telegram of August 21,<sup>42</sup> requesting information regarding credits and other economic assistance to Yugoslavia, I should like to state that no credits or loans have been extended by the United States Government to the Government of Yugoslavia. While the Yugoslav Government requested an Export-Import Bank loan, the request has not been granted. Neither has the Yugoslav Government received a line of credit for the purchase of surplus property.

During the last part of 1945 and the early part of 1946 a certain amount of surplus property (largely railroad equipment) valued at about \$1,250,000, was purchased on a cash basis by the Yugoslav Government. However, subsequent to March 19, 1946 the approval of the Department of State had to be obtained for such cash sales, and no such approval has been granted.

During the war Yugoslavia received Lend-Lease assistance to the extent of \$32,081,778. As yet no final settlement of this amount has been made.

From UNRRA Yugoslavia received up to the end of July 1946 an estimated value of \$327,578,000 in commodities. The total value of UNRRA aid scheduled for Yugoslavia amounts to \$429,500,000. Both figures represent free aboard ship values and hence do not include freight.

I trust that this information will serve your purpose.

Sincerely yours,

DEAN ACHESON

740.00119 Council/8-2846: Telegram

*The Acting Secretary of State to the Secretary of State, at Paris*

TOP SECRET

WASHINGTON, August 29, 1946—8 p. m.

U.S. URGENT

4490. Secdel 783. For the Secretary from Acheson and Clayton. As you will have seen from the press summaries, there has been much public discussion of UNRRA program for Yugoslavia (Delsec 867).

<sup>42</sup> Not printed.

You doubtless have seen Herbert Hoover's<sup>43</sup> proposal that US stop this program. Amb Patterson's alleged suggestion in the same sense has been widely publicized and Patterson has been praised by some papers and soundly criticized by newspapers like *Washington Post* which also severely criticized Hoover in an editorial today. We are receiving a large volume of mail on the subject. Treasury which as you know acts as procurement agent for UNRRA is also receiving many protests against the continuation of a program financed nearly three-fourths by the US on behalf of a Gov guilty of such outrageous and unfriendly conduct as Yugoslavia.

Your tel asks Clayton to do everything we properly can to stop further shipments by UNRRA to Yugoslavia. Here are the possible lines of action that we could take:

1. UNRRA is an independent international organization and the relief program for Yugoslavia was formulated by that organization. We could urgently request the Central Committee of UNRRA (headed by La Guardia and composed of representatives of nine countries) to reconsider the UNRRA program for Yugoslavia. Both of us feel strongly that it would be unwise for the US to take such action. The US Gov has taken the position since UNRRA was started that the organization works on the basis of needs without political considerations. We could of course contend that a mistake had been made in the extent of the UNRRA program and that Yugoslavia has received more than it is entitled to. We feel however that our request for a review of the program would be interpreted as a demand that UNRRA take punitive action against Yugoslavia for its outrageous conduct toward the US. UNRRA has no responsibility for punitive action against countries for political misconduct. Moreover we are doubtful whether our proposal would receive sufficient votes in the Central Committee to carry. Certainly it would receive widespread publicity and would in our opinion give the communist press good propaganda material that UNRRA is a US political instrument and not as we have insisted an international humanitarian organization.

2. We could endeavor to take administrative action to prevent priorities being given for goods intended for Yugoslavia. The difficulty about this is that UNRRA priorities are now requested without any indication of the ultimate destination of the goods. Action of this kind would almost certainly become known publicly and in our opinion would be largely ineffective.

The total cost of the UNRRA program for Yugoslavia is \$429,500,000; of this amount roughly \$102,000,000 was to be shipped after July 31 (the last date for which figures are available). We understand and share the widespread indignation at seeing these goods paid

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<sup>43</sup> President of the United States, 1929-1933.

for largely with American money and shipped to a people who have treated us so outrageously. On balance however both of us feel that it would be inadvisable for the US Gov to take any action through UNRRA in an endeavor to stop or diminish shipment of the remainder of their program to Yugoslavia.

We feel that if you and the President decide that drastic action of this sort should be taken against Yugoslavia, it would be preferable for the US Gov to impose economic sanctions against the country. Presumably under the war powers we could impose an embargo on shipments from the US to Yugoslavia including exports for the account of UNRRA. This would involve action which the US Gov itself could take on its exclusive responsibility without consulting UNRRA. On the basis of info available to us here, we do not recommend such action at this time but if drastic action in this field seems to you to be advisable, we think that it should be action along this line rather than any approach through UNRRA.

At the regular meeting yesterday with the Secretaries of War and Navy, Patterson expressed the view that you should consider telegraphing La Guardia and asking him to have UNRRA immediately reconsider its Yugoslav program. Patterson said that wholly aside from Jug attitude regarding the two incidents when they shot down our planes, Yugoslavia has since the end of hostilities in Europe maintained a huge army which has menaced our interests. This huge army, he said, ought to have been demobilized and the personnel used to engage in food production and reconstruction which would have lessened the needs of the country which have been met by UNRRA. With Yugoslavia behaving the way it is, Patterson said that he felt that it was asking too much of the American people to see this program continue when the US is paying over 72% of its cost. This was prior to the receipt of your 867 and Acheson replied along the lines of the foregoing paragraphs of this tel but told Patterson that his views would be brought to your attention. [Acheson and Clayton.]

ACHESON

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811.2360H/8-3046 : Telegram

*The Ambassador in Yugoslavia (Patterson) to the Secretary of State*

US URGENT

BELGRADE, August 30, 1946.

[Received August 30—11:36 a. m.]

856. Arrived Belgrade 5 p. m., 29th. Remytel 24, midnight from Bled.<sup>44</sup> Following is text my letter August 24 to Marshall Tito.

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<sup>44</sup>The reference presumably is to Ambassador Patterson's unnumbered and undated telegram printed in the Department of State *Bulletin*, September 1, 1946, p. 418, regarding his visit to the scene of the crash of the C-47.

"Excellency, On Thursday, August 22, in a conference with you, and again in your note to me of August 23, we were assured that nothing had been found of the personnel of our plane shot down on August 19.<sup>45</sup> What are the facts? On the 23rd of August my party, assisted by your officers, found them to be as follows:

A Yugoslav militia patrol arrived on the scene of the crash an hour and a half after it happened. They waited until late on the following day for a superior investigating commission, but none came. They then decided on their own initiative because of the odor of the remains, to bury what could be found of the occupants. With the aid of some German prisoners they gathered the remains in a box and carried them to the nearby village of Koprivnik. There in a corner of a churchyard near a rubble heap they buried them in a manner fit rather for paupers than for officers and soldiers of a friendly nation.

These facts are corroborated by the statements of your army and militia officials. We are profoundly shocked by this seemingly casual treatment of our unfortunate men. Although all this took place very near to you, Marshal, you apparently were not informed.

We have immediately exhumed this common coffin, separated the remains and set about assembling other remnants still being found near the scene of the crash, for the purpose of removing them to Belgrade for proper burial in your military cemetery. We expect that you will furnish a guard of honor and escort from the Yugoslav Air Force to accompany these remains from Kropivnik to Ljubljana and remain with them there until I can personally transport them in my plane to Belgrade. We also expect that you will render every assistance possible to facilitate our carrying out this program.

Respectfully yours"

Repeated Paris for Secretary 100.

PATTERSON

811.2360H/8-3046

*The Yugoslav Chargé (Makiedo) to the Acting Secretary of State*

Pov. Br. 1264

The Chargé d'Affaires ad interim of the Federal Peoples Republic of Yugoslavia presents his compliments to the Honorable the Acting Secretary of State and has the honor to inform that, in connection with the continued flights over Yugoslav territory, which constitute offenses to the sovereignty of our country by military and civilian forces of the United States of America, the government of the Federal Peoples Republic of Yugoslavia referred several notes of protest to the government of the United States of America, requesting that the unauthorized flights be stopped and that inquiries be undertaken toward establishing those responsible. In neither respect was a satisfactory answer given nor were measures undertaken to prevent the

<sup>45</sup> For Ambassador Patterson's report on his conference with Marshal Tito on August 22 and for text of Marshal Tito's letter of August 23 to the Ambassador, see *ibid.*, pp. 418-419.

flights. Furthermore, the government of the Federal Peoples Republic of Yugoslavia received no satisfactory answer to its last two notes,<sup>46</sup> that of August 10 (No. 9470) concerning flights over our territory and the forced landing of an American military transport plane of the C-47 type on August 9, nor that concerning the flight of the second American plane number 47374 on August 19, whose crew unfortunately met a tragic end that might, in any case have been avoided had the crew obeyed the invitation to land. Both planes, like many before them, flew far inside Yugoslav territory, the first over 70 kilometers and the second about 50 kilometers. Neither plane flew over Yugoslavia in an emergency caused by bad weather, for the weather over the Alps was satisfactory, as could be seen very well from the Yugoslav side of the Alps. Therefore the government of the Federal Peoples Republic of Yugoslavia cannot be held responsible for the victims of the burned plane on August 19, as it had undertaken everything possible to avoid such results in similar flights which had taken place, and which might easily occur at a border where our army, like that of every independent country, is charged with guarding the integrity of our territory and the sovereignty of our country.

In connection with the above mentioned, the government of the Federal Peoples Republic of Yugoslavia again requests the government of the United States of America to reply as to what steps it has undertaken to end the unauthorized and intentional flights over Yugoslav territory by American military and civilian planes, so that such cases shall not be repeated. Action is necessary as soon as possible, since unauthorized flight over Yugoslav territory occurred again in the same region even after the incident of August 19—on August 23 there were flights by three bombers, three fighters and one transport; August 24, eight planes flew over—three bombers, three fighters and two transports; August 25, three planes, two fighters and one transport; August 26, nine planes, seven fighters, one transport and one bomber; August 27, nine planes, five bombers, two transports and two fighters. It is obvious, from the number of planes that flew over every day, that all cases could not be the result of emergency or bad weather, but that in most cases the flights over our territory were intentional.

Marshal Tito, in his statement to the Ambassador of the United States of America, Mr. Richard C. Patterson, Jr., said he has forbidden the shooting at planes that might fly over Yugoslav territory,

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<sup>46</sup>The Yugoslav note of August 10 was summarized in telegram 780, August 11, from Belgrade, p. 915; the Yugoslav note of August 20 was summarized in telegram 813, August 20, from Belgrade, p. 925.

presuming that for its part the government of the United States of America would undertake the steps necessary to prevent these flights, except in the case of emergency or bad weather, for which arrangements could be made by agreement between American and Yugoslav authorities. The government of the Federal Peoples Republic of Yugoslavia considers that the intentional and gross offense to the sovereignty of Yugoslavia which these flights constitute cannot be borne, and asks that the American government urgently undertake the necessary steps so that in the future such flights may be prevented, since they harm good relations between the United States of America and Yugoslavia and lead to undesirable incidents.

WASHINGTON, August 30, 1946.

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740.00119 Council/8-3046 : Telegram

*The Acting Secretary of State to the Secretary of State, at Paris*

SECRET

WASHINGTON, August 30, 1946—8 p. m.

US URGENT

4520. Secdel 797. For the Secretary from Acheson. Immediately following telegram contains text note delivered by Yugos Chargé to Dept this afternoon<sup>47</sup> apparently in reply to further representations by Amb Patterson accordance urtel 4229 Aug 25.<sup>48</sup>

Meanwhile, at press conference on 27th correspondent pointed out discrepancies between Tito's oral statement to Patterson and his written communication noting that latter contained no expression of sorrow on Tito's part nor was there assurance that incidents would not be repeated. I replied that Tito's message did not confirm all statements made orally and that we hoped and expected those statements would be confirmed. Today press asked whether our future action would include request for compensation and indemnity for personal injury and property loss to which I replied that it is contemplated that we will submit claim of this nature after we are in receipt of full reports in the matter.

Present note contains no expression regret, gives only ambiguous confirmation assurance concerning repetition incidents and, in stating no "satisfactory" replies received Yugos notes Aug 10 and subsequent,

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<sup>47</sup> Telegram 4521, Secdel 798, August 30, to Paris, not printed; for text of the Yugoslav Chargé's note of August 30, see *supra*.

<sup>48</sup> See last sentence of telegram 45, August 25, 1 p. m., to Belgrade, p. 929.

requests indication what steps we have taken to end unauthorized "intentional" flights over Yugos by American "military and civilian" planes. It charges such flights are continuing.

I would greatly appreciate instructions on procedure and substance in this Yug-plane matter. We are proceeding on basis that you are handling in Paris the ascertaining of the facts and the direction of the Dept upon steps to be taken. Our own efforts to ascertain facts from Army and Patterson have not been productive and we have hesitated to push matter at the top for fear of crossing your wires. If you wish us to prepare reply to present note for your approval we shall press Army at highest level for facts to refute these and past specific charges. While these charges are probably a subterfuge to distract attention from unresolved matters such as expression of regret, assurances against repetition, indemnity, et cetera, we believe that the reply should nevertheless demolish the charges.

ACHESON

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740.00119 Council/8-3146 : Telegram

*The Secretary of State to the Ambassador in Yugoslavia (Patterson)*

SECRET

PARIS, August 31, 1946—4 p. m.

US URGENT

[Received 8:15 p. m.]

51. Delsec 882. From the Secretary. Please deliver to Yugoslav Government a written note reading substantially as follows:

"In order that there should be no misunderstanding between our two Governments I should like to inform you exactly what I am reporting to my Government following my conversation with General Velebit on August 29. If I have not correctly reported the position of Marshal Tito and the Yugoslav Government I hope you will at once let me know.

"I am sure that your Government would not want there to be the slightest risk of loss of life or property by any misunderstanding on the part of the American Government of the assurances given to me by Marshal Tito as to the steps which have been taken to prevent the recurrence of the incidents with respect to which the Marshal expressed to me his extreme sorrow and regret. It is all the more important that we should guard against such misunderstanding because already some misunderstanding has arisen from the fact that I informed my Government that it was the intention of the Marshal to confirm our assurances in writing, instead of merely confirming the report I made to my Government of our conversation.



"My despatch to my Government reads as follows:<sup>49</sup>

'I talked with General Velebit on August 29 and inquired re the request of my Government, which had been communicated by the Chargé d'Affaires to him on August 25. This request was for a written confirmation from Marshal Tito of the oral statements he had made to me as well as to the press expressing the regrets of the Yugoslav Government re the loss of American lives and declaring that orders had been given by the Yugoslav Government that no foreign planes are to be shot at, that planes forced off course by weather trouble, loss of direction or mechanical difficulties in reasonable numbers are not to be molested, and that means for signaling distress by such plane may be worked out.

'General Velebit told me that he had communicated our request to Marshal Tito who stated that every promise he had made orally to Ambassador Patterson would be strictly fulfilled 100 percent and that Marshal Tito was surprised that we should ask him to restate his assurances in writing.

'I replied that my Government having sent a written note naturally expected a written answer and that they had only its Ambassador's report of what the Marshal has said.

'General Velebit answered that the Ambassador's report had been published and since the Yugoslav Government had issued no dementi, it had been accepted.

'I am transmitting a copy of this communication to the Yugoslav Government so that it may advise me if I have not correctly reported the position of Marshal Tito.'

Of course you should present this note as on your own responsibility and not as on instructions from your Government.<sup>50</sup>

Sent to Belgrade 51, repeated Department 4380.

[BYRNES]

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Lot M-88 : Yugoslavia-Folder III

*Memorandum of Transatlantic Teletype Conference, August 31, 1946,  
2:20 p. m.*

SECRET

PARIS CONFEREES :

Mr. Byrnes

Mr. Cohen<sup>51</sup>

Col. Bonesteel

WASHINGTON CONFEREES :

Mr. Dean Acheson

Mr. John D. Hickerson<sup>52</sup>

MR. BYRNES SPEAKING : As to Yugoslavia, we have sent a telegram to Patterson to be presented by him to the Yugoslav Government advising that Government of the contents of the messages Patterson had sent us stating in the last paragraph that if he does not receive from Tito a statement denying the accuracy of his statements he will regard that as confirmation of his messages to our Government. A copy has been forwarded you.<sup>53</sup>

<sup>49</sup> The substance of Ambassador Patterson's report set forth here was contained in telegram 99, August 29, 11 a. m., from Belgrade to Paris for the Secretary of State (811.2360H/9-746).

<sup>50</sup> In telegram 870, September 2, from Belgrade, Ambassador Patterson stated that in view of his talk with Marshal Tito on August 31 and Marshal Tito's note of August 31, he was not delivering the communication set forth in this telegram (811.2360H/9-246).

<sup>51</sup> Benjamin V. Cohen, Counselor of the Department of State.

<sup>52</sup> Deputy Director of the Office of European Affairs.

<sup>53</sup> See last paragraph of telegram printed *supra*.

I am anxious to find a way to accept Tito's regrets and promises and not be in the position of quarrelling merely about it not being in writing.

I am more troubled by the statement you made yesterday as to the indemnities<sup>54</sup> though we should have anticipated that in view of our message to Tito some correspondent would ask what course our Government would now take. In view of our former statement to Tito you could make no other answer. But my fear is that if we ask for indemnities, Tito having refused to confirm in writing his statements to our representatives, will not hesitate to refuse to pay indemnities. It will be our move then and it will be a difficult decision. Matthews has wired to ascertain whether we have any funds of Yugoslavia frozen. If so, we could announce that we would hold until indemnity was paid. I would like to know in case we have no funds what course you suggest we take when Tito refuses to pay.

I have given consideration your message as to my desire to stop giving aid to Yugoslavia. I agree the only course would be economic sanctions. I have wondered whether in case you had no concrete suggestion as to the enforcement of our demand for indemnities we could use economic sanctions until amount of indemnity was paid.

MR. ACHESON SPEAKING: The question and answer yesterday regarding indemnities were against the background of a question by Elmer Davis last week whether our note of August 21 meant that we were interested only in the living and were ready to forget about the dead.

Yugo Government has 46 million dollars gold frozen in U.S. We have offered to unfreeze enough to pay Jugo quotas International Bank and Fund, totaling about one million.

We could continue to hold the remainder or any desired portion thereof as security for indemnities.

In this situation we might hold the Yugo funds until the indemnities were paid or the claim was taken by both parties to the World Court and decided by it.

MR. BYRNES: We want you to release the statement answering Tito's charges about violations of Yugo territory by our planes. Colonel Bonesteel has sent all information to General Lincoln and asked him to contact you.

I assume you will not issue any statement until you hear from Patterson as to the conversation he was to have with Tito at eleven this morning.

MR. ACHESON: We are not clear whether your reference to Tito's

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<sup>54</sup> Regarding the Acting Secretary's statements on indemnities at a press conference on August 27, see telegram 4520, August 30, to Paris, p. 936.

charges means those of August 20 or whether you have also received the Yugo note delivered here yesterday and cabled you last night. This charges further numerous violations of Yugo territory on August 23, 24, 25, 26 and 27. Have you received it with our comment?

MR. BYRNES: We have just been handed the note to which you refer. It does not have any of your comments. The military statement prepared by General Lincoln should answer the charges made in this recent note as well as those made in the former statements by the Yugoslavs.

MR. ACHESON: The Yugo note yesterday was a stinker. Does your note through Patterson and the proposed statement refuting charges answer Yugo note adequately?

This note takes an aggressive attitude and seems to imply that Tito will withdraw his instructions not to fire on planes unless all violations cease.

MR. BYRNES: Your message NR 4520 has just been handed us in the Embassy.

Bonesteel says that Lincoln now in possession of all the facts we have here. Arrangements are made for Air Headquarters Weisbaden to stand by today for possible telecon from Lincoln if he needs any further clarification or information. Bonesteel will continue to report immediately to Lincoln and we will take no action here of any kind without communication with you.

When I previously referred to the Military statement to be prepared by General Lincoln I had reference to the statement of facts he would prepare for inclusion in your newspaper release.

In replying I suggest that you reiterate the precautions we are taking to prevent our planes from flying over Yugoslav territory assuming that Patterson's conversation with Tito today does not change situation and you do issue a statement, you might refer to Tito's expressed willingness to confer with us as to distress signals and state that our Military representatives are authorized to meet, at such time and place as he may designate, the Military representatives of Yugoslavia in order to work out agreed distress signals to be used in case any planes because of weather, loss of direction or mechanical difficulty are forced over Yugoslav territory.

Your message just handed me as to censorship of our radio bulletin causes me to believe that information as to our demand message is just reaching Tito's people and he wishes to divert attention by this indictment as to continued violations. In the light of the positive instructions issued I am satisfied American planes have not been flying over Yugoslav territory.

MR. ACHESON: May I review your instructions to be clear about them.

We are to await a message from Patterson and then release statement based on information received from Lincoln. We are also to reply to Yugo note as you have instructed. Are we to release Yugo note and our reply? Are we also to release Patterson note if his conversation is satisfactory? Or should we describe these messages in our press statement?

MR. BYRNES: Await message from Patterson and if his statement satisfactory then issue a statement as to Patterson's conversation and also including the information furnished by Lincoln answering Tito's charges. It seems to me that it would be better to issue a statement describing these messages rather than to issue the message of Patterson and to Tito.

I leave entirely to your discretion the decision whether you issue one statement for the press describing the messages of Patterson and Tito or whether you give to the press the several messages. Our thought is that it may be advisable to publish Tito's messages but paraphrase Patterson's report.

Reading the message from Tito (Your 798<sup>55</sup>) he charges that on 23rd there were flight by three bombers, three fighters and one transport, and similar charges as to the 24th. You will recall that we stopped all flights over that route on the 20th and did not authorize resumption of traffic until 25th when one bomber was supposed to go but because of bad weather turned back. It is entirely possible that British planes or Russian planes flew over their territory.

MR. ACHESON: Do we also send to Yugoslav Embassy here a note replying to its latest along lines your instructions this morning? And do we also release these messages or describe them in our discretion?

MR. BYRNES: My thought is that you make no reply to Yugo until we get Patterson's statement, then our reply should be one complete statement, reviewing the facts as to the planes and stating our position as to indemnities and everything else.

Let me try once more to state my views as to publications. I think there should be prepared a complete statement setting forth our whole case. The statement should include in full the statements of Tito but should paraphrase the reports of Patterson. This statement should be sent to Tito and at the same time should be given to the press.<sup>56</sup>

MR. ACHESON: We understand and have only one question. Do you wish us to send the document to you for approval before delivery

<sup>55</sup> Telegram 4521, Secdel 798, August 30, to Paris, not printed, transmitted the text of the Yugoslav Chargé's note of August 30, p. 934.

<sup>56</sup> For text of the note of September 3, 1946 from the Acting Secretary of State to the Yugoslav Chargé, released to the press on the same day, see Department of State *Bulletin*, September 15, 1946, p. 501.

and release? It may take several days to prepare it depending on what we get from Patterson and Army.

MR. BYRNES: In view of information War Department has it should not take more than a day. If you could have someone put it on the teletype as I would like to see it. If the teletype is not working it would be too much delay to send it to me. I want you to know that I still expect you to go on that holiday.

MR. ACHESON: Thank you very much. We shall do as you instruct and will finish it today if Patterson comes through. If not Will Clayton and the boys will carry on.

MR. BYRNES: I am leaving now but we are sending a draft release prepared several days ago by Col. Bonesteel which might be of some service.

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811.2360H/8-3146 : Telegram

*The Ambassador in Yugoslavia (Patterson) to the Secretary of State*

SECRET

BELGRADE, August 31, 1946—9 p. m.

US URGENT

[Received September 1—10:25 p. m.]

864. For the Secretary. My 101 August 30.<sup>57</sup> At conference with Tito today requested proper written confirmation his oral statement to me on August 22 that he had given orders to prevent further shooting down of American aircraft. I said this and some written expression of regret by Yugoslav Govt at loss of American lives, which he had also expressed to me orally, would seem to be in accordance his promise that he would confirm his statements in writing.

I said I made this request on instructions from you and that reply will have direct effect on future course of American Govt towards these incidents which we pointed out in our note of August 21 will be determined in light of evidence and efforts of Yugoslav Govt to right wrong done.

Tito promised written reply tomorrow.<sup>58</sup>

He then informed us he had just sent note to State Dept thru Yugoslav Chargé in Washington requesting answer his notes August 9 and 19 asking what steps were taken to prevent further violation Yugoslav territory by American aircraft.<sup>59</sup> Tito said he had received two verbal assurances from me that these violations would be stopped.

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<sup>57</sup> Not printed; this telegram from Belgrade to Paris, for the Secretary of State, reported that Ambassador Patterson had finally been able to make an appointment with Marshal Tito scheduled for August 31, 11 a. m. (811.2360H/9-746).

<sup>58</sup> Text of Marshal Tito's note of August 31 to Ambassador Patterson is embodied in the note of September 3, 1946, from Acting Secretary Clayton to the Yugoslav Chargé, Department of State *Bulletin*, September 15, 1946, p. 505.

<sup>59</sup> Reference is to the note of August 30 from the Yugoslav Chargé to the Acting Secretary of State, p. 934.

He was now asking for three things (1) official guarantee violations would stop; (2) that pilots and others responsible for future violations would be punished; and (3) agreement on signals for pilots in difficulty to communicate with Yugoslav pilots and people on ground for assistance.

He was "sorry to say" far from ceasing, unauthorized flights over Yugoslav territory continued in increasing numbers every day. He read details for August 28 when 4 fighters and 2 bombers were allegedly spotted over Potkoren (northwesternmost Yugoslavia) and Slovenska Bistrica. On 29th he asserted 20 planes, namely 14 bombers, 2 transports, and 4 fighters flew over Yugoslav territory without authorization. He concluded this showed no measures have yet been taken to prevent further violations of Yugoslav territory.

I promised immediate investigation of his charges. Will report remainder conversation in next telegram.

Sent Paris for Secretary Byrnes as 103.

PATTERSON

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811.2360H/8-3146: Telegram

*The Ambassador in Yugoslavia (Patterson) to the Secretary of State*

SECRET

BELGRADE, August 31, 1946—10 p. m.

US URGENT

[Received September 1—11:05 a. m.]

865. For the Secretary. Mytel 103, August 31.<sup>60</sup> After presenting Tito request for written confirmation his statements regarding our planes we got up to leave, wishing not to cloud issue by bringing up other subjects. Tito asked us to wait saying he had some things to bring up. Following is summary of what followed.

Tito accused my Embassy staff of complicity in two anti-Yugoslav incidents:

(1) He said in Belgrade restaurant August 28, three US soldiers were drinking. One suddenly tore Yugoslav flag from wall threw it on floor, spat and trampled on it. One man in trio was Walter L. Florek of Graves Registration Unit.<sup>61</sup>

(2) Yugoslav organs of security caught group of very dangerous terrorists who have been working in close touch with American Em-

<sup>60</sup> Same as telegram 864, August 31, from Belgrade, *supra*.

<sup>61</sup> In his telegram 870, September 2, from Belgrade, Patterson reported as follows regarding Tito's complaint: "Regarding Tito's accusation that US soldiers defiled Yugoslav flag we promptly investigated, found guilty party, PFC Walter L. Florek of GRU, obtained his confession from which it is evident he acted under extreme provocation. I am taking him with me by plane to Vienna this afternoon to turn him over to our Provost Marshal for trial. I have so informed Tito with oral apology through Velebit who seemed surprised and pleased by promptness our action. I promised written apology quickly." (811-2360H/9-246)

bassy. Tito said three members of my staff are implicated. The group had two tasks: (1) to collect information and (2) to prepare terroristic acts. For second purpose they got weapons from some members of American Embassy. He promised to give me full evidence in support of these charges.

In reply to these amazing accusations I said I would make immediate investigation; I had complete confidence in integrity of my present staff. I added if any truth in either charge, and I didn't doubt Marshal's word but questioned his sources, would take immediate action to have guilty personnel removed from Yugoslavia.

I then took opportunity to tell him that I hoped he would continue personally as leader of Yugoslavia provided that he restored four freedoms now lacking in this country; in my opinion under present conditions Yugoslav Government would not get dime or pair of shoes from my Government.

Tito replied he was extremely sorry his Government would not receive US help under present conditions, that I seemingly could not understand that his Government is obliged to take very severe measures against terroristic groups seeking to change Government by force unfortunately sometimes aided or encouraged by representatives of Western Powers. He did not deny lack of freedom in Yugoslavia but said new Yugoslavia is only year and half old. He wondered if I realized how conditions were in America in its early years of independence. He said "in forming new state you have to employ more severe measures than ordinarily and freedom of majority is more important than freedom of minority".

I then said I did not believe he represented majority, that elections in my opinion were fraudulent, voters were driven to polls by intimidation and coercion. In genuine elections his Government would have lost. Tito said "they were freest elections in Yugoslav history". I explained "majority would have voted against communism. Your personal popularity is something else". Tito said not possible to separate actual situation in country and his personality.

He returned to question of terrorists saying he wanted it settled between Yugoslavia and US Governments and attitude of US Government will determine whether Yugoslavia will publicize trial of terrorists to be held soon. In his opinion it is necessary to show good will to settle our mutual difficulties whether they be factual or not. "If we continue to accuse each other we will never get anywhere". I said "you cannot get good will by shooting down American planes;" he rejoined "neither by violating our territory."

He then launched into discourse on bullying attitude of some big powers towards small countries despite promises in Atlantic Charter.<sup>62</sup> He said Yugoslavia will never allow itself to be humiliated, is ready to give all sacrifices for liberty, repeated large proportional contribution of Yugoslavia to war effort.

I said he talked about goodwill to me but in all his public speeches referred only to Russia and Stalin, never to US and Truman. He said in essence this was in direct proportion to amount of aid given Yugoslavia by Russia and US. I pointed to UNRRA and America's preponderant contribution thereto. He admitted Yugoslavia indebtedness to UNRRA but said UNRRA is international organization of United Nations designed to help rebuild countries which suffered in war and were battlefields. He recalled destruction of Yugoslavia was caused not only by Germans but also by local fighting and allied planes. He asserted in talk with La Guardia he acknowledged UNRRA help. He denied my assertion that his regime had exercised political discrimination in distribution of UNRRA goods.

Conversation ended on note of need for goodwill and he said "you and I can do much to promote it". I asked that our disbursing officer Kaiser be cleared of blackmarket charges since all such responsibility must be mine even though I was in America at the time. I said unfair dollar rate fixed arbitrarily by Yugoslavs was contributing cause to black market operations which Embassy some time ago abandoned. I asked for refund of approximately \$8,000 belonging to small salaried members my staff confiscated by Yugoslav authorities in black market raids. Tito promised to look into these matters.

Session while intense was salutary. Accusations against my staff are puzzling. While conceivably having some basis they may also be trumped up effort to restore his position following plane episode.

Sent Paris for Secretary Byrnes as 104.

PATTERSON

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811.2360H/9-346 : Telegram

*The Acting Secretary of State to the Ambassador in Yugoslavia  
(Patterson)*

SECRET

US URGENT

WASHINGTON, September 3, 1946—7 p. m.

NIACT

578. Immediately following telegram contains text of note handed

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<sup>62</sup> Joint statement by President Roosevelt and British Prime Minister Churchill, August 14, 1941, *Foreign Relations*, 1941, vol. I, p. 367.



to Yugo Chargé d'Affaires this afternoon.<sup>63</sup> It will be released to the press for use after 10 p. m. Washington time. You should present a copy as soon as possible to Tito, or in his absence, to Acting MinFonAff. With reference to final para re indemnification you should state orally that with a view to effecting prompt settlement of the matter your Govt is prepared to accept for appropriate distribution by it lump sum of \$360,000 in satisfaction and settlement of all claims of US and its nationals for losses and damages sustained in connection with attacks of Yugo planes on Amer transport planes on Aug 9 and Aug 19. You should make it clear that amount covers indemnification for families and dependents of deceased crew members and also property loss sustained by US Govt but no amount for punitive damages.

CLAYTON

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740.00119 Council/9-446 : Telegram

*The Acting Secretary of State to the Secretary of State, at Paris*

TOP SECRET  
US URGENT

WASHINGTON, September 4, 1946—6 p. m.

4583. Secdel 817. Personal for the Secretary from Clayton. At usual weekly meeting with Patterson and Forrestal<sup>64</sup> this morning, both urged Dept to make strong protest to UNRRA respecting its relief shipments to Yugoslavia. Both Patterson and Forrestal emphasized deplorable political effects which would follow from failure of State Dept to take energetic action in this affair. Patterson stated that it was too much to ask of American people that they contribute in the generous fashion they have to UNRRA and then have to put up with murder of five of their soldiers. He thought least we could do was to protest to UNRRA and ask that the program for Yugoslavia should be reviewed and revised. Patterson also suggested, in which Forrestal concurred, that if the State Dept did not wish to take action matter should be brought to attention of the President.

I then reviewed the reasons against such action (Secdel 783, Aug 29<sup>65</sup>) to which view I still adhere and pointed out that US cannot issue orders to UNRRA and that applications for relief are handled by Central Committee which approves all relief programs and in which the US has only one vote. I also pointed out that Sov

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<sup>63</sup> Telegram 579 to Belgrade, not printed; for text of note of September 3, from the Acting Secretary of State to the Yugoslav Chargé, see Department of State *Bulletin*, September 15, 1946, p. 501. The note was prepared in consultation with the Secretary of State in Paris.

<sup>64</sup> James V. Forrestal, Secretary of the Navy.

<sup>65</sup> *Ante*, p. 931.

Govt has already charged US with using UNRRA as a political vehicle and that we have consistently rejected this allegation. Furthermore UNRRA is about finished and will shortly be liquidated. I informed the two Secretaries of contents of our latest note to Yugoslavia and of the assurances given by Tito that no more shooting would take place. I likewise advised them that tenor that note had your approval and that we should hesitate now to utilize UNRRA as the stage for such a protest against acts that were admittedly outrageous but for which Tito had now given assurances which were generally satisfactory.

The two Secretaries still insisted that a protest to UNRRA was in order and we agreed to refer the question to you again. I felt impelled to do this in order to prevent a War and Navy approach to the White House on the subject.

Patterson and Forrestal propose that we should instruct our representative on UNRRA to protest in the Central Committee the shipments to Yugoslavia and request that 72 percent (American share) should be held up until further investigation is made of the use of UNRRA supplies in Yugoslavia. Our representative should take the position that there has been diversion of UNRRA supplies from the stricken hungry and needy Yugoslav people to other purposes, notably contributing to the maintenance of a huge army, and that the great benevolence of American people in meeting needs of Yugoslav people has been defeated by this diversion of supplies. Furthermore, protest should point out that the Government which is effecting this diversion gave the orders which resulted in the death of five American soldiers. Both Patterson and Forrestal were positively of the opinion that a protest along this line should be lodged in UNRRA at the earliest possible moment.

I still believe this would be the wrong course, and hope you will continue to support our position. I am the more persuaded of inadvisability any action to halt relief to Yugos now since, regardless of justification such stoppage, action at this time is clearly contrary our attitude that plane incidents should be settled amicably soon as possible. In line with this view, which based on teletype conference August 31 I took to accord your wishes, I informed newspaper correspondents this morning in reply to inquiry that, aside from question of indemnity, we consider our note of yesterday as closing matter of plane incidents.

CLAYTON

740.00119 Council/9-546 : Telegram

*The American Delegation at the Paris Peace Conference to the Acting Secretary of State*

SECRET

PARIS, September 5, 1946—10 p. m.  
[Received September 5—7 : 30 p. m.]

4446. Delsec 903. From Dunn.<sup>67</sup> Mr. Kosanovic, the Yugoslav Ambassador to Washington, called on me this afternoon to say that he is leaving Paris on the afternoon of September 6 by TWA and that he appreciated the help given him by the Embassy in obtaining his passage. I asked him what position he expected to take when he arrived in Washington in respect to the questions which would be asked him with respect to what Yugoslavia would do in respect of the recent incidents. He said that he expected to explain that the action taken by Yugoslavia was the result of many provocations by flights over its territory and he also said that many high officials in the Yugoslav Government had been convinced that the United States Government has been conducting spying activities in Yugoslavia for many months. He said his Government had evidence of such activities by several persons of both American and Yugoslav nationality in connection with an espionage ring headed up by a man with a name something like Stanovich who was in the employ of the American Embassy in Belgrade. He said the persons his Government had arrested in this connection would be brought to trial shortly in Belgrade; that they had not only conducted espionage operations but had also been engaged in smuggling arms into Yugoslavia. He said that was one of the reasons why the extreme order to ground American planes was put into effect not very long ago.

I told the Ambassador that if the Yugoslav Government had matters of this kind which had come to its attention, it was their duty to take them up immediately with the American Government as no such activities were authorized nor would be permitted by any one connected with the United States Government. I further told the Ambassador that in my opinion there was no "explanation" which would justify the extreme action of his Government in ordering the shooting down of undefended civilian transport planes.

[DUNN]

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<sup>67</sup> Assistant Secretary of State Dunn served as a member of the American delegation to the Paris Peace Conference.

811.2360H/9-646 : Telegram

*The Ambassador in Yugoslavia (Patterson) to the Acting Secretary of State*

SECRET

BELGRADE, September 6, 1946—8 p. m.

US URGENT

[Received September 7—1:36 a. m.]

892. My telegram 890, September 5.<sup>68</sup> When Tito received me this morning I gave him copy of Department's note of September 3,<sup>69</sup> expressed surprise that his Government had not offered any indemnity, then said my Government is prepared to accept lump sum of \$360,000 in full settlement. I followed closely wording in Department's telegram 578, September 3.

Tito said he would have to study note before replying but stated at once that he does not in principle object to indemnity to families of victims to show good will and to help towards good relations. But, he continued, this does not mean he accepts responsibility for accident. He does not approve at all of indemnity for planes which were over Yugoslav territory without authorization. To pay indemnity for planes would, he said, show Yugoslavia has not the right to protect its territory from unauthorized incursions. Lives cannot, of course, be paid for in money and "we have full understanding for the families as stated previously".

I did not argue these points.

I then presented written regrets for flag incident which Tito brought up at our last conference (my telegram 865, August 31 to Department), reporting that although guilty soldier acted under extreme provocation he is already under arrest with our military authorities in Vienna and will be tried.

Pointing to current stories that Yugoslavia is mobilizing, I asked Marshal for facts. He answered it was only normal calling up of those who have not served in army in order to set free those who have served long periods. Colonel Partridge and I believe this is largely true.

I then took up briefly some general questions still pending and he promised early reply. He orally granted me free use of my Embassy plane for myself and my diplomatic staff although he refused to allow Military or Naval Attachés to use it for their purposes. He said he granted me its use "although Yugoslav military authorities object".

Sent Department as 892; repeated Paris for Secretary Byrnes as 107 and Rome as 118.

PATTERSON

<sup>68</sup> Not printed; it reported on arrangements for the meeting with Marshal Tito (811.2360H/9-546).

<sup>69</sup> For text of the note of September 3 from the Acting Secretary of State to the Yugoslav Chargé, see Department of State *Bulletin*, September 15, 1946, p. 501.

740.00119 Council/9-646 : Telegram

*The Acting Secretary of State to the United States Delegation at the Paris Peace Conference*

TOP SECRET

WASHINGTON, September 6, 1946—8 p. m.

4660. Secdel 839. For Matthews. When draft message to SACMED in OCD 26 July 1 from Lincoln to Norstad<sup>69a</sup> re withdrawal from Pola and use of troops in event Yugo attack was proposed to Brit Chiefs by JCS, former demurred, indicating they disapproved use of Poles and Itals. JCS pointed out there was little likelihood of situation arising, but still desirable give SACMED free hand, and Dept explained to Brit Emb our understanding Bevin had read and agreed to draft message.

Brit Chiefs, however, have now proposed modification of draft message, stating FonOff considers political objections to making plans for use of Itals are overriding, and also objects to use of Poles in active operations, both on political grounds and because undesirable to interfere with program for their removal from Italy.<sup>70</sup> Re Bevin's agreement, Brit Emb says vaguely there must have been some misunderstanding. JCS are again proposing to Brit Chiefs that SACMED be authorized to use Itals and Poles, but are suggesting that para D of draft message in OCD 26 be modified to read "including such Poles as remain therein". Brit Chiefs are referring this proposal to London.

CLAYTON

740.00119 Council/9-1146 : Telegram

*The Secretary of State to the Acting Secretary of State*

TOP SECRET

PARIS, September 11, 1946—7 p. m.

US URGENT

[Received 8:30 p. m.]

4557. Delsec 925. For Clayton from the Secretary. I hold views — expressed by Patterson and Forrestal (Secdel 817<sup>71</sup>). I wanted very much to find a way to accomplish the same objective. Reluctantly, I must admit I cannot find any way of accomplishing it ➤ consistent with our obligations. We agreed to have our contribution to a general fund spent in accordance with recommendations of Committee of an International Organization. That Committee made cer-

<sup>69a</sup> *Ante*, p. 905.<sup>70</sup> Despatch 1505, August 9, 1946, from Caserta, summarized the status of the Polish armed forces in Italy and the plans for their demobilization. According to the summary, 34,000 Polish troops had been transported to the United Kingdom during July, and 71,000 more would be moved by the end of October. (860C-20/8-946)<sup>71</sup> *Ante*, p. 946.

tain recommendations as to Yugoslavia. Subsequently, that country was guilty of indefensible conduct resulting in loss of life of our flyers. We made certain demands. We have announced that those demands were complied with. That makes it impossible for us to ask an international organization to reverse its decision because of the loss of our airmen. The only excuse would be for our representative on the Committee to request a review of needs of Yugoslavia.

In view of loss of our planes, world opinion would be that our action was due to that matter as nothing else has occurred to justify demand for review. They had the same army at the time the Committee approved the allotment they now have. Because of these reasons, I cannot approve stopping shipments or asking for review. If anyone can think of some other reason which would make it possible for us to stop shipments without having our good faith questioned, I will be happy to consider it.<sup>72</sup>

[BYRNES]

711.60H/9-1746

*Memorandum of Conversation, by the Associate Chief of the Division of Southern European Affairs (Barbour)*

CONFIDENTIAL

[WASHINGTON,] September 17, 1946.

Participants: The Yugoslav Ambassador, Mr. Kosanovich;  
Acting Secretary, Mr. Clayton;  
Mr. Barbour, SE

The Yugoslav Ambassador called, at his request, on the Acting Secretary on September 17. After the usual amenities the Ambassador said that he wished to cover several points in connection with Yugoslav-American relations and professed his Government's desire, which he said he shared, to achieve a general improvement in the situation with regard to the two countries by a frank discussion with a view to settlement of a number of specific problems. He first said that the personnel of the US Embassy at Belgrade was unfriendly to the present Yugoslav regime. He referred to recent black market operations involving certain Embassy personnel, which operations had been broken up by the Yugoslav Government. He then alleged that two American planes had a few months ago smuggled arms into Yugoslavia for distribution to Opposition agents and that the Yugoslav Government has uncovered a "spy ring" which he claimed was headed by Eric Pridonoff, a former Economic Officer at the Embassy, who has since resigned. He claimed that a certain Yugoslav employee of

<sup>72</sup> For text of the statement by Acting Secretary of State Clayton regarding United States policy on UNRRA shipments to Yugoslavia, released to the press on September 12, 1946, see Department of State *Bulletin*, September 22, 1946, p. 544.

the Embassy named Stefanovich, now under arrest by the Yugoslavs, was a member of that ring and he asserted that that individual received 30,000 dinars per month from the Embassy as compared to a Yugoslav cabinet member's salary of 12,000 dinars which, he said, was evidence of illegal activities. The Ambassador went on to refer to the flights of American airplanes over Yugoslavia repeating the previous Yugoslav allegation that 1070 such planes crossed Yugoslav territory between February and August of this year. The Ambassador then mentioned Yugoslav charges that Quislings and war criminals are employed as advisers by Allied Government officials in Venezia Giulia and showed a letter he claimed to have recently received from a so-called Secretary of a prewar Yugoslav Fascist party who is now in Italy. Mr. Kosanovich expressed surprise that Mr. Machek, President of the Croatian Peasant Party, who is in this country on a brief unofficial visit, had been issued a US visa,<sup>73</sup> and he stated that Machek is mentioned in Ciano's<sup>74</sup> Diary as having had contact with Ciano. He further stated that Machek has no following among democratic elements in Yugoslavia. In conclusion, the Ambassador said that, as a small country, Yugoslavia is fearful of the consequences for her of what appears to him to be a general attitude of officials of this country in regard to Europe tending toward a third World War. As a case in point he mentioned a report in the press of remarks attributed to Admiral Cassady in which the latter was quoted as stating that there is much dynamite lying around Europe, that Italy, France, Greece, England and the US should keep prepared for any eventuality and that certain other powers should keep their matches in their pockets.

Mr. Clayton stated that we had been informed concerning the black market incident referred to but that as to the alleged smuggling of arms and spy ring this Government knew nothing. Regarding the

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<sup>73</sup> Vladimir Maček had gone into exile in 1945 living temporarily in Paris. In January 1946, his secretary approached a member of the American Embassy in Paris to ask advice regarding the advisability of Maček's returning to Yugoslavia and whether the United States would give him moral support if he returned to Yugoslavia and resumed political activity. Telegram 262, January 17, 1946, to Paris, stated that the United States could not undertake to intervene with Tito to request permission for Maček's return or obtain a guarantee of his safety there; the United States was ready to extend friendly interest in his efforts to foster political development along genuinely democratic lines (860H.00/1-1746). United States policy regarding a possible visit to the United States by Maček at the request of Croat groups was set forth in telegram 3478, July 16, 1946, to Paris, which read in part as follows: "Although it seems clear visit US by Maček more than likely aggravate relations between contending Yugo-American groups here and irritate Yugo Govt, Dept not inclined refuse him visitor's visa on political grounds in event he applies . . . If Maček receives visa Emb should, however, make it clearly understood that he is proceeding US as private individual and guest United Croatians and not US Govt." (860H-00/7-1646)

<sup>74</sup> Count Galeazzo Ciano, Italian Minister for Foreign Affairs, 1936-1943.

airplanes, Mr. Clayton drew the Ambassador's attention to our note of September 3<sup>75</sup> which he said had been drafted after most exhaustive investigation by our military authorities in Europe and he reiterated the conclusion stated therein that if any planes in addition to the few noted had flown over Yugoslavia they were not American. Mr. Clayton remarked in connection with that note that we were awaiting a Yugoslav reply to our request for indemnity and said that, if such were forthcoming at once, that action, by concluding the plane incidents, would go far to improve American-Yugoslav relations. He noted that the press is continually asking about this subject and had in fact done so at his press conference only a few minutes before the Ambassador's appointment. Mr. Clayton made clear that we regard it as a matter of principle that the Yugoslav Government make indemnity to the families of the deceased airmen and also for the property damage involved in the loss of the two airplanes. The Acting Secretary went on to mention another case which is not contributing to good relations, i.e. the case of William Wedge who has been sentenced by the Yugoslav authorities to 8 years in jail and to pay \$8,000 indemnity. Stating that diplomatic immunity from the jurisdiction of local courts is customarily granted in this country to persons attached to foreign missions in the status in which Mr. Wedge was assigned to our Embassy at Belgrade, he pointed out that the Yugoslav Government has so far declined to extend such immunity on a reciprocal basis. Turning to the question of political refugees, Mr. Clayton confirmed the remark in this connection which Mr. Kosanovich said Mr. Dunn had made to him in Paris that it has long been a principle of this Government to extend protection to political refugees. In conclusion, Mr. Clayton informed the Ambassador that this Government is no less interested than the Yugoslav Government in removing causes of friction which hamper the cordial development of relations between the two Governments. He noted that the remarks attributed to Admiral Cassady, which the Ambassador considered as serving the contrary purpose were not those of a top level official of the US Government. Finally, the Acting Secretary drew attention to the fact that we are anxious to settle with the Yugoslav Government the matter of signals between aircraft, referred to by Tito and discussed in our note to the Yugoslavs on September 3. He expressed the view that the early establishment of appropriate signals would be desirable to avoid possible further incidents and reaffirmed our willingness to negotiate an agreement in this matter whenever the Yugoslav authorities make known a similar disposition.

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<sup>75</sup> See Department of State *Bulletin*, September 15, 1946, p. 501.



811.2360H/9-1846 : Telegram

*The Ambassador in Yugoslavia (Patterson) to the Secretary of State*TOP SECRET  
US URGENTBELGRADE, September 18, 1946—8 p. m.  
[Received September 19—4:22 p. m.]

940. ReEmbtel 939, September 18.<sup>76</sup> Spy ring charges made by Yugo Govt prove extreme danger involved for Embassy military or civilian staff in seeking information outside official channel in country under neurotic Communist control. We recommend full story be given to Intelligence Sections of Army, Navy and State.

Charges are dangerous mixture of fact and fiction. Embassy personnel probably had contacts of informational nature with most Yugoslavs named. Testimony quoted shows that Americans were seeking information from all sources on all subjects generally reported on by military and naval attachés as well as economic and political officers. Yugoslav authorities make little information public and it is criminal for anyone to give out even such statistical information as is printed in great volume by US Govt departments.

So far as we are aware there can be no just ground for charging Embassy personnel with involvement in plots against Govt for furnishing means of escape from country. Embassy is frequently approached by persons of all classes for aid in escaping and has invariably refused any assistance whatever.

Shantz states as follows: "To best of my belief I never saw nor communicated with any Yugoslav mentioned except those on Embassy staff. During my first week in Belgrade I warned staff against probable eventual arrest of any Yugoslav with whom they associated. I told them that I personally would not associate with any Yugoslavs outside of Govt circles, and I have never met any except at large functions. Stefanovic was our No. 2 translator and my relations with him were same as with other Embassy employees."

I have complete confidence in this statement and in integrity of Shantz.

We still do not know what Tito meant by threatening to make trial public or secret depending on our attitude. While record submitted is flimsy by our standards it is obviously sufficient for Yugoslavia to conduct highly scandalous public trial.

<sup>76</sup> Not printed; in this telegram Ambassador Patterson reported that in reply to his oral request of Marshal Tito for information regarding the alleged terrorist plot involving Embassy personnel, he had received a letter from the Acting Chief of Tito's Cabinet (Vlahov) enclosing a 22-page memorandum in Serbo-Croatian from the Ministry of Interior entitled "Information on Unfriendly Work of American Representatives in Belgrade". (811.2360H/9-1846) Texts of the memorandum and letter were transmitted to the Department in despatch 498, September 13, from Belgrade, none printed.

Confidential sources have told us that Yugoslav Govt has long been "out to get the Embassy"; that they are still working on case and have data involving eight more staff members. We well know what a travesty on justice Yugoslav trials are. It seems probable that all Yugoslavs arrested will be found guilty and sentenced to death or long imprisonment.

Wife of one Yugoslav arrested told us she approached OZNA chief for Serbia regarding her husband and that he replied: "It isn't important whether he is innocent or not so long as we have caught one of them to make an affair of it—we must do things to 'quiet' some of the reactionary Embassies."

We are concerned over safety of Americans named by Yugoslavs. Shantz and Birkeland<sup>77</sup> have diplomatic status, but Constan,<sup>78</sup> Cebuhar<sup>79</sup> and Sgt Allen<sup>80</sup> have not; and this brings up question whether we should not have them leave Yugoslavia quickly if possible.<sup>81</sup> FonOff last week refused permit for Allen to go to nearby town. Birkeland after long delay was granted exit and reentry visa for trip to Italy.

PATTERSON

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811.2360H/9-2046 : Telegram

*The Ambassador in Yugoslavia (Patterson) to the Secretary of State*

US URGENT

BELGRADE, September 20, 1946.

[Received September 20—3:55 p. m.]

947. Following is text of Yugoslav reply dated Sept 20 to our verbal request Sept 6 for indemnity for planes and victims of plane incidents.

"The Ministry for Foreign Affairs of the Federative Peoples Republic of Yugoslavia presents its compliments to the Embassy of the United States of America and in connection with the conversation which the President of the Council of Ministers of the Federative Peoples Republic of Yugoslavia and Acting Minister for Foreign Affairs, Marshal of Yugoslavia, Josip Broz Tito, had with the Ambassador of the United States of America, His Excellency Richard S. Patterson, Jr., has the honor to state the following:

1. Considering the situation arising from the loss of lives of 5 American airmen, the Government of the Federative Peoples Republic of Yugoslavia decided to express its sympathy towards the innocent families of the perished airmen, by allocating one single payment of

<sup>77</sup> Capt. Paul M. Birkeland, Assistant Military Attaché.

<sup>78</sup> Peter K. Constan, Vice Consul at Zagreb.

<sup>79</sup> Steve Cebuhar, Administrative Assistant at Zagreb.

<sup>80</sup> Sgt. George Allen, on the staff of the Military Attaché at Belgrade.

<sup>81</sup> The Yugoslav Government had named seven other persons formerly assigned to the Embassy in Belgrade but no longer in Yugoslavia.

- United States dollars 30,000 to the nearest family of each of the perished members of the crew of the crashed airplane No. 4374.

2. The Ministry for Foreign Affairs has the honor to inform the Embassy of the United States of America that orders have been issued to the Chase National Bank of the city of New York to the effect that the amount of United States dollars 150,000 be paid OSD the account of the State Department. The Ministry for Foreign Affairs has the honor to request the State Department to be kind enough to distribute the said amount among the families of the perished airmen and to kindly inform this Ministry of the performed distribution.

- 3. This decision of the Government of the Federative Peoples Republic of Yugoslavia was inspired by human feelings, notwithstanding its firm attitude to reject most energetically any responsibility for the regrettable accident. Therefore, the Government of the Federative Peoples Republic of Yugoslavia cannot accept the claim of the Government of the United States of America to pay any compensation for the planes either damaged or destroyed over Yugoslav territory. These planes illegally flew over the Yugoslav territory and the damage was caused through the fault of the crew which did not obey the orders of the Yugoslav authorities to land. Belgrade, 20th September 1946.<sup>82</sup>

Sent Department as 947; repeated Paris for the Secretary as 117.

PATTERSON

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[In a note to the Yugoslav Ministry for Foreign Affairs dated September 20, 1946, the Ambassador in Yugoslavia replied to Yugoslav notes of July 26 and August 14, 1946, which alleged improper treatment of Yugoslav officers and men in the American-British zone of occupation of Venezia Giulia. For text of Ambassador Patterson's note, see Department of State *Bulletin*, September 29, 1946, page 579.]

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740.00119 Control (Italy)/9-1946: Telegram

*The Acting Secretary of State to the Ambassador in Yugoslavia*  
(Patterson)

RESTRICTED

WASHINGTON, September 24, 1946—7 p. m.

629. In concert your Brit Colleague, you should protest to FonOff re continued illegal crossings of Morgan Line by Yugo patrols from Zone B, and terroristic actions carried out thereby against Allied forces and population of Zone A. While such incidents have occurred at many points along Morgan Line, they have been especially numerous north of Gorizia, as illustrated by following episodes:

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<sup>82</sup> For a summary of the United States note of October 8, 1946, replying to this note from the Yugoslav Foreign Ministry, see Department of State *Bulletin*, October 20, 1946, p. 725.

1. On June 19, two US soldiers investigating report of mg fire in area of San Lucia were surrounded by Yugo troops, armed with automatic weapons, at point in Zone A west of Yugo road block. Yugo troops insisted that US soldiers should go to see Yugo commanding officer, and despite their protests latter were taken to Tolmino where they were questioned and searched. Subsequently, they were taken to Bacci di Modrga, where, after appearing before interrogation board, they were confined in cellar with a mattress and blanket each. They remained in confinement, being fed only on soup, coffee and bread three times daily, until June 23 when they were moved to better and cleaner quarters, allowed to wash and shave, and given rations and bedding which Yugo authorities said came from UNRRA. On June 24 US soldiers were escorted back across Morgan Line and released.

2. On or about July 10 Yugo patrol crossed into Zone A and abducted five members of Gaberscek family (Ivan, Franc, Stanislav and Luigia) and three members of Skocir family (Stanislav, Rosina and Josip). At conference near Ursina on July 13 between Major Murrell, AUS, and Yugo Officers, latter declared these seven persons "were working in the fields when taken into custody—also they had pro-democratic literature and posters on their persons. When approached, they resisted arrest and therefore had to be turned over to higher authority." Yugos also claimed persons were in Zone B at time of arrest, but subsequently admitted that US map proved they were in Zone A, and agreed to endeavor to obtain their release.

Arrest of these persons was also confirmed by HQ Yugo Military Mission on August 2, but no info was given as to reason therefor.

3. During period of April to Aug, six members of civil police (on one occasion together with a Brit soldier) were abducted from points in Zone A near Morgan line. In same period, two members of civil police were arrested while in Zone B on authorized visit. Likewise, three school teachers, two of whom were women, were abducted from Zone A, and two of them kept in prison at Ljubljana for about 3 months.

4. Latest incident to come to attention of Allied authorities is abduction near Canale on Aug 5 of a civilian, Stanko Bremec, presumably because of his refusal to transport anti-Allied propaganda material between Zones B and A.

This Govt expects that Yugo Govt will take necessary steps to reprimand Yugo military personnel responsible for illegal arrest and detention of US soldiers, and will issue such instructions as may be necessary to stop illegal crossing of Morgan Line by Yugo patrols and molestations in Zone A of local populace. This Govt also expects

that persons abducted from Zone A will be released and allowed to return to their homes.

Sent Belgrade as 629, rptd to Paris for Secdel as 985.

CLAYTON

811.002/1-1446

*Record of Meeting of the Secretaries of State, War, and Navy,  
September 25, 1946, 10:30 a. m.*

[Extract]

TOP SECRET

Present: The Acting Secretary of State, Mr. Clayton  
The Secretary of War, accompanied by Assistant Secretary,  
Howard Petersen  
The Secretary of the Navy, accompanied by Under Secretary of the Navy Sullivan and Captain Dennison <sup>82a</sup>  
Mr. Hickerson

Mr. Sullivan inquired how the Secretary's telegram quoted above <sup>83</sup> affects the Yugoslav situation. Mr. Clayton replied that he did not think it had any effect on the Yugoslav situation since we have not extended any credit to Yugoslavia and do not contemplate doing so. Mr. Sullivan inquired whether the Secretary's telegram did not have in mind UNRRA assistance to Yugoslavia and Mr. Clayton replied that he felt sure that the Secretary had in mind only actions of the United States Government and not activities of international organizations like UNRRA.<sup>84</sup> There followed a general discussion of this point. Mr. Forrestal said that he still felt that something should be done if possible to end this anomalous situation in which the United States was paying for 72 percent of the UNRRA program to a country which is manifestly unfriendly to us. He pointed out that there are still large quantities of goods to go to Yugoslavia under the UNRRA program. Mr. Clayton said that he did not like this situation either but that any action to be taken to end it should be taken by UNRRA itself. He said that the Central Committee of UNRRA could perhaps

<sup>82a</sup> Capt. Robert L. Dennison, Assistant Chief of Naval Operations (Politico-Military Affairs).

<sup>83</sup> Reference is to telegram 4787, Delsec 986, September 24, from Paris; for text, see vol. VII, p. 223.

<sup>84</sup> With regard to this subject, telegram 4865, September 27, 1946, from the Secretary in Paris to Acting Secretary Clayton read as follows: "I have noted press reports to the effect that UNRRA shipments are now moving to Yugoslavia. While I do not want to cancel any definite agreements I am convinced that a fair review of this situation by UNRRA would bring to light the fact that these supplies are not needed. I have in mind the recent case of Czechoslovakia where 10 million dollars worth of material supposedly needed in that country was being diverted elsewhere. I would like to have done everything consistent with our obligations to slow down shipments to Yugoslavia." (850.40 UNRRA/9-2746)

review the programs previously planned by it for certain countries to determine whether mistakes in allocations had been made but that the initiative should be taken by the Central Committee itself. He added that he was by no means certain that the Central Committee could obtain the votes to alter the programs already approved at this late date.

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811.20200 (D)/9-2546 Telegram

*The Acting Secretary of State to the Ambassador in Yugoslavia  
(Patterson)*<sup>85</sup>

US URGENT

WASHINGTON, September 26, 1946.

637. The Department has received further word on the Yugoslav Government's note concerning the USIS in Belgrade.

A Yugoslav Foreign Office note dated September 18 and received by the US Embassy September 20, stated that the USIS was worsening relations between the United States of America and the Federal Peoples Republic of Yugoslavia because the USIS daily news bulletin is displayed publicly in the reading room and distributed to private individuals. The note stated that the bulletin should not contain articles attacking FPRY and should be circulated only to newspapers and Yugoslav ministries. If USIS failed to comply, the note warned, the Yugoslav Government would suspend the USIS operation.

On September 21, the US Embassy sent a reply to the Foreign Office. It described the contents and distribution of the bulletin and stated that the Embassy did not agree with the Yugoslav Government attitude that there was any infraction of the established USIS program or a violation of the Yugoslav press law. It was pointed out that since September 20 distribution of the bulletin had been limited to Yugoslav ministries, officials and publications and to UNRRA, foreign missions and foreign correspondents. It concluded that subject to Yugoslav agreement USIS library and exhibit room would continue to display publicly brief news items of world interest but none which the FPRY could construe as unjust attacks.

On September 22 a Yugoslav Foreign Office note stated USIS was continuing its hostile campaign against the FPRY, charging that USIS had reprinted and distributed to private citizens in Yugoslavia

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<sup>85</sup> This telegram is a statement read to the press on September 26 by a Department of State spokesman. It follows closely telegram 959, September 25, 2 p. m., from Belgrade (811.20200 (D)/9-2546). Neither the Yugoslav Foreign Ministry's notes of September 18 and 22 nor the Embassy's notes of September 21 and 23 referred to in this telegram are printed. Texts of the four notes were transmitted to the Department in despatch 507, September 25, from Belgrade, not printed.

mimeographed copies of a series of articles written by Eric Pridonoff, former Embassy attaché. The note concluded that the Yugoslav Government considered the work of USIS as hostile and had decided to withdraw permission for the USIS operation. The Embassy was asked to cease that operation.

On September 23, the Embassy replied, stating that the Pridonoff articles had been reproduced without authorization on the USIS mimeograph machine by an American government employee who was not a member of USIS and that copies of the articles had not been distributed by USIS. The person involved has been discharged. The reply expressed the hope that the Yugoslav authorities would reconsider their request that USIS cease operation in view of the explanation that USIS did not distribute the Pridonoff articles and the fact that steps had been taken to avoid similar incidents in the future.

Although the Yugoslav Foreign Office informed reporters at a press conference September 24 that all USIS operations would cease forthwith, the Embassy, before proceeding further with its negotiations with the Yugoslav Government in an effort to achieve a mutually satisfactory basis for the continuation of USIS activities, is awaiting a reply to its note of September 23.<sup>86</sup>

CLAYTON

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811.20200 (D)/9-2646 : Telegram

*The Ambassador in Yugoslavia (Patterson) to the Secretary of State*

SECRET

BELGRADE, September 26, 1946—6 p. m.

US URGENT

[Received 7:25 p. m.]

973. ReEmbtel 972, September 26.<sup>87</sup> USIS closing can only be understood in light of internal political situation as reported to Department; Embtel 564, June 6<sup>88</sup> predicted closing and should be read by heads of OIC.

Regime patently considers it vastly more important to keep people out of touch with Western democracies than to cultivate good relations with U.S. Reading room contained copies of *New York Times*, *Baltimore Sun* and other papers which printed articles defined by Yugo-

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<sup>86</sup> Telegram 966, September 26, noon, from Belgrade, reported that the Embassy that morning received a note from the Yugoslav Foreign Ministry dated September 24 which acknowledged the Embassy's note of September 23 but stated that the Yugoslav Government considered its views fully justified and had to persist in requesting that the USIS and the American reading room in Belgrade suspend their activities without delay (811.20200(D)/9-2646). The USIS premises were closed at noon on September 26. For statement on this closing made by Acting Secretary of State Clayton to the press on September 27, see Department of State *Bulletin*, October 6, 1946, p. 637.

<sup>87</sup> Not printed.

<sup>88</sup> *Ante*, p. 897.

slav Government as anti-Yugoslav propaganda. As long as it was read USIS could not well restrain people from copying extracts and distributing them. Offense was heightened by making daily press bulletin available. In some instances visitors copied extracts and had them mimeographed or typewritten elsewhere for distribution.

Brandel of *New York Times* hit nail on head when he said chief reason for recent action was inclusion of US ultimatum note in daily bulletin. When Foreign Office called in Breese, see Embtel 852, August 29,<sup>89</sup> Breese asked why US notes were propaganda while Yugoslav notes were not and argued point unsuccessfully.

Pridonoff articles merely provided excuse Yugoslav Government was waiting for. It is only part of campaign against Embassy since its establishment. All Yugoslavs who do not support regime are considered "enemies of the people" and mere existence of Embassy representing world's greatest democracy gives some comfort to them. This angers Communist rulers who are aware that masses of people are against their regime. Campaign against Embassy presumably will continue unless we cease all contact with persons opposed to regime and cease to make available to public any published matter critical of it.

PATERSON

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[On September 27, 1946, Acting Secretary of State Clayton made a statement to the press regarding the operation of the United States Information Service in Yugoslavia and the suspension of that operation on September 26 at the request of the Yugoslav Government. For text, see Department of State *Bulletin*, October 6, 1946, page 637.]

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740.00119 Control (Italy)/9-3046 : Telegram

*The United States Deputy Political Adviser at Allied Force Headquarters (Byington) to the Acting Secretary of State*

TOP SECRET

CASERTA, September 30, 1946—11 a. m.  
[Received September 30—10:50 a. m.]

764. General Airey, Chief of Staff, AFHQ, instructed Med Joint Planning Staff, of which I am a member, to examine current Allied operational policy and to make appropriate recommendations as to

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<sup>89</sup> Not printed; it reported that Eric Kos, Director of the Press Department of the Yugoslav Foreign Ministry, had called in William E. Breese, the American Embassy Press Attaché, and explained to him that the Yugoslav Foreign Ministry had no objection to the distribution by USIS of materials on science, culture, etc., but did object to the release of articles critical of Yugoslavia (811.20200(D)/8-2946).



any revision in that policy made necessary by the political situation and changes in military situation.

At meeting held for this purpose, it was stated that under recent directive of US War Dept there must be a reduction by January 1 of 5000 US troops available in this theater.

Military authorities pointed out that although War Dept ordered that 88th Division was to be maintained at full strength this reduction would have to be applied to service type troops which are essential as a reserve to supply 88th Division in case of combat. Once total theater strength has been thus reduced, 88th Division in event of hostilities will become noneffective operationally as soon as supplies of any type already in 88th Division area are exhausted. This condition in opinion of G-3 Section, would take place 2 weeks after the start of active operations.

This new American reduction coming on top of reduction (see paragraph 6 my 716 of August 23<sup>90</sup>) that has already taken place in British forces in VG has apparently made logistically unsound the policy publicly pronounced by SAC that it is intention of both Govts to maintain status quo in VG until an agreed settlement has been put into War Dept's directive seems even more (re Dept's 93 March 20) premature when one considers that according to G-2 reports the 50,000 Yugoslav troops across the Morgan Line are being refurnished with standard Russian equipment.

Because of its serious political implications, the situation described above has seemed to me of sufficient importance for me to bring it to Dept's attention with suggestion that Dept may wish to consider requesting War Dept to postpone this decrease in American military strength in Italy at least until results of Paris Peace Conference are established and political situation re VG is more secure than it is at present.

Sent Rome as 544, and Paris 71 for Delsec.

BYINGTON

860H.00/10-146 : Telegram

*The Ambassador in Yugoslavia (Patterson) to the Secretary of State*

SECRET

BELGRADE, October 1, 1946—10 a. m.

[Received October 2—4: 44 p. m.]

1001. Embtel 923, September 14, Paris 114.<sup>91</sup> Two prominent Serbs

<sup>90</sup> Not printed; it reported on the redeployment of Allied military forces from North Italy (740.00119 Control (Italy)/8-2346).

<sup>91</sup> Not printed; it reported that Miloš Trifunović, Prime Minister of the Yugoslav Government in Exile in 1943 and head of the Yugoslav Radical Party, had been arrested on September 12, 1946, by the Yugoslav secret police (860H.00/9-1446).

visited Dr. Ribar, president of praesidium, few days ago to protest arrest of ex-Premier Milosh Trifunovich and his continued imprisonment incommunicado. Ribar answered "We have indisputable proof he was in contact with Americans."

This indicates that President of Yugoslav Government considers contact with US treasonable. However, having heard Trifunovich feared arrest we never called on him. We saw him last in April, 1946, when he called at Embassy on own initiative to give us his views (despatch 321, April 18<sup>92</sup>). . . .

In view of recent attitude of Yugoslav Government towards Embassy and towards USA in general, we gave up seeing our sources for their own protection. We have not called on Milan Grol since August 8; OZNA agents watch his house. After two talks with Dragoljub Jovanovich, we also decided to stop seeing him. We are now practically confined to partisan sources for information on internal developments.

Yugoslav Government obviously aims by secret methods to deprive opposition of any contact with Americans and thus of their slim remaining hopes that America may help Yugoslavs regain their liberties.

Continued hostile and aggressive acts of Yugoslav Government towards America (especially shooting down our planes, closing USIS and accusing our staff of spying), Yugoslav press campaign against USA, Britain, Greece and Italy coupled with troop concentrations in Slovenia, Macedonia and Albania at least suggest threat of impending aggressive military action now or later against Trieste or Salonika or both and indirectly or even directly against Western Powers in conjunction with Soviet Army.

We believe this presents far more serious threat to world peace than situations in Spain or Greece, and that question of bringing case to attention of Security Council should be considered.

Sent Department 1001, repeated Paris as 121.

PATTERSON

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811.20200 (D) / 9-2846 : Telegram

*The Acting Secretary of State to the Ambassador in Yugoslavia  
(Patterson)*

RESTRICTED  
US URGENT

WASHINGTON, October 2, 1946—7 p. m.

657. Urtel 989, 28th<sup>92</sup> and previous. Please deliver note along

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<sup>92</sup> Not printed.

following lines personally to Marshal Tito as Acting MinFonAff:

"Emb has referred to its Govt FonOff note 11267 of Sept 24<sup>93</sup> and previous communications in connection with Yugo Govt request that USIS and its American reading room in Belgrade suspend their activities. US Govt has carefully considered correspondence exchanged by Emb and Yugo Ministry of Foreign Affairs in this connection. It has been noted that while Emb has given a full explanation of incident involving dissemination of certain articles written by one Eric Pridonoff and has pointed out that that incident occurred without official approval of Emb and that appropriate steps have been taken to prevent similar incidents in future, Yugo Govt persists in its request that USIS in Belgrade be closed. US Govt consequently is forced to conclusion that it is not Pridonoff incident which is at issue in this matter. It seems obvious to my Govt that there is a wider issue involved, namely, whether Yugo authorities wish to deny Yugo people fundamental democratic freedom of access to information and opinions about other peoples. As Yugo Govt states it is aware, it was for purpose of making available to Yugo people information and cultural knowledge concerning US that US Govt undertook establishment of USIS and its reading room in Belgrade. Without access to such information about each other there can be little hope of understanding between Yugo and American peoples and without such understanding it is evident that patient efforts of statesmanship to maintain those harmonious relations between states that US on its part so much desires to see, may well be frustrated.

"Yugo Govt has on many occasions indicated its realization of importance to establishment of a sound foundation for peace, of interchange of information, science and culture, and the US Govt has welcomed Yugo Govts interests in international efforts contributing to peace and security by advancing international knowledge and understanding of peoples through all means of mass communication.

"US Govt presumes that in requesting closing of USIS and reading room in Belgrade Yugo Govt has given consideration to full implications of such action and will appreciate an expression of attitude of Yugo Govt in connection with these broader aspects of issue which as indicated above US Govt cannot but believe is fundamental to understanding between Yugo and American peoples".

For time being foregoing note will not be published in hope that constructive reply may be forthcoming.

Sent Belgrade as 657 rptd to Paris for Sec as 5240.

ACHESON

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<sup>93</sup> Not printed, but see footnote 86, p. 960.

811.20200 (D) /10-546 : Telegram

*The Ambassador in Yugoslavia (Patterson) to the Secretary of State*

SECRET

BELGRADE, October 5, 1946—7 p. m.

US URGENT

[Received 9:30 p. m.]

1025. Deptel 657, October 2. When I handed Tito Department's note on USIS today he would not reply before studying it but added reason for closing was not circulation Pridonoff articles only but "whole work of USIS" which was anti-Yugoslav Government and anti-Yugoslav people as well as against Yugoslav laws. If his Government were to allow it to reopen, they would request guarantees from US Embassy. US reading room, Tito said, had been subject constant complaints. It was not closed for any other reason, as proved by continuing operation of British, French and other reading rooms.

Marshal expressed regrets that small or big incidents between Embassy and Yugoslav authorities always got enormous publicity in US press in form of anti-Yugoslav campaign. He thought it more important to prevent incidents than to publicize them. He added that American papers usually do not give real reasons for incidents, giving American side only.

I said our press would publish anything he cared to write and added that what he said of our press was much more true of his own, as example I pointed out our press published Yugoslav notes on plane crashes whereas Yugoslav press published *none* of ours. Tito said "We have different methods of acting and working. After all, it is not possible to hide subject of American notes from the people. Everyone can listen to the radio." Velebit said US notes were "not interesting enough" and Yugoslavs needed the space for more interesting items such as reconstruction. Tito promised early written reply USIS note.

During rest of conversation we

1. Protested Wedge sentence as excessive.<sup>94</sup>
2. Reported imprisonment one of our Yugoslav employees, requesting information.
3. Requested return of \$8,000 belonging to Embassy staff confiscated by Yugoslav police in black market raids last spring and Marshal agreed to return it.
4. Mentioned US commercial air service saying sorry to see Belgrade cut off routes of main airlines. Marshal replied he would study question and hoped have something for us on it soon.
5. Mentioned Tito's charges against our staff, requesting further details, and briefly discussed Burnup case.<sup>95</sup> Velebit said Burnup's

<sup>94</sup> Regarding the sentencing of Embassy guard Wedge, see footnote 21, p. 922.

<sup>95</sup> Robert Burnup, an American road construction engineer working for UNRRA in Yugoslavia was arrested by the Yugoslav authorities at the end of September 1946 for alleged espionage activities.

case would probably be settled favorably soon. UNRRA saw him this morning.

6. Finally, Velebit said he couldn't understand why America did not return Yugoslav Danube barges.<sup>96</sup>

Sent Department 1025, repeated Paris for Secdel 128 and Moscow as 50.

PATTERSON

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[On October 11, 1946, Acting Secretary of State Acheson made a public statement regarding the trial and conviction of Aloysius Stepinac, Archbishop of Zagreb, for alleged war crimes. For text, see Department of State *Bulletin*, October 20, 1946, page 725.]

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811.2360H/10-1546 : Telegram

*The Chargé in Yugoslavia (Shantz) to the Secretary of State*

US URGENT

BELGRADE, October 15, 1946.

[Received October 15—10:17 a. m.]

1055. Reference Embtel 1039 October 8 and Deptel 672 October 7.<sup>97</sup> Following note 11928 dated 11 received October 15, 10 a. m. :

"The Ministry of Foreign Affairs presents its compliments to the US Embassy and has the honor to refer to the Embassy's note No. 496 of October 8 last<sup>98</sup> acknowledging receipt of the sum of 150,000 US dollars which the Government of the FPRY by its note No. 11149 of September 20 last, inspired by human feelings towards the innocent families of the crashed airplane No. 4374 wished to allocate as an assistance to the next of kin of the crew.

"For reasons put forth in the Ministry's note No. 9880 of August 20 last<sup>99</sup> as well as in the letter of the President of the Yugoslav Govt and Acting Foreign Minister Marshal of Yugoslavia Josip Broz Tito to H. E. Richard C. Patterson Jr., US Ambassador, dated August 23 last,<sup>1</sup> the Yugoslav Government has to persist in its view that it has to reject most decisively any responsibility for the regrettable accident and that accordingly it cannot accept the claim of the Government of the USA to pay any indemnity whatsoever for the planes. These

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<sup>96</sup> Telegram 1024, October 5, from Belgrade, read in part as follows: "Aside from Trieste problem our failure to return Yugoslav barges has probably been the sharpest thorn in our Yugoslav relations for more than year. We have more than once acknowledged Yugoslav rights to the barges but continued to keep them. This has been subject of some bitter press comment in recent months." (860H.85/10-546)

<sup>97</sup> Neither printed; they were concerned with arrangement for delivery of the Embassy's note of October 8 (811.2360H/9-2046 and 10-846).

<sup>98</sup> For summary, see Department of State *Bulletin*, October 20, 1946, p. 725.

<sup>99</sup> For summary, see telegram 813, August 20, from Belgrade, p. 925.

<sup>1</sup> For text of Marshal Tito's letter of August 23, see Department of State *Bulletin*, September 1, 1946, p. 419.

planes were flying over Yugoslav territory definitely illegally under perfect weather conditions. The damage was in consequence caused through the fault of the crew which did not obey the orders of the Yugoslav authorities to land.

"The Ministry of Foreign Affairs avails itself of this opportunity to renew to the US Embassy the assurance of its high consideration."

SHANTZ

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811.002/1-2446

*Record of Meeting of the Secretaries of State, War, and Navy,  
October 16, 1946, 10:30 a. m.*

[Extract]

TOP SECRET

Present: The Acting Secretary of State, Mr. Acheson  
The Secretary of War, accompanied by Dean Rusk <sup>2</sup>  
The Secretary of the Navy, accompanied by Under Secretary Sullivan and Captain Dennison  
Mr. Hickerson <sup>3</sup>

#### UNRRA PROGRAM FOR YUGOSLAVIA

Mr. Acheson reviewed the developments in connection with this subject since the last meeting.<sup>4</sup> He said that the three man investigating team which UNRRA sent to Yugoslavia has published a report which in effect refutes the charges which had been made about irregularities of administration and constitutes a substantial whitewash of the Yugoslavian Government and its cooperation with UNRRA. Mr. Acheson said that Mr. Clayton has talked with Mr. LaGuardia on the telephone about the seriousness of this matter and our view that UNRRA should be completely sure of its ground before accepting

<sup>2</sup> Special Assistant to the Secretary of War.

<sup>3</sup> John D. Hickerson, Deputy Director of the Office of European Affairs, apparently prepared this record.

<sup>4</sup> At his meeting with Secretary of War Patterson and Secretary of the Navy Forrestal on October 9, 1946, 10:40 a.m., Acting Secretary Acheson reported that Robert Burnup, an American road construction engineer working for UNRRA in Yugoslavia who had been arrested by the Yugoslav authorities at the end of September 1946 for alleged espionage activities, was to be released as a result of a telegram from UNRRA Director General Fiorello La Guardia to Prime Minister Tito. Acheson also reported that the Director General was sending an investigation team to Yugoslavia to look into charges of irregularities in connection with the administration of the UNRRA program (811.002/1-1446). Burnup's arrest and the work of the UNRRA investigating team are briefly described in George Woodbridge, *UNRRA: The History of the United Nations Relief and Rehabilitation Administration* (New York, Columbia University Press, 1950), vol. II, pp. 168-169.

the report of its investigators. It has been pointed out to Mr. LaGuardia that the three investigators issued their report after approximately one and one-half days in Yugoslavia. Mr. LaGuardia is considering sending another investigator to Yugoslavia to go more fully into these charges but has not yet reached a decision. Mr. Patterson said that he had not changed his mind about this matter and that he had expressed his views fully in earlier meetings. He said that as an illustration of the inadvisability of continuing the UNRRA program he would refer to the fact that Yugoslavia is laying rails furnished by UNRRA for a railroad from Belgrade to the north frontier. This increases the military potential of a country openly defying the rest of the world about the peace settlements. Mr. Forrestal expressed his concurrence in Mr. Patterson's views. Mr. Acheson said that he would discuss this whole matter with Secretary Byrnes upon his return. He said that this is much more than a question between the United States and Yugoslavia and that if we take action to stop shipments from the United States to Yugoslavia it precipitates an issue between the East and the West. He said that he did not know how Mr. Byrnes would feel about this but that he would discuss the whole matter with him.

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811.2360H/9-1846 : Telegram

*The Acting Secretary of State to the Ambassador in Yugoslavia  
(Patterson)*

TOP SECRET

WASHINGTON, October 17, 1946—7 p. m.

708. Urdes 498, Sept 13,<sup>6</sup> Deptel 618 Sept 21.<sup>7</sup> Dept notes that memo Ministry Interior enclosed with Col Vlahov's letter of Sept 10 refers to material as "information on the unfriendly work of American representatives in Belgrade".

Before entering upon any detailed discussion material in question, Dept desires you or Shantz to have informal conversation with Col Vlahov with view to developing (a) whether it was in fact his intention as indicated in his letter to furnish this "information" personally and informally; (b) whether Yugoslav Govt formally associates itself with allegations embodied in this material; and (c) what more pre-

<sup>6</sup> Not printed, but see footnote 76, p. 954.

<sup>7</sup> Not printed; it instructed Ambassador Patterson to acknowledge receipt of the letter from the Acting Chief of Tito's Cabinet and authorized him to state that the United States Government had no knowledge of the existence of any basis for the charges made by the Yugoslavs (811.2360H/9-1846).

cisely are objectives Yugoslav authorities seek to attain by bringing this "information" your attention?

You may, if you see fit, point out that allegations contained in material in so far as they concern members American Embassy appear vague, tendencious, and unsupported and say that phrasing Col Vlahov's letter and manner in which material was submitted suggest that Yugoslav authorities are also this opinion. Your efforts should be directed toward developing facts situation rather than toward taking final position this time.

Re statement your telegram 940, Sept 18 concerning Tito's "threatening to make trial public or secret depending on our attitude" Dept assumes this refers possible public or secret trial Yugoslavs whose statements are given in Ministry Interior's memo and not to any American personnel. In view, however, final paragraph urtel 940, please advise context Tito's remarks (urtel 865 Aug 31) and whether any further developments in regard trial.

Needless to state, should there be any move to seek to take any American members Embassy or Zagreb Consulate into custody or to try such person, you should in no circumstances accede to such suggestion or request.

For your personal information, Dept considers allegations as superficial, unsustainable, and in main gratuitous. But in view apparent Yugoslav objective to restrict activity and discredit personnel Embassy, matter raises important question of effective functioning our missions in Soviet-dominated areas. Consequently, in determining its course, Dept desires fullest information and will appreciate receiving comments from each American still in Yugoslavia covering specific allegations concerning him.

ACHESON

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[On October 18, 1946, Ambassador Patterson delivered to the Yugoslav Foreign Minister a note in which the United States Government condemned the use for slave labor of American citizens confined in Yugoslav concentration camps. For text of note, see Department of State *Bulletin*, October 27, 1946, page 761. Simultaneously with the release of the text of this note to the press on October 18, the Department also released the texts of the Embassy's notes of July 26, August 10, and August 28 to the Yugoslav Foreign Ministry on this same subject as well as the Yugoslav replies thereto. See *ibid.*, pages 762-764.]



740.00119 Control (Italy)/10-2446: Telegram

*The United States Deputy Political Adviser at Allied Force Headquarters (Byington) to the Secretary of State*

TOP SECRET  
URGENT

CASERTA, October 24, 1946—noon.  
[Received 12:35 p. m.]

778. When SAC inquired of me specifically whether I considered important the removal of military stores within the 90-day period after ratification of peace treaty I inquired whether present stores could not be withdrawn in 90-day period under present circumstances. No conclusive opinion in this was vouchsafed by supply sections present although US G-4 felt US side could just make it. General Harding questioned whether sufficient shipping would be available in 90-day period to take care of heavy equipment of armored division. I went on to say that this question of stores was a secondary part of whole problem. I expressed personal view that Department for reasons of policy would be against weakening of military situation that if stores were needed to strengthen military situation Department would be adverse to seeing them prematurely rundown. I also stressed that in my opinion maintenance of internal security and prevention of a *coup de main* more nearly represented role of military forces from political view rather than maintenance of internal security and delaying action in case of Yugo aggression.

Unless there are reasons not known here for confidence that weakness in Allied military situation may not encourage Yugo forces across Morgan Line to attempt a *coup de main*, premature weakening of military strength in VG and Italy and resulting adoption of policy advocated in Naf 1224 seems unwise and possibly incurs the risk that phrase "too little and too late" may once more be reached.

Regarding my 764 September 30 11 a. m.

Please see 1224 dated October 23 from SAC to CCS<sup>8</sup> in which SAC reviews Allied tasks in VG and action it would be possible to take to counter possible aggression by Yugos. He points out that he considers capabilities of his forces have now been reduced to maintenance of law and order in case of serious internal disorders or delaying action only, in case of major attack. He recommends that Allied tasks in VG should be: (1) maintenance of law and order up to Morgan Line; (2) in event of serious attack to inflicting maximum damage and delay consistent with maintaining security of his forces. He points out that this would of course entail disposition of his troops in such a manner as to enable him to carry out above tasks if such an attack appeared imminent. SAC also points out that adoption of such policy would enable him to begin reduction of certain stores held in

<sup>8</sup> Not printed.

theater against possibility of major operations and thus insure that Allied troops are in a position to leave Italy within 90 days of peace treaty ratification. He concludes by requesting guidance as to policy to be followed should he be forced to abandon Piave Line.

Both at MJRS meetings and at SAC's conference to consider final draft of above message I said that policy of US Government to maintain present position in VG until an agreed settlement had been reached and put into effect (Dept's 93, March 20, 7 p. m.) remained unchanged and that from political view there had been no decrease in Allied responsibility for that area. My British colleague has held similar view re British policy. I pointed out discrepancy between our political policy and course of action outlined in Naf 1224 which because of military developments merely proposes maintenance of law and order and delaying action to maintain security of Allied forces. I expressed personal opinion that this message to CCS was declaration of military bankruptcy in terms of political policy laid down by both Governments re VG. It remained to be seen what decision CCS would reach in choice between authorizing adequate military strength in Italy or possibly risking our announced policy.<sup>9</sup>

Repeated Rome 552.

BYINGTON

711.60H/10-3046 : Airgram

*The Chargé in Yugoslavia (Hickok)*<sup>10</sup> to the Secretary of State

BELGRADE, October 30, 1946.

[Received November 19—11:04 a. m.]

A-240. Following is FonOff reply dated October 23, 1946, to Ambassador's memoranda to Tito on various outstanding questions:

“AIDE-MÉMOIRE

“The following is the reply of the Yugoslav Government to the questions put by H. E. Ambassador Patterson, during his visit to the President of the Yugoslav Government and Acting Foreign Minister Marshal Tito, on August 27th [22nd?] at Bled and again on September 6th last in Beograd.<sup>11</sup>

<sup>9</sup> The Department replied as follows in telegram 234, November 1, to Caserta: “Premise first part your 778, Oct 24 not clear to Dept, as provision Ital treaty requiring withdrawal Allied forces from Italy within 90 days from ratification not applicable to Free Territory of Trieste. Both US and UK Govts intend to maintain forces in Free Territory until new administration is able to maintain internal security and guard frontiers.” (740.00119 Control (Italy)/10-2246)

<sup>10</sup> Ambassador Patterson relinquished charge of the Embassy and departed from Belgrade for Washington on October 25, 1946.

<sup>11</sup> For Ambassador Patterson's report on his conference with Marshal Tito at Bled on August 22, see the unnumbered telegram from Bled, August 22, 9 p. m., Department of State *Bulletin*, September 1, 1946, p. 418. For the Ambassador's report on his meeting with Marshal Tito on September 6, see telegram 892, September 6, from Belgrade, p. 949.

"1. *Yugoslav American relations.*

"The Ambassador finds that the relationship between the two countries is tense and expresses the desire that same be improved.

"The Yugoslav Government has, ever since the end of the War, consequently made efforts that the friendly and allied relations between the USA and the FPRY, forged in the heavy struggle against the common enemy, be as deep as possible.

"It was, however, the attitude of the USA Government towards the FPRY and her justified claims which rendered this sincere endeavour impossible and which is still continually worsening these relations.

"It is supposed that, on this opportunity, this needs no further explanation. It is sufficient to remind that it was America who, in her recommendations and through her attitude regarding the questions of the Yugoslav Italian frontier, Trst,<sup>12</sup> reparations, War criminals etc., went farthest in damaging the justified interests and claims of the FPRY. The American Government illegally detains an enormous part of our river shipping which would be so much necessary for the reconstruction of our country ravaged by war.

"Generally, the denying of the basic rights of the FPRY as well as the systematic supporting of the aggressor and yesterdays barbarous enemy must create within the people of Yugoslavia a grievous impression on the USA whom they were used to look at with so much hope as at a mighty defender of democratic principles, a fighter against Fascism and a supporter of those who suffered from the common enemy.

"We regret to see, too, that the attitude of the members and employees of the American Embassy in Beograd has not either contributed to the lessening of the feeling of tenseness in the relationship. On the contrary. Official representatives of the American authorities often came into collision with the Laws and rules of this country; as a matter of fact they were denying these Laws and rules and behaving as though they were not in a sovereign and friendly country.

"So Members and employees of the Embassy avoid legal channels when changing dollars into dinars disregarding the Yugoslav Currency Regulations; Major Coombs publicly insults the President of the Yugoslav Government; Eric Pridonoff and some other members of the Embassy are involved in terroristic organizations and openly calumniate the Regime. William Wedge prepotently [*sic*] drives a jeep through Beograd on May 1st when large crowds were in the streets and kills and injures passengers. American soldiers serving with the Embassy walk in Beograd illegally armed and kill a soldier of a foreign Army on duty in Yugoslavia; in the American Reading Room antinational and calumnious material on the FPRY is collected and exhibited to the public; the Embassy refuses within its own competence entry visas to Delegates on the Congress of American Slavs; Walter Floreck dishonors the Yugoslav national flag etc . . .

"All these circumstances are well known to the Embassy. It was, however, necessary to point them out as to emphasize where the diffi-

<sup>12</sup> Slovenian for Trieste.

culties for the improvement of the relationship between the two countries are.

"The Government of the FPRY will continue with its sincere endeavours aiming at this improvement. The Government of the FPRY has, up to now, given many proofs of its good will and tolerance; it will welcome any such endeavouring by the American Government and Embassy respectively, but it is aware that its unilateral endeavouring solely, without the practical manifestation of a similar desire on the side of the American Government, cannot reach the expected end.

*"2. Yugoslav Press*

"In connection with the objections of Ambassador Patterson in the premises, attention should be drawn to the sharp anti-Yugoslav attitude of the American Press. The American Press does not only omit the reproduction of speeches and argumentations of the Yugoslav Delegation in Paris—and if it does it is with alterations—but also publishes most brutal attacks written sometimes in absolutely unqualified ways, upon the FPRY and her leaders.

"Thus for instance expressions as those used recently by the *New York Times* concerning the FPRY have never been observed in the Yugoslav Press regarding the American Government. Accordingly in this respect, too, it applies that only a mutual understanding and good will can lead to the improvement of the present state. As soon as the American attitude towards Yugoslavia, as well as the voice of the American Press regarding Yugoslavia become more objective, our press will, no doubt, have no reasons to deny most ample publicity to American reports.

*"3. Free contact with Yugoslav Officials.*

"The Yugoslav Government not only has no objections but itself wishes to contribute to such a contact.

*"4. Treatment of American citizens.*

"The Yugoslav Government has never disputed full rights to American citizens. Persons regarding whom the Embassy alleges that they were 'as American citizens detained in concentration camps' are Volksdeutsche who declared themselves during the occupation Germans, were as such considered citizens of the Reich, became members of the 'Kulturbund' Nazi organization and most actively cooperated with the enemy.

"For this reason they have been detained in camps pending the decision on their transfer. Nevertheless the Government of the FPRY met the request of the American Government even in this respect, and put at the disposal of the Embassy for repatriation to the USA all those Volksdeutsche whose American citizenship is recognized by the Embassy. Accordingly the Yugoslav Government will grant exit visas to all those Volksdeutsche whose passports will be submitted.

"The view on principle of the Government of the FPRY regarding the question of citizenship, in general was put forth in the Note of the Ministry of Foreign Affairs No. 11128 handed over to the

Embassy on September 26th and it is fully in harmony with international Laws.<sup>13</sup>

"In fact all those Volksdeutsche who have had their passports submitted in accordance with the above, received exit visas and a group left already Yugoslavia on October 12th.

"5. *Reciprocal Immunity for Embassy Employees.*

"In accordance with generally accepted international principles diplomatic immunity is to be accorded to Members of the Diplomatic Corps i.e. to persons appearing on the diplomatic list. Employees of Diplomatic Offices/ such as drivers, butlers, guards, cooks and so on/ are according to these principles not recognized having such a diplomatic immunity such one not being necessary for the carrying out of their regular duties.

"The Government of the FPRY sees no reason for a refusal of compliance with these international principles.

"6. *Travel facilities for Embassy Staff.*

"For the so called 'non diplomatic staff' of the Embassy—as described in the above point—provisions have so far been laid down that a travel permit is required for travelling outside the seat of their Office. No travel limitation exists throughout the country for diplomatic personnel. Permits required for the non diplomatic personnel are being issued promptly.

"These provisions, which have only a provisional character, apply without any exceptions to all diplomatic Officers and so it is impossible to make a discrimination regarding the American Embassy.

"7. *Access by the Embassy to Americans in camps in Yugoslavia.*

"This is being regulated by the Yugoslav Laws as far as judicial proceedings are in question.

"Concerning camps the Government of the FPRY has, on this opportunity to draw attention to the fact that the American occupation authorities deny to the official Delegates of the Government of the FPRY access to the camps within the American occupation Zones in Austria and Germany in which the inmates are exclusively Yugoslavs. The American authorities deny this right to the Yugoslav Delegates in spite of the fact that the inmates of those camps are subject to no accusation whatsoever and although no American sovereign territory is in question but Zones which the American Army holds under occupation on behalf of all the United Nations.

<sup>13</sup> In a note of August 29, 1946, to the Yugoslav Foreign Ministry, the Embassy requested that the Yugoslav Government permit naturalized American citizens, many of whom were being held in concentration camps for so-called "Volksdeutscher", to be granted exit visas to leave Yugoslavia before October 16, 1946, so as not to lose their nationality under the terms of the United States Nationality Act of 1940 (as amended). In reply, the Yugoslav Foreign Ministry's note of September 26, 1946, stated that the Yugoslav Government would accord all rights of American citizenship to all persons who, under Yugoslav law, did not appear to be Yugoslav citizens, and whose American citizenship was recognized by the Embassy. The Yugoslav Government was also prepared to hand over to the Embassy any "Volksdeutscher" whom the Embassy recognized as American citizens and undertook to send out of Yugoslavia forthwith.

"8. *Embassy plane.*

"With reference to Marshal Tito's answer this question is now no more outstanding.<sup>14</sup>

"Beograd, October 23rd 1946."

HICKOK

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811.2360H/11-1646 : Telegram

*The Chargé in Yugoslavia (Hickok) to the Secretary of State*

TOP SECRET

BELGRADE, November 16, 1946—noon.

[Received 3:14 p. m.]

1157. Deptel 708, October 17. After we tried nearly 3 weeks see Vlahov, Foreign Office finally told us they, not he, were competent discuss charges "unfriendly work" of American representatives Belgrade. Vlahov merely acted as intermediary between Tito and Embassy to get report to us promptly. So we informally told Foreign Office gist of Deptel and received following answers today orally:

To questions (a) "No."

(b) "It does."

(c) "To produce to American Embassy and Department evidence of inimical activities of certain members of Embassy staff so that American authorities could take efficacious steps to prevent such activities which has been one of reasons of difficult relations between American Embassy Belgrade and Yugoslav Government."

To our question what Tito meant when said depending on our action he might make trial public Foreign Office replied, "Expected reaction is that State Department will withdraw all members of Embassy staff involved these questions. Persons having diplomatic immunity can, of course, not be put on trial but Yugoslav Government in accordance international diplomatic customs requests that these persons be immediately withdrawn. Reason why Yugoslav Government would be glad to avoid public trial is that evidence against official American diplomatic representatives and charges are such that they would raise high dissatisfaction against American Government in Yugoslav public opinion. This would make more difficult endeavors of Yugoslavia make relations between two countries easier." (Foreign Office spokesman, Bruner, drew comparison recent public trials Canada accusing certain Soviet representatives. He thought result was deep injury Soviet-Canadian relations and Yugoslav anxious avoid such affair.)

To our statement that Department found allegations so far as they concern members American Embassy seemingly "vague, tendentious and unsupported" and Yugoslav authorities perhaps also think so, to

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<sup>14</sup> For arrangements with regard to the Embassy plane, see telegram 892, September 6, from Belgrade, p. 949.

which we added we were puzzled by charges and personally felt full confidence in our staff from Shantz on down, Foreign Office replied:

“Yugoslav Government is surprised at statement that American Government is puzzled at charges alleged ‘weak, unsupported, tendentious’. Yugoslav Government considers that for instance supplying of illegal subversive terrorists in Yugoslavia with weapons and wireless communication as well as organizing communications between terrorists in Yugoslavia and abroad for purpose of overthrowing by force legal and recognized government and killing prominent representatives of government should be quite sufficient for serious charges against diplomatic representatives of friendly country. Yugoslav Government has obtained further evidence from investigation still in course which makes charges even more heavy. From the investigation the facts to which they refer must be well known to Embassy and so Yugoslav Government is confident that State Department will in interests of good relations between two countries take any action which it might deem necessary.”

By this last sentence Bruner indicated others on Embassy staff not yet named in charges might be implicated. He said further details might still be given by Yugoslav Government but preliminary report was to allow American Government to make own investigation and take action which it was hoped would make unnecessary any further action by Yugoslav Government.

We said we still thought charges unwarranted against most if not all our staff. If in some cases inexperienced personnel had gone beyond their competency we were sure it was not with intention of overthrowing Yugoslav Government or assassinating leaders. We mentioned much factual material like mining statistics and treaty texts ordinarily provided matter of courtesy by foreign government to friendly Embassies unobtainable from official channels here.

Today's *Politika*<sup>16</sup> publishes story alleging members American Mission Albania aided terrorists that country. Translation forwarded in airgram 252 of November 15.<sup>17</sup>

HICKOK

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811.2360H/10-1546 : Telegram

*The Acting Secretary of State to the Chargé in Yugoslavia (Hickok)*

RESTRICTED

WASHINGTON, December 13, 1946—2 p. m.

838. Urtel 1055 Oct 15.<sup>17</sup> You should reply to FonOff note Oct 11 substantially as follows:

“US Govt has noted statement in Mins note 11928 Oct 11 refusing payment indemnity for two unarmed Amer transport planes shot

<sup>16</sup> Official newspaper of the People's Republic of Serbia.

<sup>17</sup> Not printed.

down by Yugo fighter aircraft Aug 9 and 19, 1946, respectively, alleging 'these planes were flying over Yugo territory definitely illegally under perfect weather conditions'.

As pointed out in US Govts previous communications to Yugo Govt aircraft shot down Aug 9 had unexpectedly encountered adverse weather, consisting of heavy clouds, icing and high winds. According to testimony of pilot this plane, who had been carefully instructed to avoid flying over Yugo territory, he was on instrument flight at about 15,000 feet and searching for way to emerge from overcast. When he came out of clouds he realized he had drifted off his prescribed course. Before he was able determine his location his plane was attacked by Yugo fighters. His presence over Yugo territory was entirely caused by circumstances beyond his control, and as such can only be considered to have been a result of *force majeure*.

Testimony of pilot of aircraft shot down Aug 19 cannot be obtained. Nonetheless, meteorological records available to US Govt clearly demonstrate inclemency of weather at time on flight route this ill-fated aircraft. At time of departure this plane from Vienna weather reports then available covering its prescribed route indicated winds 15 miles an hour at 10,000 feet and icing at 12,500 feet—weather conditions which were not sufficiently adverse to cause postponement or cancellation this flight. Pilot this plane, Captain Claeys, accordingly departed at 8:29 AM local time as planned.

Meteorological data prepared shortly after Captain Claeys' departure and testimony of Major James E. Gordon, pilot of another plane which took off from Vienna for Udine enroute to Pisa at 9:23 AM local time, less than one hour subsequent to Captain Claeys' departure, reveal that weather conditions encountered by Captain Claeys were in reality much more severe than latter expected. Strataform and cumulus clouds actually extended over much of prescribed flight route. In place of 15 mile an hour wind of which both Captain Claeys and Major Gordon were informed, actual force this wind as estimated by Major Gordon was between 30 and 40 miles per hour at 10,000 feet.

All available evidence thus leads to conclusion that Captain Claeys' plane encountered materially increased cloud formation and materially increased wind velocity over what he had been led to expect. Conditions such as Captain Claeys actually met require that flight be performed on instruments since it is impossible to maintain visual contact with ground. Captain Claeys' plane did not have necessary equipment to ascertain wind strength. It must therefore be assumed that pilot was flying on instruments and was not aware of exact extent of increase in wind velocity. He was thus unable make necessary adjustments in his course to avoid being blown over Yugo, a position which in accordance with standing directives he had been carefully instructed to avoid. Hence this plane, like its Aug 9 predecessor, was over Yugo territory only for reasons of *force majeure*.

It is an established principle of international practice that prior permission for flight through air space of a particular state is not required when flight is occasioned by *force majeure*. Marshal Tito in his conversation with Amb Patterson Aug 22, 1946 (urtel Aug 22 9 PM<sup>18</sup>) stated that Yugo will always accept planes forced off course

<sup>18</sup> For text, see Department of State *Bulletin*, September 1, 1946, p. 418.



for weather trouble, loss of direction or mechanical difficulties. Consequently, and in view circumstances outlined above, US Govt emphatically rejects contention of Yugo Govt that these two planes were illegally over Yugo territory. US Govt must therefore again request Yugo Govt reconsider its position in regard to compensation for loss of two US aircraft concerned."

ACHESON

811.2360H/12-2646 : Telegram

*The Chargé in Yugoslavia (Hickok) to the Secretary of State*

RESTRICTED

BELGRADE, December 26, 1946—7 p. m.

[Received December 27—9 : 45 a. m.]

1257. Deptel 838, December 13. Replying to Embassy's note 661 of December 18 Foreign Office note December 24 in substance as follows.

Yugoslav Govt immediately after incident carefully investigated all circumstances including weather and informed American Govt all details its findings fully proving illegality of flights over Yugoslav.

Fact that infringement of Yugoslav territory was at that time daily systematic and made by number of planes excludes any supposition that deviation caused by weather conditions.

With re weather conditions it is notorious that at time and in particular area extraordinary dryness and abnormal heat reigned and on days of accident there was perfect visibility.

Accordingly Yugoslav Govt surprised that American Govt persists in allegation that flights caused by adverse weather consisting of heavy clouds, icing and high winds. This allegation based on mere conjecture or solely on statement of pilot of first plane who referred to weather conditions to avoid responsibility for disobeying landing order.

Yugoslav Govt must persist in its view set forth in its notes of August 20 and October 11 and must reject the requested indemnity for planes which met with accident exclusively by fault of American competent authorities and of the pilots.<sup>19</sup>

Full text follows by mail.

HICKOK

<sup>19</sup> Telegram 34, January 17, 1947, to Belgrade, instructed the Chargé to reply to the Yugoslav Foreign Ministry along the following lines: "US Govt acknowledges receipt of FonOff note of Dec 24 refusing US Govt's further request for payment of compensation for two Amer airplanes shot down over Yugo on Aug 9 and 19, 1946, respectively. US Govt, which has made its views in this matter abundantly clear, finds Yugo Govt's communication entirely unsatisfactory and fully reserves its position in respect to compensation for two aircraft concerned." (811.2360H/2-2646)

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